



LABORATORIES LIMITED

21st ANNUAL REPORT
2008-09



TWENTY FIRST ANNUAL REPORT 2008-09

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.

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NOTICE

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

Date : 22nd September 2009
Day : Tuesday
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, 2009 and the Balance Sheet as on that date along with Directors' Report thereon.
2. To appoint a Director in place of Shri Ram K. Khadka, who retires by rotation and, being eligible, offers him self 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. 323.48 lacs (Rupees Three hundred twenty lacs and forty Eight 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.

By order of the Board,

Date : 30th June, 2009

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 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 THAN 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 8th September, 2009 to Tuesday, the 22nd September, 2009 (both days inclusive).
3. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
4. Members are requested to:
 - (a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - (b) Notify immediately the Change if any, in the registered address, to the Company.

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, 2009 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. 323.48 lacs (Rupees Three hundred twenty lacs and forty Eight 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.

REGISTERED OFFICE

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

Date : 30th June, 2009

By order of the Board,

Kamlesh J. Laskari
Chairman & Managing Director

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the TWENTY FIRST ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2008-09 ended 31st March, 2009.

(Rs. in lacs)

1. FINANCIAL RESULTS :

Particulars	2008-09	2007-08
Profit before Interest, Depreciation & Taxation	73.16	74.28
Less : Interest	44.14	39.10
Profit Before Depreciation & Taxation	29.02	35.18
Less : Depreciation	24.48	21.66
Profit before tax	4.54	13.52
Less : Provision for Taxtion	1.09	2.02
Profit after Tax	3.54	11.50
Add : Opening balance of Profit & Loss Account	56.36	44.86
Balance carried to Balance Sheet	59.90	56.36

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. 834.96 lacs compared to Rs. 770.22 lacs during 2007-08. 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 2009-10.

The Company earned Profit before Interest and Depreciation of Rs.73.16 lacs during the year under review compared to Rs. 74.28 lacs during 2007-08. The Profit Before Depreciation & Taxation for the year was Rs. 29.02 lacs during the year under review compared to Rs. 35.18 lacs during 2007-08. The Net Profit during the year under review was Rs. 3.54 lacs compared to Net Profit of Rs. 11.50 lacs during 2007-08.

The Company has increased the installed capacity of Injectables from 40,00,000 units to 90,00,000 units.

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

6. 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 principle

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, 2009 being end of the Financial Year 2008-09 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.

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 :

	<u>2008-09</u>	<u>2007-08</u>
i. Electricity:		
a. Purchased		
Units	146366	161662
Total Amount (Rs)	886156	8586894
Rate/Unit Rs.	6.05	5.30
b. Own Generation Through Diesel Generator		
Unit	336	115
Total Litres	335	130
Unit per Ltr. of Diesel Oil	0.99	1.13
Cost/Unit (Rs.)	34.28	40.68
ii. Furnace Oil/L.D.O. :		
Quantity (in Ltrs)	13540	5900
Total Amount (Rs.)	597582	202075
Avg. Rate (in Rs. per 1 Ltr.)	44.13	34.75

2. Consumption per unit of production :

Electricity (Kwh)	0.0070935	0.0118107
L.D.O. (Ltr)	0.0006562	0.0004310
Diesel (Ltr)	0.0000162	0.0000095

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. 321600/-).

There Foreign exchange earnings and are Rs. NIL (F.O.B.) (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 : 30th June, 2009

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 6 th September 2008 Yes(Y)/No(N)
Karnesh 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	Shri Ram K. Khadka
Date of Birth	24-08-1966
Date of Appointment	30-09-2002
Expertise in specific functional areas	Marketing and Management
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 05-05-2008, 30-06-2008, 25-07-2008, 24-10-2008, 30-01-2009 and 04-03-2009.

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	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: 30-06-2008, 25-07-2008, 24-10-2008 & 31-01-2009.
Dr. Mahendra P. Shah			
Ms. Ranak K. Laskari			

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. Khacker Member - Non-executive

Majority members attended the meetings held on 30-06-2008 & 30-01-2009.

Details of remuneration paid:

1. Shri Kamlesh J. Laskari, Managing Director was paid Rs. 10,38,356/- as managerial remuneration during the year 2008-09.
2. Sitting Fees are paid to Directors for attending meetings. No Commission or Stock Option has been offered to the Directors.

5. SHARE HOLDERS/INVESTORS' GRIEVANCES COMMITTEE :

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

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

The Company received 13 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 2009.

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
2005-2006	29-09-2006	10.30 a.m.	737, Bikanpur Village, Sola-Santej Road,
2006-2007	14-09-2007	10.30 a.m.	Taiuka:Kaloi(N.G.),
2007-2008	05-09-2008	10.30 a.m.	Dist.: Gandhinagar - 382 721.

Pursuant 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.

7. DISCLOSURES :

- a) The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- b) There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.

8. MEANS OF COMMUNICATIONS :

- a) In compliance with the requirements of the Listing Agreement, the Company is generally intimating Unaudited/ Audited Financial Results to the Stock Exchange/s. These Financial Results are generally published in local newspaper of Gujarat. Results are not displayed on Website and are not sent individually to the Shareholders.
- b) During the year ended on 31st March 2009, no presentation was made to Institutional Investors or analyst or any other enterprise.
- c) Management Discussion and Analysis form part of the Annual Report.

