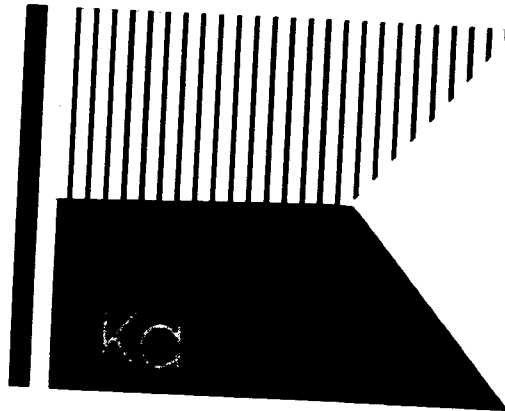




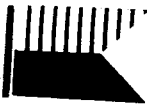
KABRA DRUGS LIMITED



◆ 21TH ANNUAL REPORT 2009-2010 ◆

OF

KABRA DRUGS LIMITED



KABRA DRUGS LIMITED

BOARD OF DIRECTORS

1. Shri Shyam Kabra	Chairman and Managing Director
2. Shri Madhusudan Sharma	Director
3. Shri Rajendra Boardia	Director
4. Shri Mahendra Mandloi	Director

◆ AUDITORS ◆

M/s. Agrawal Jhavar Associates
Chartered Accounts

* BANKERS *

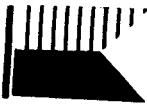
BANK OF INDIA

◆ REGD OFFICE & WORKS ◆

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

◆ LISTING ◆

Bombay Stock Exchange Limited, Mumbai
Madhya Pradesh Stock Exchange, Indore



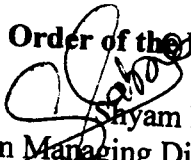
KABRA DRUGS LIMITED

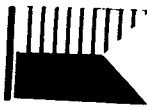
NOTICE

Notice is hereby given that the 21st 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 Thursday, the 30th September, 2010 at 2:00 P.M., to transact the following business: -

1. To receive, consider and adopt the Balance Sheet as at 31st March 2010 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. Madhusudan Sharma, 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.

Indore, 24.05.2010

By Order of the Board

Shyam Kabra
Chairman cum Managing Director




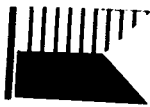
KABRA DRUGS LIMITED

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 Thursday, 23rd September 2010 to Thursday 30th September, 2010 (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,
Date 24.05.2010

By Order of the Board

Shyam Kabra
Chairman cum Managing Director



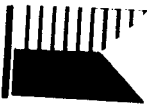
KABRA DRUGS LIMITED

Details of Directors seeking appointment /re appointment at the forthcoming Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Madhusudan Sharma
Date of Birth	4 th October 1950
Date of Appointment	
Expertise in specific functional area.	
Qualification	
List of outside Directorship held	Nil
Chairman / Member of the Committee of the Board of Directors of the Company	Audit Committee - Member Remuneration Committee - Member

Done



KABRA DRUGS LIMITED

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the 21th Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2010:

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	2009-2010	2008-2009
Sales & Other Income		
Total Expenditure	371.47	244.06
Profit (loss) before depreciation, and tax	319.05	192.88
Less: Depreciation	52.42	51.18
Provision for Income Tax	35.20	38.72
Provision for FBT	-(1.09)	(1.19)
Profit (Loss) after depreciation & tax	16.13	(0.15)
		11.19

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 31st March 2010.

PERFORMANCE

Company's Overall Performance

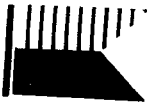
During the year under review, your Company has received income from operations amounting to Rs.371.47 Lacs as compared to Rs.244.06 Lacs. Your Company has earned profit of Rs.16.13 lacs as compared to Profit /loss of Rs 11.19 Lacs in the previous year.

FIXED DEPOSIT

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

DIRECTORS

In accordance with Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Madhusudan Sharma, will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.



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 2010-11. 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.

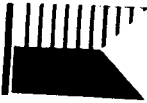
DIRECTORS RESPONSIBILITY STATEMENT

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.



KABRA DRUGS LIMITED

PARTICULARS OF EMPLOYEES

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

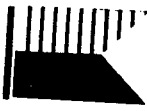
The Directors wish to convey their appreciation for the co-operation received from Your Company's bankers and various Government agencies. The Directors also wish to thank the Shareholders, Employees, Customers and Suppliers for their support and co-operation.