9. SHAREHOLDERS' INFORMATION :

- a) Registered Office : 737, Rakanpur Village, Sola-Santej Road,
Taluka : Kalol (N.Guj.), Dist. : Gandhinagar - 382 721.
- b) Annual General Meeting : Day : Tuesday
Date : 22nd September, 2009
Time : 10.30 a.m.
Venue : 737, Rakanpur Village, Sola-Santej Road,
Taluka:Kalol(N. Guj.), Dist. : Gandhinagar - 382 721.
- c) Financial Calendar :
1st Quarter Results : End-July, 2009
Half-yearly Results : End-October, 2009
3rd Quarter Results : End-January, 2010
Audited yearly Results : End-June, 2010.
- d) Book Closure Dates : From : Tuesday The 8th September, 2009
To : Tuesday The 22nd September, 2009.
(Both days inclusive).
- e) Dividend Payment Date : Not applicable.
- f) Listing of Shares on Stock Exchanges : 1. Ahmedabad Stock Exchange Limited
Kamdhenu Complex, 1st Floor,
Opp. Sahajanand College, Panjara Pole,
Ambawadi, Ahmedabad - 380 015.
2. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort Mumbai - 400 001.
3. The Delhi Stock Exchange Association Limited
DSE House, 3/1, Asaf Ali Road,
New Delhi - 110 002.
- g) Stock Exchange Code :

Stock Exchange	Code
ASE	29630
BSE	524604
DSE	6668
- h) Stock Price Data : The Shares of the Company have not been traded during the period from 1st April, 2008 to 31st March, 2009 hence no information is submitted.

i) Registrar and Share Transfer Agents :

The Company has initiated certain steps to meet the requirements of SEBI Circular No. D&CC/FITTC/CIR-15/2003 dated 27th December, 2002 read with Circular No. D&CC/FITTC/CIR-18/2003 dated 12th February, 2003, on appointment of common agency for share registry work. At present, the Company has its own in-house Share Department at:

737, Rakanpur Village, Sola-Santaj Road, Taluka:Kalol (N.G.), Dist. : Gandhinagar - 382 721.

Tele Nos. : 02764-286549, 02764-286559 Fax No. : 02764-286038 e-mail : info@kamronlabs.com

j) Share Transfer System :

The transfer of shares in physical form is processed and completed by the Company's own in-house Share Department within a period of 25 days from the date of receipt thereof.

The Company is in the process of making arrangements with NSDL/CDSL to enable shareholders to hold their holding in electronic form.

k) Distribution of Shareholding as on 31st March, 2009:

No. of Equity Shares held	No. of Shareholders	%of share-holders	No. of Shares held	% of Shareholding
Up to 500	22,136	95.01	26,83,800	45.88
501 to 1000	868	3.72	6,84,800	11.71
1001 to 2000	238	1.02	3,43,050	5.86
2001 to 3000	24	0.10	57,310	0.98
3001 to 4000	6	0.02	20,900	0.36
4001 to 5000	13	0.05	63,700	1.09
5001 to 10000	6	0.02	39,900	0.66
10001 and above	15	0.06	19,56,540	33.44
Grand Total	23,306	100.00	58,50,000	100.00

l) Category of Shareholders as on 31st March, 2009:

Category	No. of Shares held	% of Shareholding
Promoters	19,58,740	33.48
Financial Institutions / Banks	---	---
Mutual Fund	---	---
Bodies Corporate	5,800	0.10
NRIs	6,06,900	10.37
Public	32,78,560	56.05
Grand Total	58,50,000	100.00

m) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity: The Company has not issued any GDRs/ADRs.

n) Dematerialisation of Shares : The Company is in the process of making arrangements with NSDL/ CDSL for Dematerialisation of Shares.

10. PLANT LOCATION : The company's plant is located at :

737, Rakanpur Village, Sola-Santaj Road, Taluka : Kalol (N. Guj.) Dist. : Gandhinagar - 382 721.

11. ADDRESS FOR CORRESPONDENCE :

For any assistance regarding share transfers, transactions, change of address, or any other query relating to shares, shareholders may contact at Registered Office of the Company at:

737, Rakanpur Village, Sola-Santaj Road, Taluka : Kalol (N.Guj.), Dist. : Gandhinagar - 382 721

Tel Nos. : 02764 - 286549, 02764-286559 Fax No. : 02764-286038 e-mail : info@kamronlabs.com

Company Officer : Shri Kamlesh J. Laskari, Chairman & Managing Director

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th June, 2009

Kamlesh J. Laskari
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments:

The pharmaceutical industry is growing with the expectation of revival of the economy, the management is hopeful of brighter future.

b. Opportunities and Threats:

With GATT provisions coming into effect, the pharmaceutical industry has been directly influenced by certain provisions. At the same time, the opportunities in healthcare industry are many. Even today, only less than 50% of the Country's population has access to proper medical facilities. With the development of hospitals, the growth opportunities of pharmaceutical industry is large.

c. Segment wise Performance:

The Company is operating in single segment. Hence, there is no need of reporting segment wise performance.

d. Recent Trend and Future Outlook:

With the increase in availability of healthcare facilities, there will be an increase in demand for medicines and thus, the future looks promising.

e. Risks and Concerns:

The increase in market size may lead to increase in number of companies/competitors leading to increase in the competition.

f. Internal Control Systems and their Adequacy:

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2008-09 is described in the Directors' Report.

h. Material Developments in Human Resources and Industrial Relations Front:

Your Company has undertaken certain employees' development initiatives, which have very positive impact on the morale and team spirit of the employees. The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year.

i. Cautionary Statement:

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

For and on behalf of the Board,

Kamlesh J. Laskari
Chairman & Managing Director

Place : Ahmedabad
Date : 30th June, 2009



AUDITORS' CERTIFICATE

To
The Members of
Kamron Laboratories Limited

We have examined the compliance of conditions of corporate governance by M/s. Kamron Laboratories Ltd., for the year ended on 31st March, 2009 as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of corporate governance as stipulated in the above-mentioned listing agreement.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Shareholders'/ Investors' Grievance Committee, no investor grievance remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DEEPAK SONI & ASSOCIATES
Chartered Accountants

Place: Ahmedabad
Date: 30th June, 2009

Deepak Soni
Proprietor

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of Kamron Laboratories Limited as at 31st March, 2009 and 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. A 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.
3. As required by the Companies (Auditors Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) 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;
 - b) In our opinion, proper books of account, as required by law, have been kept by the company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on information and explanations given to us, none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our informations and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon and **particularly note no 11 regarding no provision of Rs. 34,51,460/- and Rs.Nil being sundry debtors and loans and advances respectively considered doubtful of recovery** 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;
 - i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as 31st March, 2009;
 - ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) In so far as it relates to the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

For DEEPAK SONI & ASSOCIATES
Chartered Accountants

Place: Ahmedabad
Date : 30th June, 2009

Deepak Soni
Proprietor
M.No.31138

Referred to in paragraph 2 of our report of even date

1. In respect of its fixed assets :
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on basis of available information.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its inventories :
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to / from a company, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - a) The Company has not granted any loans. The company has taken loans from one party aggregating to Rs. 31.83 lacs during the year.
 - b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - c) In respect of loans taken by the Company, the interest payments are regular and the principal amount is repayable on demand.
 - d) There is no overdue amount in respect of loans taken by the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of any party during the year.
6. The Company has not accepted any deposits from the public during the year under review.

7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of Cost Records under section 209(1)(d) of the Companies act, 1956 in respect of manufacturing activities of the Company.
9. In respect of statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, undisputed amounts aggregative to Rs. 1,07,555/- in respect of sales-tax and tax deducted at source payable 31st March,2009 for a period of more than six months from the date of becoming payable were not deposited by the company.
10. The Company has generated Profit of Rs. 3.54 Lacs during the year under review. The company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund / society. Clause 4(xiii) of the Companies (Auditors' Report) Order 2003 is therefore not applicable to the Company.
14. The Company has not made any transactions and contracts in respect of trading in securities, debentures and other investments during the year under review. All investments have been held by the Company in its own name.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has not raised any new term loans during the year. The term loans outstanding at the beginning of the year were applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the company has not utilised any amount from short term sources towards repayment of long term borrowings and acquisition of fixed assets.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year under review.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For DEEPAK SONI & ASSOCIATES
Chartered Accountants

Place: Ahmedabad
Date : 30th June, 2009

Deepak Soni
Proprietor
M.No.31138

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule	31-03-2009 (in Rs.)	31-03-2008 (in Rs.)
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	[1]	58500000	58500000
(b) Reserves and Surplus	[2]	<u>10366239</u>	<u>68713716</u>
2. LOANS & FUNDS			
(a) Secured Loans	[3]	25277093	20714244
(b) Unsecured Loans	[3]	<u>9358825</u>	<u>7699795</u>
3. (a) Deferred Tax Liabilities			
(b) Provision For Gratuity		458774	458774
(c) Provision For Income Tax		1445078	1321644
		<u>152638</u>	<u>202838</u>
TOTAL:		<u>105558837</u>	<u>99111011</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS [4]			
Gross Block		79256586	68960435
Less : Depreciation		<u>26348524</u>	<u>23698190</u>
Net Block		52908062	45262245
Capital Work in Progress		-	507716
2. INVESTMENTS [5]			
		3726000	3726000
3. CURRENT ASSETS, LOANS AND ADVANCES			
(a) Inventories	[6]	20539872	20593951
(b) Sundry Debtors	[7]	18824824	20321084
(c) Cash & Bank Balances	[8]	2863707	1212858
(d) Loans and Advances	[9]	<u>13812976</u>	<u>15416323</u>
		56041379	57544216
Less : Current Liabilities & Provisions			
(a) Current Liabilities	[10]	<u>7206498</u>	<u>8047111</u>
		7206498	8047111
Net Current Assets		<u>48834881</u>	<u>49497105</u>
4. Misc. Expenses (Assets)			
(To the extent not written off and/or adjusted)			
Pre. Expenses		89894	117945
(Previous Year Balance)	117945		174760
Add : During the year	11264		0
	<u>129209</u>		<u>174760</u>
Less : W.off. during the year	<u>39315</u>		<u>56815</u>
TOTAL:		<u>105558837</u>	<u>99111011</u>

NOTES ON ACCOUNTS SCHEDULE [16]

As per our separate report of even date.
For DEEPAK SONI & ASSOCIATES
Chartered Accountants

Deepak Soni
Proprietor
M. No.: 31138
Ahmedabad
30th June, 2009.

For & on behalf of Board,

Kamlesh J. Laskari Chairman & Managing Director
Ranak K. Laskari Director
Dr. Mahendra P. Shah Director
Dr. S. L. Chopra Director
Ahmedabad
30th June, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

Particulars	Schedule	2008-09 (in Rs.)	2007-08 (in Rs.)
INCOME			
(a) Sales & Operating Income		83495788	77022424
(b) Increase (Decrease) in Inventories	[11]	154995	180056
(c) Interest (Gross) (Tax deducted at source Rs.Nil, P.Y. Rs.6814/-)		1496461	1076678
		<u>85147244</u>	<u>78279158</u>
EXPENDITURES			
(a) Cost of goods sold	[12]	44837772	40546348
(b) Expenses			
(1) Personnel Expenses	[13]	11512447	9885216
(2) Excise Duty		1409110	—
(3) Other Expenses	[14]	20070773	20418762
(c) Interest			
(1) On Fixed Loans		382209	345306
(2) Others		4032076	3565076
(d) Depreciation	[15]	2448374	2166194
		<u>84692761</u>	<u>76926902</u>
Profit before amortisation of expenses and Tax		454483	1352256
Less : Provision for current year's Tax		100000	202838
Provision for deferred Tax		—	—
Profit for the year available for appropriation		<u>354483</u>	<u>1149418</u>
LESS APPROPRIATIONS :			
(a) Transfer to General Reserve		—	—
Profit for the year		354483	1149418
Add : Balance of Profit & Loss account			
Brought forward Profit (Loss)		5635761	4486343
Balance of Profit carried to Balance sheet		<u>5990244</u>	<u>5635761</u>