For and on behalf of the Board of Directors

**Shyam Kabra
Chairman cum Managing Director**

Indore

Date - 24.05.2010



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

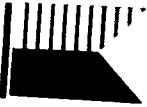
As per Listing Agreement, the Board should have an optimum combination of executive and non-executive Directors with not less than 50% of the Board consisting of non-executive Directors. In case of a non-executive Chairman, at least one-third of the Board should consist of Independent Directors and in 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 31st March 2010. During the year, 5 Meetings of the Board of Directors of the Company were held on 30.04.2009, 31.07.2009, 27.08.2009, 16.10.2009 and 30.01.2010. 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-torshi-p	Committee Membershi-p	
					Chai-rman	Me-mbe-r
Mr. Shyam Kabra	Promoter - Executive Director	5	Yes	-	-	-
Mr. Madhusudan Sharma	Independent	5	Yes	-	1	2
Mr. Rajendra Boardia	Independent	5	Yes	-	1	2
Mr. Mahendra Mandloi	Independent	5	Yes	-	1	2

Shyam Kabra



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 30.04.2009, 31.07.2009, 16.10.2009, and 31.01.2010. The details of the meetings held and attended are as given below:

Name of Director	Meetings held	No. of Meetings attended
Mr. Rajendra Boardia	4	4
Mr. Mahendra Mandloi	4	4
Mr. Madhusudan Sharma	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 30TH day of April 2009, during the year 2009-2010. The composition of the remuneration committee is as follows:

Mr. Madhusudhan Sharma, Mr. Rajendra Boardia and Mr. Mahendra Mandloi.

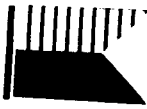
V Shareholders and Investor's Grievance Committee

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 31st March 2010 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
2006-2007	26, Sector "A" Sanwer Road, Industrial Area, Indore - 452 003	29.09.2007	10.00 A.M.
2007-2008	26, Sector "A" Sanwer Road, Industrial Area, Indore - 452 003	29.09.2008	02.00 P.M.
2008-2009	26, Sector "A" Sanwer Road, Industrial Area, Indore - 452 003	30.09.2009	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 30.09.2010

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, 23rd September 2010 to Thursday 30th September, 2010 (both days inclusive).

Financial Calendar 2010-2011

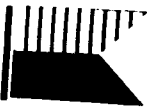
1	First Quarter Results	JULY 2010
2	Second Quarter & Half Yearly Results	OCTOBER 2010
3	Third Quarter Results	JANUARY 2011
4	Fourth Quarter Results	APRIL 2011

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
2nd Floor, Palika Plaza
M.T.H. Compound
Indore - 452001



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 2009-10 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., 2nd 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 31st March 2010, is as under:

Shareholding of nominal value of Rs. Rs.	No. of Shareholders	% of Shareholders	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 31st March 2010 is given below:

S.No	Category	No. of Shares held	% Shareholding
1	Promoter	1282800	29.23
2	Private Corporate Bodies	149300	3.40
3	Indian Public	2956500	67.37
	Total	4388600	100.00

Dematerialization of Shares and Liquidity

As on 31st March 2010, 7700 equity shares was held in dematerialized form and 4380900 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.

A. Conservation of Energy

- | | | |
|--|---|-------------------------|
| 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. Technology Absorption Form "B"

Research and Development (R & D)

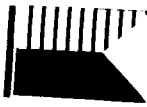
- | | | |
|---|---|--|
| 1. Specific areas in which R & D Carried out by the Company | : | |
| 2. Benefits Derived as a result of above. | : | |
| 3. Future plan of action | : | |
| 4. Expenditure on R & D | : | |

Technology absorption, adaptation innovation.

- | | | |
|--|---|-----|
| Efforts made towards technology absorption adoption and innovation and benefits derived as a result thereof. | : | Nil |
| Information regarding important Technology | : | Nil |

C. Foreign Exchange Earnings & Outgo

- | | | |
|---|---|-----|
| 1. Export Activities | : | Nil |
| 2. Total foreign exchange earned & outgo. | : | Nil |
| 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	31/03/2010	31/03/2009
	<u>Electricity</u>		
	Purchased Units	373505	334617
	Total Amounts (Rs.)	1627451	1524675
	Rate / Unit (Rs.)	4.35	4.55
	Own Generation		Nil
	1. <u>L. D.O</u>		
	a) Quantity (in Litters)	400	100
	b) Amount (Rs.)	13842	3698
	Rate Per Unit (Rs.)	34.60	36.98
B.	Consumption per unit of Product		
	Since the Company manufactures different types of ether, Derivatives and pharmaceutical Formulations, it is not practicable to give consumption per unit of production.		