NOTES ON ACCOUNTS SCHEDULE [16]

As per our separate report of even date.
For DEEPAK SONI & ASSOCIATES
Chartered Accountants

Deepak Soni
Proprietor
M. No.: 31138
Ahmedabad
30th June, 2009

For & on behalf of Board,

Kamlesh J. Laskari Chairman & Managing Director
Ranak K. Laskari Director
Dr. Mahendra P. Shah Director
Dr. S. L. Chopra Director
Ahmedabad
30th June, 2009

CASH FLOW FOR THE YEAR ENDED ON 31ST MARCH, 2009.

	2008-09 (in Rs.)	2007-08 (in Rs.)
(A) CASH FLOW FORM OPERTING ACTIVITIES		
Net Profit / (Loss) before tax and Extra ordinary Items	354483	1149418
Adjustments for :-		
Depreciation	2448374	2166194
Interest Paid	4414285	3910382
Interest Income (considered separately)	(1496461)	(1076678)
Depreciation on sales of assets	—	(387936)
Sub.Total	<u>5366198</u>	<u>4611962</u>
Operating Profit before working capital changes :	<u>5720681</u>	<u>5761380</u>
Increase in :		
Sundry Debtors	1496260	(1214122)
Loans and Advances	1603347	(2389525)
Inventories	54079	(3015928)
Trade payable	(840613)	3523384
Pre Expenses	28051	56815
Sub Total	<u>2341124</u>	<u>(3039376)</u>
Cash generated from operations	<u>8061805</u>	<u>2722004</u>
Tax adjustment	(150000)	—
Cash flow before extra ordinary item	<u>8061805</u>	<u>2722004</u>
Revaluation Reserve used for depreciation on Sales of revalued Assets	—	—
Net cash flow from operating activities-I	<u>7911805</u>	<u>2722004</u>
(B) CASH OUTFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(10296151)	(5857135)
Capital Work in Progress	507716	(507716)
Sales of Fixed Assets	—	485813
Investment in Shares	—	—
Interest received	1496461	1076678
Net Cashout Flow for investing Activities II	<u>(8291974)</u>	<u>(4802360)</u>
Cashflow after Investing Activities III (I+II)	<u>(380169)</u>	<u>(2080356)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowing	6221869	5951519
Gratuity Provision	123434	160058
Deferred Tax	—	—
Income Tax Provision	100000	202838
Interest paid	(4414285)	(3910382)
Net Cash Flow from Financial activities IV	<u>2031018</u>	<u>2404033</u>
Net Cash Flow after Financing activities V (III+IV)	<u>1550849</u>	<u>323677</u>
(D) CASH AND CASH EQUIVALENTS (Opening Balance)	<u>1212858</u>	<u>889181</u>
Cash and Cash equivalents (Closing Balance)	<u>2853707</u>	<u>1212858</u>
	<u>1650849</u>	<u>323677</u>

Note : Figures in the brackets are out flows.

As per our separate report of even date.

For **DEEPAK SONI & ASSOCIATES**

Chartered Accountants

Deepak Soni

Proprietor

M. No.: 31138

Ahmedabad

30th June, 2009

For & on behalf of Board,

Kamlesh J. Laskari Chairman & Managing Director

Ranak K. Laskari Director

Dr. Mahendra P. Shah Director

Dr. S. L. Chopra Director

Ahmedabad

30th June, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-03-2009 (in Rs.)	As at 31-03-2008 (in Rs.)
SCHEDULE - 1 : SHARE CAPITAL		
Authorised		
60,00,000 (Previous year - 6000000) Equity shares each of Rs.10/-	60000000	60000000
50,000 (Previous year - 50000) 11% Cumulative Redeemable Preference shares each of Rs.10/-	500000	500000
TOTAL :	<u>60500000</u>	<u>60500000</u>
Issued, Subscribed and Paid Up		
58,50,000 (Previous year - 5850000) Equity shares each of Rs.10/- fully paid up	58500000	58500000
TOTAL	<u>58500000</u>	<u>58500000</u>
SCHEDULE-2 : RESERVE & SURPLUS		
(a) Capital Reserve - State Subsidy - Balance as per last Balance Sheet	1799000	1799000
(b) General Reserve : Balance as per last Balance sheet	16000	16000
(c) Revaluation Reserve : Balance as per last Balance sheet Less : depreciation on revalued Assets	2762955 201960	2964915 201960
	<u>2560995</u>	<u>2762955</u>
(d) Balance in the Profit & Loss Account	5990244	5635761
TOTAL	<u>10366239</u>	<u>10213716</u>
SCHEDULE -3 LOAN FUNDS		
(A) SECURED LOANS :		
Long term loans from Bank of Baroda secured by mortgage and/or hyothecation of all present and future assets both movable and immovable including Land, Building, Plant & Machinery, Spare Parts etc. by way of first charge and guaranteed by Shri Kamlesh J. Laskari, Managing Director and Smt. Ranak K. Laskari, Director of the Company.	5444515	2371598
Demand loan from Bank of Baroda secured by mortgage and/or hyothecation of all present and future assets both movable and immovable including Land, Building, Plant & Machinery, Spare Parts etc. by way of first charge and guaranteed by Shri Kamlesh J. Laskari, Managing Director and Smt. Ranak K. Laskari, Director of the Company.	-	917040
Short term cash credit from Bank of Baroda against hypothecation of inventory and bookdebts and further secured by second charge on the fixed assets of the company and guaranteed by Shri Kamlesh J. Laskari, Managing Director and Smt. Ranak K.Laskari, Director of the company.	19832538	17425606
Sub Total :	<u>25277083</u>	<u>20714244</u>