S. Kabra

Auditor's Report

To,

THE MEMBERS OF KABRA DRUGS LIMITED
INDORE,

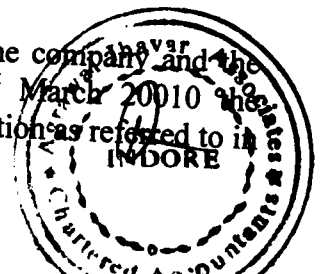
We have audited the attached Balance sheet of M/s KABRA DRUGS LIMITED as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility 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 31st March 2010 the directors of the company do not prima facie have any disqualifications as referred to in amended section 274 (1) (g) of the Companies Act, 1956.

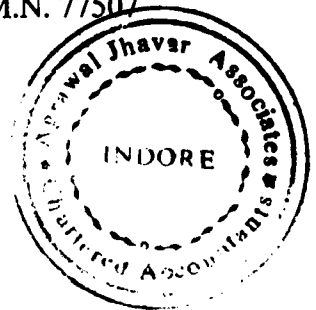


- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act. 1956.
- (vii) Attention is drawn to note No. 9 regarding balance Confirmation note no. 10 regarding current Assets Note no. 17 & 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 31st March 2010.
- (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 : 24.05.2010

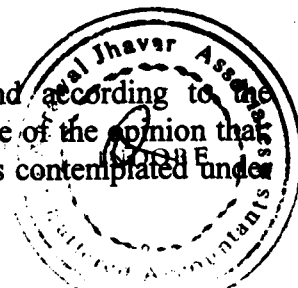

(DHARMENDRA AGRAWAL)
PROP.
M.N. 77507



**ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITOR'S REPORT
OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,
2010 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

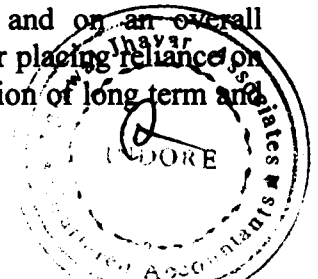


Section 297 and sub-section (6) of Section 299 of Companies Act, 1956 and which were required to be entered in the register maintained under Section 301 of the said Act;

- (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 having any undisputed dues as on 31.03.2010 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;

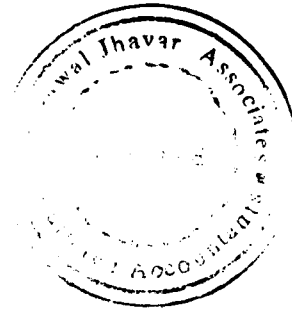
- (19) The Company has not made any preferential allotment of shares during the year;
- (20) The Company has not issues any debentures during the year;
- (21) The Company has not raised any money by public issue during the year;
- (22) According to the information and explanations given to us and the 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
PROP.

PLACE: INDORE
DATED 24.05.2010



KABRA DRUGS LIMITED,

BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE NO	31.03.2010 RS.	31.03.2009 RS.
SOURCE OF FUNDS			
SHAREHOLDERS FUND			
SHARE CAPITAL	A	43,886,000 ✓	43,886,000
LOAN FUNDS			
SECURED LOAN	B	613,305 ✓	0
UNSECURED LOANS	C	12,394,598 ✓	1,264,280
		56,893,903	45,150,280
TOTAL FUNDS EMPLOYED			
APPLICATION OF FUNDS			
FIXED ASSETS [NET]	D	43,386,070 ✓	44,983,867
CURRENT ASSETS, LOANS & ADVANCES	E	5,342,434	5,815,916
LESS : CURRENT LIABILITIES AND PROVISIONS	F	10,657,260	26,084,856
		(5,314,826)	20,268,940
NET CURRENT ASSETS			
PROFIT & LOSS A/C		(18,822,658.49)	20,435,352
		18,822,658	20,435,352
TOTAL FUNDS APPLIED			
		56,893,903	45,150,281
NOTES ON ACCOUNTS	K	0.00	

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

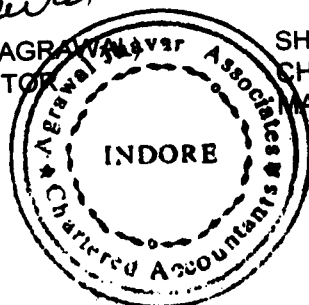
For & on behalf of the Board

Agawal
(DHARMENDRA AGRAWAL JHAVAR ASSOCIATES)
PROPRITOR

Kabra
SHYAM KABRA
CHAIRMAN &
MANAGING DIRECTOR

Rajendra Bordia
RAJENDRA BORDIA
DIRECTOR

PLACE : INDORE
DATE : 24.05.2010



KABRA DRUGS LIMITED,

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE NO	2009-2010 RS.	2008-2009 RS.
INCOME			
SALES		37,499,443	24,989,632
INCREASE/(DECREASE) IN STOCKS	G	(411,250)	(589,305)
OTHER INCOME		58,453	6,067
TOTAL		37,146,645	24,406,394

EXPENDITURE

MATERIAL COST	H	21,390,333	11,365,321
OPERATING COST	I	6,009,717	5,003,600
ADMINISTRATIVE & SELLING EXP	J	4,504,069	2,919,258
DEPRECIATION	D	3,520,390	3,872,000
TOTAL		35,424,509	23,160,179
PROFIT (LOSS) BEFORE TAX		1,722,137	1,246,215
PROVISION FOR INCOME TAX		(109,443)	(112,395)
PROVISION FOR FBT		0	(15,110)
PROFIT (LOSS) FOR THE YEAR		1,612,694	1,118,710
BROUGHT FORWARD BALANCE		(20,435,352)	(21,554,062)
EARLIER YEAR ADJUSTMENT		0	0
BALANCE CARRIED TO BALANCE SHEET		(18,822,658)	(20,435,352)
EARNING PER SHARE BASIC & DITULTED		0.09	0.09

NOTES ON ACCOUNTS

K

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

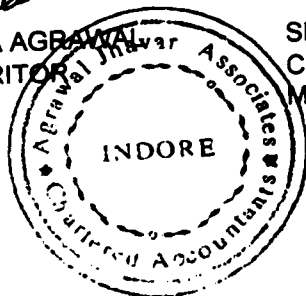
For & on behalf of the Board

(Signature)
(DHARM ENdra AGRAWAL
PROPRITOR

(Signature)
SHYAM KABRA
CHAIRMAN &
MANAGING DIRECTOR

(Signature)
RAJENDRA BORDIA
DIRECTOR

PLACE : INDORE
DATE - 24.05.2010



KABRA DRUGS LIMITED,

SCHEDULES ATTACHED TO AND FORMING PART OF FINAL ACCOUNTS
RELATING TO THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	31.03.2010 RS.	31.03.2009 RS.
SCHEDULE - "A" : SHARE CAPITAL:		
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
PAID UP CAPITAL	43,886,000	43,886,000
SCHEDULE - "B": SECURED LOANS FROM HDFC		
	613,305	0
	613,305	
SCHEDULE - "C": UNSECURED LOANS		
From Indian Companies	12,394,598 0	1,264,280 0
TOTAL	12,394,598	1,264,280

KABRA DRUGS LIMITED,

SCHEDULE - "D": FIXED ASSETS

Sr. No	DESCRIPTION OF ASSETS	GROSS BLOCK		DEDUCTIONS	TOTAL AS ON		DEPRECIATION PROVIDED FOR THE YEAR		WRITTEN BACK DURING THE YEAR	TOTAL AS ON		NET BLOCK	
		TOTAL AS ON 01/4/2009	ADDITIONS DURING THE YEAR		31/03/2010	AS ON 01/4/2009	AS ON 31/03/2010	AS ON 31/03/2010		AS ON 31/03/2010	AS ON 31/03/2010	AS ON 01.04.2008	AS ON 31/03/2010
1	LAND	169,985	0	0	169,985	0	0	0	0	0	169,985	169,985	73,039
2	SITE DEVELOPMENT	165,619	0	0	165,619	92,580	2,700	0	0	95,280	70,339	8,532,190	8,532,190
3	FACTORY BUILDING	16,182,966	0	0	16,182,966	7,650,776	263,782	0	0	7,914,558	8,268,408	11,799,943	12,989,526
4	PLANT & MACHINERY	38,499,139	670,999	0	39,170,138	25,509,613	1,860,582	0	0	592,209	0	15,154	15,154
5	ELECTRICAL INSTALLATIONS	592,209	0	0	592,209	577,055	15,154	0	0	592,209	878,334	1,022,576	1,022,576
6	LABORATORY EQUIPMENTS	3,036,686	0	0	3,036,686	2,014,110	144,243	0	0	44,920	16,080	18,117	18,117
7	AIR CONDITIONERS	61,000	0	0	61,000	42,883	2,037	0	0	340,487	212,993	0	0
8	OFFICE EQUIPMENTS	322,001	231,479	0	553,480	322,001	16,486	0	0	77,766	984,679	2,605	2,605
9	VEHICLE	42,280	1,020,165	0	1,062,445	42,280	35,486	0	0	570,808	2,605	23,587	23,587
10	FURNITURE & FIXTURES	573,413	0	0	573,413	570,808	0	0	0	10,665	21,335	0	0
11	RESORT (LEASE HOLD)	32,000	0	0	32,000	8,403	2,262	0	0	3,789,332	20,961,370	22,137,028	22,137,028
12	PLANT & MACHINERY	24,750,702	0	0	24,750,702	2,613,674	1,175,658	0	0	0	0	42,964,573	43,366,070
	TOTAL	84,428,001	1,922,643	0	86,350,644	39,444,183	3,520,390	0	0	42,964,573	43,366,070	44,983,818	44,983,818