	As at 31-03-2009 (in Rs.)	As at 31-03-2008 (in Rs.)
(B) UNSECURED LOANS :		
(i) Loan from the Managing director	6066558	6839833
(ii) Other trade deposits	3291867	859962
Sub Total :	<u>9358825</u>	<u>7699795</u>
TOTAL	<u>34635908</u>	<u>28414039</u>

SCHEDULE - 4 : FIXED ASSETS

Fixed Assets	Gross Block				Depreciation				Net Block	
	As at 01-04-08 Rs.	Additions Rs.	Deduction Rs.	As at 31-03-09 Rs.	Up to 01-04-08 Rs.	For the year Rs.	On ded. Adjust. Rs.	Up to 31-03-09 Rs.	As at 31-03-09 Rs.	As at 31-03-08 Rs.
Land	9010210	-	-	9010210	-	-	-	-	9010210	(9010210)
Office Equipments	2699392	235163	-	2934555	1363559	197842	-	1561401	1373154	(1335833)
Furniture & Fixtures	598911	32328	-	631239	431805	39277	-	471082	160157	(167106)
Vehicles	1929123	-	-	1929123	640418	183267	-	823685	1105438	(1288705)
Factory Building	13268646	305046	-	13573692	4512796	444660	-	4957456	8616236	(8755850)
Non Factory Building	8532986	150417	-	8683403	1911739	140749	-	2052488	6630915	(6621247)
Trade Marks	80200	-	-	80200	-	-	-	-	80200	(80200)
Plant & Machinery	32840957	9573197	-	42414154	14837873	1644539	-	16482412	25931752	(18003094)
Total	68960435	10296151	-	79256586	23698190	2850304	-	26548524	52906062	(45262245)
Previous Year	(63569113)	(5857135)	(485813)	(68969435)	(21717972)	(2368154)	(327936)	(23698190)	(45262245)	(41871141)

Notes : (1) Figures for the Previous Year have been stated in bracket.

	As at 31-03-2009 (in Rs.)	As at 31-03-2008 (in Rs.)
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SCHEDULE - 5 : INVESTMENTS (AT COST)

(a) UNQUOTED		
(i) Equity Shares of Rs. 10/- each fully paid in PRSSB Services Ltd.	3725000	3725000
(ii) Government Security Six Year NSC (With Issue)	1000	1000
TOTAL:	<u>3726000</u>	<u>3726000</u>

SCHEDULE - 6 : INVENTORIES

(As taken valued and certified by the Managing Director)

(i) Raw and Packing Materials (at cost)	2851606	2709976
(ii) Work in Process (at cost)	4932130	4802434
(iii) Finished Goods (at lower of cost or net realisable value)	12301723	12802625
(iv) Stores & Spares	159357	160957
(v) Other stock	295056	117959
TOTAL:	<u>20539872</u>	<u>20593951</u>

	As at 31-03-2009 (in Rs.)	As at 31-03-2008 (in Rs.)
SCHEDULE - 7 : SUNDRY DEBTORS		
(A) Over six months :		
Unsecured, considered good	4559631	4808930
Unsecured, considered doubtful	3451460	3301998
(B) Other debts :		
Unsecured, considered good	10814313	12210156
Unsecured, considered doubtful	—	—
TOTAL :	<u>18824824</u>	<u>20321084</u>

SCHEDULE - 8 : CASH AND BANK BALANCES

(A) On hand	1738999	136892
(B) With scheduled banks :		
In current accounts	1059317	1010575
In fixed deposits	65391	65391
TOTAL :	<u>2853707</u>	<u>1212858</u>

SCHEDULE - 9 : LOANS AND ADVANCES

(Unsecured)		
(a) Advances recoverable in cash or in kind or for value to be received	13233112	13128622
(b) Balance with custom, excise and Sales Tax	93499	220180
(c) Income Tax	161948	1120479
(d) Interest accrued on deposits /Advances	—	591875
(e) Deposits	324417	355167
TOTAL :	<u>13812976</u>	<u>15416323</u>

Notes : (1) Loans & Advances include :

(a) Considered Good	13812976	14824448
(b) Considered Doubtful	—	591875
TOTAL :	<u>13812976</u>	<u>15416323</u>

SCHEDULE - 10 : CURRENT LIABILITIES

(a) Sundry Creditors / Liabilities for goods and expenses	6816928	77,04955
(b) Sales Tax & Professional Tax	121349	89614
(c) Income tax deducted at source	268221	252542
TOTAL :	<u>7203498</u>	<u>8047111</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	2008-09 (in Rs.)	2007-08 (in Rs.)
SCHEDULE - 11 : ACCRETION /DECREASE IN INVENTORIES		
Opening stock :		
Work in Process	4802434	4920493
Finished Goods	4697771	4399656
	<u>9500205</u>	<u>9320149</u>
Closing stock :		
Work in Process	4932130	4802434
Finished Goods	4723070	4697771
	<u>9655200</u>	<u>9500205</u>
Increase(Decrease) in inventories	<u>154995</u>	<u>180056</u>

SCHEDULE - 12 : COST OF GOODS SOLD
OPENING STOCK :

Raw Materials	1820207	2425806
Packing Materials	889769	1003415
Finished Goods	8104854	4490907
	<u>10814830</u>	<u>7920128</u>

PURCHASES :

Raw Materials	28976685	29383495
Packing Materials	3282635	2169804
Finished Goods	11938132	11608475
	44197502	43161774
Freight, Cartage, on Raw Material	255699	279276
	<u>55268031</u>	<u>51361178</u>

CLOSING STOCK :

Raw Materials	1503932	1820207
Packing Materials	1347674	889769
Finished Goods	7578653	8104854
	<u>10430259</u>	<u>10814830</u>
TOTAL:	<u>44837772</u>	<u>40546348</u>

SCHEDULE - 13 : PERSONNEL EXPENSES

Salaries and Wages	9757394	7914645
Remuneration to the Managing Director	1479956	1587877
Gratuity & Welfare Expenses	275097	382694
TOTAL	<u>11512447</u>	<u>9885216</u>

	2008-09 (in Rs.)	2007-08 (in Rs.)
SCHEDULE - 14 : OTHER EXPENSES		
Power and Fuel	1566552	1181382
Stores and Spares	169079	260037
Insurance	145588	123919
Repairs and Maintenance to Machinery	186176	172217
Repairs and Maintenance to Buildings	156002	48119
Repairs (Others)	191823	283719
Discount on Sales	1047759	1938005
Publicity and Propaganda Sales Promotuin	3736677	5309227
Travelling	4306579	4138313
Freight and Custom Clearance charges	1194986	1151120
Laboratory Expenses	75731	285193
Bank charges	410661	85590
Fees for Licenses, Etc..	133082	133121
Postage, Telegram, Etc..	259986	240487
Professional Tax	2500	1000
Professional and legal fees	1988311	1088467
Audit fees	110300	112360
Listing Fees / Roc Fees	39000	18000
Loading & Unloading Charges (Labour charges)	1660306	1471588
Directors sitting fees	12000	9000
Sales Tax	538126	326234
Fringe Benefit Tax	12930	142594
Rate & Taxes	4855	5961
General charges (Incl.Telephone, Conveyance, Misc. Expenses,etc.)	2121714	1830232
Loss on Sales of Assets	-	62877
TOTAL :	20070773	20418762

SCHEDULE - 15 : DEPRECIATION

On the fixed Assets	2650334	2368154
Less : Transfer from Revaluation Reserve	201960	201960
Total :	2448374	2166194

SCHEDULE -16 :

NOTES TO THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

1. Corresponding figures of the previous year have been regrouped whenever necessary to make them comparable with current year figures.
2. Statement of Significant Accounting Policies

(a) **Basis of Accounting :**

The financial statements are prepared in accordance with the relevant presentation requirements of the Companies Act,1956 under the historical cost convention on an accrual basis.

(b) **Fixed assets :**

It is a practice of the Company to state the Fixed Assets at cost of acquisition/construction less accumulated depreciation. However, on revaluation of certain fixed assets viz the Plant & Machinery, Land, Factory Building and Non-factory Building such fixed assets have been stated at revalued amounts on the basis of their replacement value determined by the approved valuer. Increase resulting on revaluation of the fixed assets has been credited to Revaluation Reserve Account.

- (c) **Inventories** : Inventories are valued as under :
- | | |
|----------------------------|--|
| 1. Raw & Packing Materials | At Cost |
| 2. Other Materials | At Cost |
| 3. Work-In- Process | At Cost |
| 4. Finished Goods | At lower of cost or Net realisable value |
| 5. Goods for resale | At Cost |
- (d) **Foreign Currency Transactions** : Transactions in foreign exchange are accounted at exchange rates prevailing on the date on which the transaction has taken place.
- (e) **Excise Duty** : The amount of CENVAT credit in respect of materials used during the year has been deducted from excise duty.
- (f) **Research and Development** : Current revenue expenditure incurred on Research and Development is charged to Profit & Loss Account of the year, unless deferred. Capital expenditure on Research & Development is transferred to Fixed Assets.
- (g) **Revenue Recognition** : Revenue is generally recognised on being reasonably certain of settlement and ultimate collection.
- (h) **Contingent Liabilities** : These are disclosed by way of Notes appended to the Balance Sheet. Provision is made in the Accounts in respect of items which are likely to fructify after the end of the year but before finalisation of accounts to the extent such items have material effect on the position stated in the Balance Sheet.
- (i) **Deferred Revenue Expenses** : Product Launching/ Development Expenses, Process know-how Expenses, Amount paid towards voluntary Retirement Scheme and Debenture Issue Expenses are amortised over a period not exceeding 60 months.
- (j) **Borrowing Cost** : Borrowing cost of working capital management is charged against the profit for the year in which it is incurred.
- Borrowing cost attributable to acquisition of an asset which takes substantial period of time to get ready for its intended use is capitalised as part of the cost of such an asset.
- (k) **Accounting for Taxes on Income** : Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- (l) The Company has made provision in respect its liability by Gratuity in accordance with provisions of the Payments of Gratuity Act, 1972. However no actuarial valuation ascertaining the liability at the end of the accounting year has been obtained by the company.
- (m) The company in terms of the agreement of employment does not pay any leave encashment and therefore in the opinion of the management no provision in respect of leave encashment is necessary.
3. Depreciation has been provided on the fixed assets on straight line method w/s 205(2)(a) of the Companies Act, 1956. at the rates prescribed in schedule XIV to the Companies Act, 1956. Depreciation on the fixed assets added or sold during the year has been calculated on a pro-rata basis from the date of such addition or up to the date of sale.
4. Consequent upon the amendment to schedule XIV to the Companies Act, 1956 vide the notification dated 16th December, 1993 issued by the Department of Company Affairs, the company has provided for depreciation on all the fixed assets at the straight line method at the rates as prescribed in the schedule XIV for the year under review.
5. The company has not made any provision in respect of compensation Rs.4,26,000 (Previous year Rs. 4,26,000/-) determined to be payable by it vide order dated 6th January, 2000 passed by Motor Accident Claims Tribunal, Jaipur city as the company has filed an appeal against the said order.
6. Certain Fixed Assets of the Company viz the Plant & Machinery, Land, Factory Building and Non-factory Building were revalued during the year ended 31st March, 1998 on the basis of their replacement value as of 31st March, 1998 determined by the approved valuer and the surplus arising on such revaluation amounting to Rs.1,43,62,580/- in the accounts of the Company have been credited to the revaluation reserve and the said fixed assets have been shown at revalued figures.