KABRA DRUGS LIMITED,

PARTICULARS	31.03.2010 RS.	31.03.2009 RS.
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SCHEDULE - "E" : CURRENT ASSETS ADVANCES

A : CURRENT ASSETS :

INVENTORIES	1,754,641	3,314,731
Raw Materials	125,000	536,250
Finished Goods	486,410	336,087
Packing Material		
Sub-total	2,366,051	4,187,068
SUNDRY DEBTORS		
(Unsecured, considered good)	0	0
Due over six months	1,613,940	501,464
Within six months		
Sub-total	1,613,940	501,464
CASH & BANK BALANCES		
Cash in hand	77,535	53,224
with Scheduled Banks	242,705	193,875
- in current accounts	64,036	64,036
- in fixed deposit accounts		
Sub-total	384,276	311,136
DEPOSITS		
Sub-total	588,015	464,691
TOTAL CURRENT ASSETS	4,952,281	5,464,359

B : LOANS AND ADVANCES

(Recoverable in cash or in kind or for value to be received)		
Trade & other Advances	82,637	15,541
Excise Duty Modvat	811	811
Advance to Staff	12,000	40,500
Excise duty PLA a/c	294,705	294,705
Sub-total	390,153	351,557
TOTAL LOANS AND ADVANCES		
GRAND TOTAL	5,342,434	5,815,916

KABRA DRUGS LIMITED,

PARTICULARS	31.03.2010 RS.	31.03.2009 RS.
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SCHEDULE -"F": CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors

- Trade	6,582,954	18,383,971
- Advance from suppliers	1,786,239 ✓	5,535,817
- Others	910,539 ✓	755,997
	9,279,732	24,675,785
Outstanding expenses & other payables	590,196	559,951
Statutory liabilities	787,332	849,119
	10,657,260	26,084,856
TOTAL	10,657,260	26,084,856

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

STOCK AT FINISH ED GOOD COSE	125,000	536,250
LESS : STOCKS OF FINISHED GOODS AT COMMENCEME	536,250	1,125,555
	-411,250	-589,305
INCREASE/(DECREASE) IN STOCKS	-411,250	-589,305

KABRA DRUGS LIMITED,

PARTICULARS	2009-2010 RS.	2008-2009 RS.
SCHEDULE -"H": MATERIALS COST		
RAW MATERIALS CONSUMED		
Opening Stock	3,314,731	760,686
Add : Purchases (Net)	16,045,517	11,594,655
	19,360,248	12,355,341
Closing Stock	1,754,640	3,314,731
	17,605,608	9,040,610
PACKING MATERIAL CONSUMED		
Opening Stock	336,087	389,712
Add : Purchases (Net)	3,935,047	2,271,086
	4,271,134	2,660,798
Less : Closing Stock	486,410	336,087
	3,784,724	2,324,711
TOTAL	21,390,333	11,365,321

SCHEDULE -"I": OPERATING COST

Chemicals & Testing	18,325	13,321
Stores consumed	1,148,612	879,940
Wages and salaries, Bonus	2,577,442	2,343,178
Electric Power and fuel	1,641,293	1,528,373
Machinery repairs	8,500	1,750
Building reparis	304,969	67,500
Medical & Workers welfare	101,983	49,720
Insurance	19,258	20,899
Factory Expenses	189,335	98,919
TOTAL	6,009,717	5,003,600

KABRA DRUGS LIMITED,

PARTICULARS	2009-2010 RS.	2008-2009 RS.
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SCHEDULE-"J": ADMINISTRATIVE AND SELLING EXP.