7. Salaries, Wages and Bonus including payments to and provisions for Managing Director.	<u>2008-09</u>	<u>2007-08</u>
Salaries	1429956	1538289
House Rent Allowance & Other Allowance	50000	49588
Contributions to and provisions for Provident Fund and Family Pension Fund and Superannuation.	158400	158400
Total	<u>1638356</u>	<u>1746277</u>
8. Interest includes interest of Rs. 7.71 Lacs (2007-08 Rs.7.82 Lacs) on Fixed Deposit of Rs.57.23 Lacs (2007-08 - Rs.68.40 Lacs) paid / payable to Managing Director.		
9. In compliance with the Accounting Standard relating to Accounting for Taxes on Income - AS 22' issued by the Institute of Chartered Accountants of India(ICAI), the Company has provided deferred tax Rs. Nil (Previous Year Rs.Nil) in Profit & Loss Accounts towards deferred tax liabilities for the year ended 31 st March, 2009.		
	<u>31-03-2009</u>	<u>31-03-2008</u>
10. Earnings per Share (Basic)	Rs.	Rs.
Net Profit (After Tax) as per profit and loss account available for equity shareholders (Rs. in Lacs)	3.54	11.49
Equity Shares for calculation of earnings per shares (nos)	585.00	585.00
Earnings per Share (Basic) (Rs.)	58,50,000	58,50,000
	0.06	0.20
11. No provision has been made in the accounts for Sundry Debtors of Rs.34,51,460/- (previous year Rs.33,01,998/-) and Loans & Advances of Rs. Nil (previous year Rs.5,91,875/-) considered Doubtful of recovery. However in the opinion of the directors, current assets including sundry debtors considered doubtful, loans and advances including considered doubtful have the value at which they are stated in the Balance Sheet if realised in the ordinary course of business and therefore no provision has been made in respect of such debtors and loans and advances.The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.		
12. Confirmation of the balances of sundry debtors, sundry creditors, loans and advances are subject to confirmation and reconciliation. On receipt of confirmation and after making the reconciliation the necessary entries shall be made.		
13. Auditors' Remuneration:	<u>2008-09</u>	<u>2007-08</u>
Audit fees	1,25,000	1,00,000
Tax audit fees	50,000	20,000
Fees for taxation matters	25,000	25,000
Fees for Certifications matters	-	2,500
	<u>2,00,000</u>	<u>1,47,500</u>
14. There were no amounts overdue and remaining outstanding to small scale and/or ancillary industrial suppliers on account of principal and/or interest at the close of the year. This disclosure by the company is based on the information available with the company regarding the status of the suppliers on defined under the Micro, Small and Medium Enterprise Development Act, 2006.		
15. Estimated amount of contracts remaining to be executed on capital account and not Provided for Rs.5.00 Lacs (Previous Year Rs.5.00 Lacs)		
16. Related party disclosures as required by AS-18		
Name of the related party and nature of relationship where control exists :		
Sr.No. Name of the related party		
I. Subsidiaries Company		Nil
II. Associates Company / Enterprise where common control exists.		Nil
III. Key Management Personnel		
1 Kamlesh J. Laskari		

IV Relatives of Key Management Personnel and their Enterprise

- 1 Kamlesh J. Laskari
- 2 Ranak K. Laskari

V Directors

- 1 Kamlesh J. Laskari
- 2 Ranak K. Laskari
- 3 Dr. Mahendra P. Shah
- 4 Dr. S.L. Chopra
- 5 Ram K. Khadka

In accordance with Accounting Standard 18 Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the company has complied the required information in the attached table.

The following transactions were carried out with the related parties in the ordinary course of business.

(Rs. in Thousands)

Sr. No.	Nature of Transactions	Associates Companies	Key Personnel Mangt.	Total
1.	Purchase of material/ finished goods	---	---	---
2.	Remuneration	---	1480	1480
3.	Sitting Fees to Directors	---	12	12
4.	Lease Rent/ Shed Rent Receipt	---	---	---
5.	Conversion Charges	---	---	---
6.	Deposits from Managing Director taken during the year	---	3183	3183
7.	Repayments of Deposits to Managing Director	---	4300	4300
8.	Outstanding fixed deposit payable to Managing Director	---	6067	6067
9.	Interest paid to Managing Director	---	771	771
	Total	---	15813	15813

1. There are no write off / write back of any amounts for any of the above parties

17. The Company is engaged primarily in business of manufacturing pharmaceutical products and accordingly there are no separate reportable segments as per Accounting Standard 17 dealing with segment reporting.

18. (i) Capacity, Production, Stock and Sales :

	<u>Licensed Capacity</u>		<u>Installed Capacity</u>		<u>Production</u>	
	Year	Capacity	Year	Capacity	Year	Production
TABLETS	2008-09	N.A.	270000000	Nos.	14491837	Nos.
	2007-08	N.A.	270000000	Nos.	6099899	Nos.
CAPSULES	2008-09	N.A.	54000000	Nos.	1353040	Nos.
	2007-08	N.A.	54000000	Nos.	1209636	Nos.
INJECTABLES	2008-09	N.A.	9000000	Nos.	4788693	Nos.
	2007-08	N.A.	4000000	Nos.	6378206	Nos.