Staff Salary	994,524	811,932
Director salary	480,000	360,000
Stationery printing & Books	48,309	16,655
Courier charges	24,320	19,141
Communication Expenses	78,233	85,764
Conveyance & Vehicle expenses	63,173	2,909
Office expenses	185,326	84,696
Service tax	23,732	7,900
Legal Expenses, Fees, licence	137,005	153,100
Advertisement	16,000 ✓	8,000
Auditors remuneration	40,000	20,000
Professional charges	100,000	67,290
Contribution to E.S.I., P.F. Labour -	457,067	448,556
Other Repairs	45,248	51,666
Donation	512	21,100
Property tax	100,000	10,000
Professional tax payable	5,000	5,000
Bank charges AND Interst	8,265	105,095
Entry tax	254,970	177,765
Traveling Exp. Director	152,302	255,810
Commission	983,913	206,879
Freight charges	178,971	0
Share Transfer Expenses	80,150	0
Rate difference	46,497	0

T O T A L

4,504,069

2,919,258

11/10/11

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

Manager

Director

Shri Shyam Kabra, Managing Director

Smt. Kusum Kabra (Spouse of MD)

Shri Mahendra Mandloi

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	4.80
Smt. Kusum Kabra	Salary	4.80
Shri Mahendra Mandloi	Director's remuneration	1.65

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

(14) Earning per share

Particulars	2009-10	2008-09
Net Profit (Loss) after Tax as per Profit & Loss Account(Rs. In Lacs)	16.12	12.46
Weighted Average number of Equity share outstanding (Nos.)	4388600	4388600
Basic and diluted Earning per Share (face valve Rs. 10/- per share)(Rs.)	0.37	0.28

(15) PAYMENTS TO DIRECTORS

Chairman and Managing Director	480000
	(360000)

(16) PAYMENT TO AUDITORS

Statutory audit fees	30000
Tax audit fees	10000
Taxation fees	10000

	<u>50000</u>

KABRA DRUGS LIMITED

(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 charged 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 & re arranged 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.

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

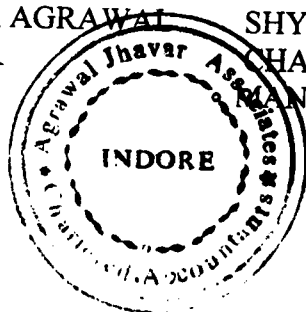
Dharmendra Agrawal
DHARMENDRA AGRAWAL
PROPRITOR

For & on behalf of the board

Shyam Kabra
SHYAM KABRA
CHAIRMAN &
MANAGING DIRECTOR

Rajendra Boardia
RAJENDRA BOARDIA
DIRECTOR

PLACE :- INDORE
DATE :- 24.05.2010





KABRA DRUGS LIMITED

[A] CLASS OF GOODS MANUFACTURED : ETHER AND PHARMACEUTICALS FORMULATION .
 [B] PARTICULARS OF PRODUCTION , FINISHED GOODS MANUFACTURED , STOCKS AND TURNOVER .
 YEAR 2009-2010

PARTICULARS	UNIT	OPENING STOCK		PRODUCTION		SALES LESS RETURN		VALUE IN RS.000	
		QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	VALUE	CLOSING STOCK ?	VALUE
ETHER									
ANAESTHETIC	LITRES	4125 (4163)	536.25 (500.55)	79781 (88337)	82831 (88375)	11129.79 (10777.67)	1075 (4125)	125.00 (536.25)	
SOLVENT	LITRES			11343 (2413)	11343 (2413)	1511.75 (320.62)			
LIQUID	LITRES			13093 (17756)	13093 (17756)	1716.93 (1836.43)	0 (0)	0.00 (0.00)	
INJECTION/EYE/ EAR DROP	NOS.			2897729 (812519)	2897729 (1086829)	16879.47 (6416.35)			
EYE/EAR DROP	NOS.								
SOFT GEL. CAPSULE	NOS.			(77000) 44141900 (39366000)	(77000) 44141900 (39366000)	(325.87) 6655.59 (3789.66)			
WATER FOR INJECTION	NOS.			66240 (16927040)	66240 (16927040)	106.41 (412.15)			
OTHERS	NOS			42030 (42030)	42030 (42030)	1110.88 (1110.88)			
TOTAL		4125 (278473)	536.25 (1125.55)	47210086 (57333095)	47213136 (57607443)	37999.93 (24989.63)	1075 (4125)	125.00 (536.25)	



KABRA DRUGS LIMITED

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

ITEM NAME	UNIT	31.03.2010		31.03.2009	
		QUANTITY	AMOUNT	QUANTITY	AMOUNT
RAW MATERIAL					
	KG	16819	10540	18629	3374.00
	LITRES	255982	7065.90	186393	5666.61
	TOTAL		17605.90		9040.61
	SAY		17606		9040

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 2009-2010

RS. IN 000

SR#	NAME OF ITEM	OP QTY	OP VALUE	RECEIPT QTY	RECEIPT VALUE	RATE	TOTAL QTY	TOTAL VALUE	ISSUE QTY	ISSUE AMOUNT	BALANCE QTY	BALANCE AMOUNT
44	HYDROGEN PEROXIDE	0.00	0.00	0.50	1620.00	3240.00	0.50	1620.00	0.50	1620.00	0.00	0.00
45	SODIUM BY SULPHATE	0.00	0.00	250.00	8840.50	35.36	250.00	8840.50	250.00	8840.50	0.00	0.00
46	AMIKACIN	0.00	0.00	10.00	73519.05	7351.91	10.00	73519.05	10.00	73519.05	0.00	0.00
47	AMPICILLIN SODIUM STERIL	0.00	0.00	100.00	267900.00	2679.00	100.00	267900.00	0.00	0.00	100.00	267900.00
48	CEFTRIZONE SODIUM STRL	0.00	0.00	140.00	1164254.30	8316.10	140.00	1164254.30	140.00	1164254.30	0.00	0.00
49	CEFOTOXIME SODIUM ST	0.00	0.00	330.00	2463944.07	7466.50	330.00	2463944.07	330.00	2463944.07	0.00	0.00
50	CEFTADIZIDINME STERILE UP	0.00	0.00	80.00	1186131.45	14826.64	80.00	1186131.45	45.00	676100.00	35.00	510031.45
51	DICLOFENIC SODIUM IP	0.00	0.00	200.00	115220.00	576.10	200.00	115220.00	200.00	115220.00	0.00	0.00
52	CHLOROMPHENICAL	0.00	0.00	50.00	78811.80	1576.24	50.00	78811.80	21.00	32854.50	29.00	45957.30
53	CEFAPERAZONE SOIDUM	0.00	0.00	10.00	91787.60	9778.76	10.00	91787.60	5.00	45890.00	5.00	45897.60
54	CLOXACILLIN SODIUM ST	0.00	0.00	40.00	106015.00	2650.68	40.00	106015.00	4.00	10601.48	36.00	95413.52
55	GENTAMYCINE SUL IP	0.00	0.00	20.00	160870.50	8043.53	20.00	160870.50	20.00	160870.50	0.00	0.00
56	OXYTETRACYCLINE HCL	0.00	0.00	50.00	51414.00	1028.28	50.00	51414.00	5.00	5141.40	45.00	46272.60
57	POTASH ALUM	0.00	0.00	500.00	19596.00	39.19	500.00	19596.00	500.00	19596.00	0.00	0.00
58	SULBACTAM SODIUM	0.00	0.00	20.00	97502.85	4875.14	20.00	97502.85	5.00	25590.00	15.00	71912.85
59	DENATURED SPIRIT	100000.00	3089893.97	100000.00	2346776.50	28.48	200000.00	5436670.47	200000.00	5436670.47	0.00	0.00

TOTAL 101113.80 3306369.47 174027.60 15932991.66 204762.43 275141.30 19239361.13 272362.36 17606084.73 2788.95 1731276.40

0.00



KABRA DRUGS LIMITED

As per our report of even date

For & on behalf of the Board

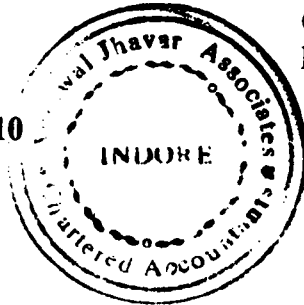
For AGRAWAL JHAVAR ASSOCIATES
CHARTERED ACCOUNTANT

DHARMENDRA AGRAWAL
PROPRITOR

SHYAM KABRA
CHAIRMAN &
MGING DIRECTOR

RAJENDRA BORDIYA
DIRECTOR

PLACE : INDORE
DATE : 24th May 2010



KABRA DRUGS LIMITED

Balance Sheet Abstract and company's general Business profile.