(ii) Quantitative and Turn Over Information (Own Products)

Class	Unit	Opening Stock		Closing Stock		Turnover	
		Qty.	Value	Qty.	Value	Qty.	Value.
Tablet	Nos.	2875462 (4005113)	7659678 (4684918)	2655284 (2875462)	8510884 (7659678)	13782215 (1448236)	30320873 (31046363)
Capsule	Nos.	298580 (333750)	928455 (968224)	267070 (298580)	978137 (928455)	1384550 (2053358)	5067453 (5687802)
Liquid	Ltr.	11895.20 (4062.19)	2313230 (610095)	4674.13 (11895.20)	1064407 (2313230)	59671.07 (43036.99)	7912897 (5080237)
Injectable	Ltr.	600.138 (1086.33)	1901262 (2627326)	602.11 (600.138)	1748295 (1901262)	25264.25 (24964.191)	36742603 (32551987)
TOTAL:			12802625 (8890563)		12301723 (12802625)		80043826 (74366389)

Note : Figures for the Previous year have been stated in bracket.

NOTES :

- (a) Total Licensed/registered/installed capacity on single shift (2008-09 and 2007-08). This has been taken to include capacities installed requiring licences under the industries (Development and Regulation) Act, 1951.
- (b) The installed capacity has been stated as certified by the Managing Director of the Company. The auditors have placed reliance without verification of the certificate stated above in respect of the installed capacity.

(iii) Consumption of Raw and Packing Materials ,stores & spares

		2008-09	2007-08
Raw and Packing Materials	: Indigenous	44837772	40546348
	: Percentage	100%	100%
	: Imported	—	—
	: Percentage	—	—
Stores and Spares	: Indigenous	169079	260037
	: Percentage	100%	100%
	: Imported	—	—
	: Percentage	—	—
(iv) C.I.F.Value of Imports	:		
Raw and Packing Materials		—	—
(v) Earning in Foreign Currency :			
F.O.B. value of Exports		—	—

19. Additional information pursuant to part IV of schedule VI to the Companies Act., 1956.

(i) Registration details

Registration No. L24231GJ1988PLC010956 Balance Sheet Date 31-03-2009
 State Code 04

(ii) Capital raised during the year (Amt. in Rs. Thousands)

Public Issue NIL Rights Issue NIL
 Bonus Issue NIL Private Placement NIL

(iii) Positions of mobilisation and deployment of funds (Amt. in Rs. Thousands)

Total Liabilities Rs. 105559 Total Assets Rs. 105559

Sources of funds

Paid up Capital Rs. 58500 Reserves & surplus Rs. 10366
 Secured Loans Rs. 25277 Unsecured Loans Rs. 9359
 Deferred Tax Liabilities Rs. 459 Gratuity Provision Rs. 1445
 Income Tax Provision Rs. 153

Application of Funds

Net Fixed Assets Rs. 52908 Capital work in Progress: Rs. NIL
 Investments Rs. 3726 Net Current Assets Rs. 48835
 Misc. Expenditure Rs. 90 Accumulated losses NIL

(iv) Performance of Company (Amt. in Rs. Thousands)

Turnover Rs. 85147 Total Expenditure Rs. 84693
 Profit (Loss) Before Tax Rs. 454 Deferred Tax NIL
 Profit (loss) After Tax Rs. 354 Income Tax Rs. 100
 Earnings (Profit) per Share (Rs.) Rs. 0.06 Dividend Rate NIL

Signatories to Schedules 1 to 16

As per our separate report of even date.

For DEEPAK SONI & ASSOCIATES

Chartered Accountants

Deepak Soni

Proprietor

M. No.: 31138

Ahmedabad

30th June, 2009.

For & on behalf of Board,

Kamiesh J. Laskari Chairman & Managing Director

Ranak K. Laskari Director

Dr. Mahendra P. Shah Director

Dr. S. L. Chopra Director

Ahmedabad

30th June, 2009

KAMRON LABORATORIES LIMITED

Regd. Office : 737, Rakanpur Village, Sola-Santej Road, Ta. Kalol (N.G.),
Dist. Gandhinagar - 382 721.

21st Annual General Meeting

Tuesday, the 22nd September, 2009 at 10.30 A.M.

ATTENDANCE SLIP

Place : At the Registered Office of the Company at :
737, Rakanpur Village, Sola-Santej Road, Ta. Kalol (N.G.),
Dist. Gandhinagar - 382 721.

Signature of Member/ Proxy attending the meeting _____

Notes:

1. This meeting is only for members. Please, therefore, do not bring person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place.

KAMRON LABORATORIES LIMITED

Regd. Office : 737, Rakanpur Village, Sola-Santej Road, Ta. Kalol (N.G.),
Dist. Gandhinagar - 382 721.

FORM OF PROXY

I/We _____

of _____ in the district of _____

being member/s of the above named Company hereby appoint _____

of _____ in the district of _____

or failing him _____

of _____ in the district of _____

as my/our Proxy to attend and vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company, to be held on Tuesday, the 22nd September, 2009 and at any adjournment thereof.

Signed the _____ day of _____ 2009.

Signature _____

Affix
Revenue
Stamp

I.I.B.: This Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

**BOOK-POST
PRINTED MATTER**

To, _____

If undelivered, please return to :

KAMRON LABORATORIES LIMITED

Regd. Office : 737, Rakanpur Village, Sola-Santej Road,

Ta. Kalol (N.G.),

Dist. Gandhinagar - 382 721.