I Registration Details	
Registration No.	10-05438
Balance Sheet Date	31.03.2010
II. Capital Raised during the year (Amount in Rs. Thousands)	
Capital issue	Rights Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil
III. Position of mobilization and Deployment of Funds (Amount in Rs. Thousand)	
Total Liabilities	Total Assets
56894	56894
Sources of Funds	
Paid – up Capital	Reserves and surplus
43886	-
Secured Loans	Unsecured Loans
613	12395
Application of Funds	
Net Fixed Assets	Investment
43386	Nil
Net Current Assets	Misc. Expenditure
(5315)	0
Accumulated Loss	
18823	
IV. Performance of Company (Amount in Rs. Thousand)	
Turnover*	Total Expenditure
37147	35425
*includes Other Income Profit / Loss Before Tax	Profit / Loss After Tax
1722	1613
Earnings per Share in Rs.	Dividend Rate %
0. 37	Nil
V. Generic Names of Three Principal Production / Services of the Company	
(As per monetary terms)	
Items code no. (ITC Code)	29091100
Product Description	DIETHYL ETHER
Item Code No. (ITC Code)	30049054



KABRA DRUGS LIMITED

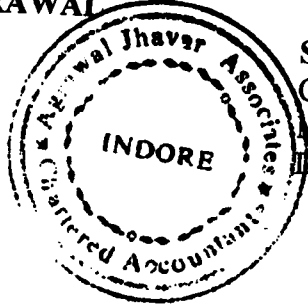
Product Description	Atenolol – Formulations in tables.
Items Code No. (ITC Code)	30042008
Product Description	Cephalexin – Formulations thereof in capsules Etc.
Signature to Schedule “A” to “K”	

As per our report of even date

For Agrawal Jhaver Associates
Chartered Accountant

D Agrawal

DHARMENRA AGRAWAL
PROPRITOR



For & on behalf of the Board

Shyam Kabra

SHYAM KABRA
CHAIRMAN &
MANAGING
DIRECTOR

Rajendra Boardiya

**RAJENDRA
BOARDIYA**
DIRECTOR

Place : **INDORE**
Date : 24.05.2010



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 31st March, 2010' 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 Jhavar Associates

Chartered Accountant

Place: Indore

Date: - 24.05.2010.

Dharmendra Agrawal

~~Partner~~

KABRA DRUGS LTD., INDORE
CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH 2010

A: CASH FLOW FROM OPERATING ACTIVITIES :

	2009-2010 RS. IN LACS	2008-2009 RS. IN LACS
Net profit before tax and extraordinary itmes	15.13	12.46
Adjustments for :		
1. Depreciation	35.2	38.72
2. Interest/Other income Received	0	0
3. Interest Expenses	0	0
4. Investment (Loss)	0	0
5. Miscellaneous Expendebyre (Amortised)	0	0
	0	0
Operating Profit before working capital changes	35.2	38.72
Adjustments for :	50.33	51.18
1. Trade and other receivables	-12.76	-19.11
2. Inventories	18.21	13.58
3. Trade Payables	-152.17	-43.65
	-146.72	-49.18
Cash Generated from Operations :	-96.39	2
1 Interest Paid	0	0
Cash Flow Before extraordinary items	-96.39	2
Income tax and FBT	-1.09	-1.18
1. Extraordinary items	0	0
Net cash from operating activities (A)	-97.48	0.82

B : CASH FLOW FROM INVESTING ACTIVITIES :

Purchase of fixed assests	-19.22	-2.83
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)	-19.22	-2.83

C: CASH FLOW FROM FINANCING ACTIVITIES

Proceed from issue of share capital	0	0
Proceeds from long term borrowings	0	0
Proceeds from short term borrowings	117.43	0
Intercorporate Deposits	0	0
Net Cash from investing activities (C)	117.43	0
Net increase(decrease) in Cash and Cash Equivalents [A + B + C]	0.73	-2.01
Cash and Cash equivalents as at 1st Apr [Opening Balance]	3.11	5.12
Cash and Cash equaivalents as at 31st March [Closing Balance	3.84	3.11

Place -: INDORE
Dated : 24.05.2010

for and on behalf of the Board

Shyam Kabra
Chairman and Managing Director