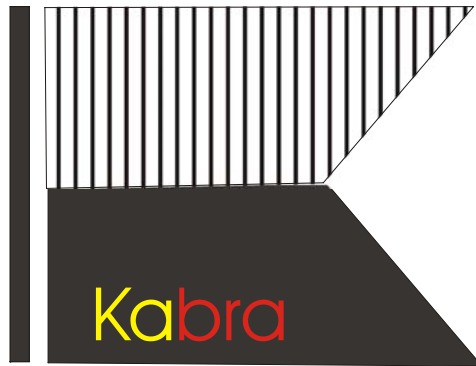




KABRA DRUGS LIMITED



◆ 25TH ANNUAL REPORT 2013-2014 ◆

OF

KABRA DRUGS LIMITED



BOARD OF DIRECTORS

1. Shri Shyam Kabra	Chairman and Managing Director
2. Shri Madhusudan Sharma	Director
3. Shri Mahendra Madloi	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

◆ REGISTRAR & TRANSFER AGENT ◆

M/s Ankit Consultancy Pvt.ltd.
Plot no. 60 Electronics Complex ,
Pardeshipura ,
INDORE – 452010



KABRA DRUGS LIMITED

NOTICE

Notice is hereby given that the **25TH 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 31th July , 2014 at 11:00 A.M., to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2014 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. Mahendra Singh Mandloi** (DIN 02396839), who retires by rotation and being eligible offer himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT **M/s Agrawal Jhavar & Associates**, Chartered Accountants (Firm Registration No. 008614C) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as agreed upon by the Board of Directors and the Auditors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include a Committee of the Board) to lease or otherwise dispose of the whole or substantially the whole of undertaking of the Company by way of creation of security, on the movable and/or immovable assets / properties of the Company, wherever situate, present or future and/or on the Company’s receivables whether through mortgage, hypothecation, pledge, assignment, etc., in favour of the lenders / debenture trustees / security trustees / debenture holders / their agents, as the Board may in its absolute discretion think fit for securing the due repayment of any moneys borrowed or to be hereafter borrowed by the Company from any person(s) including mutual funds, banks, financial institutions, bodies corporate, etc. together with interest thereon, further interest, if any, costs, charges, expenses and any other sums payable by the Company.

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may consider necessary desirable, expedient, usual or proper to give full effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c), 180(2) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications, amendments or re-enactments thereto for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include a Committee of the Board) for borrowing any sum or sums of monies from time to time for the purpose of the Company’s business on such terms and conditions and with or without security from any bank, financial institution or any other lending institutions, firms, bodies corporate or persons, both in the national and international markets, as may be considered suitable by the Board, notwithstanding that the sum or sums of monies to be so borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of **Rs. 50.00 Crores (Rupees Fifty Crores)** only) over and above the paid up capital of the Company and its free reserves.



KABRA DRUGS LIMITED

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to this resolution.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Mahendra Singh Mandloi (Holding DIN 02396839), who was appointed as Director w.e.f 27th June 2006 retires by rotation at the Annual General Meeting and be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Madhusudan Sharma (Holding DIN 02396829), who was appointed as Director w.e.f 27th August 2008 retires by rotation at the Annual General Meeting and be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years.”

Place: Indore
Date: 21.05.2014

By order of the Board

Registered Office:

26, Sector “A”, Sanwer Road,
Industrial Area, Indore – 452 003 (M.P)
CIN: L02423MP1989PLC005438
E-mail: kabradrugs@rediffmail.com

Chairman cum Managing Director

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 Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereunder and forms part of the Notice.
3. In terms of the Articles of Association of the Company read with section 152 of the Companies Act, 2013 Shri Mahendra Singh Mandloi, Director, retires by rotation at the ensuing Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company commends his re-appointment.
4. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanship of Board Committees, shareholding and relationships between directors inter-se as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.



KABRA DRUGS LIMITED

6. The Register of Members and Share Transfer Register of the Company will remain close from Friday, July 25, 2014 to Thursday, July 31, 2014 (both days inclusive).
7. 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.
8. Members are requested to kindly bring their copies of the Annual Report to the Meeting.
9. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
10. Members are requested to quote their folio number in all correspondence.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Ankit Consultancy.
12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Ankit Consultancy, for consolidation into single folio.
14. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members with facility to exercise their votes by electronic means (e-voting). The Company has engaged the services of National Securities Depository Limited (“NSDL”) to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner. **Process and manner for availing E-voting facility attached with this Notice.**

It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://evoting.nsdl.com> during the following voting period:

Commencement of e-voting: From 10.00 A.M on 25th July 2014.
End of e-voting: Upto 06.00 P.M on 26th July 2014.

15. E-voting shall not be allowed beyond 06.00 P.M. on 26th July 2014. During the e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date may cast their vote electronically. The record date for the purpose of e-voting is 30th June 2014. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

Regarding any grievance with respect to e-voting, you may contact by email at kabradrugs@rediffmail.com or Ankit Consultancy Pvt Ltd, Registrar and Transfer Agent at ankit_4321@yahoo.com.

16. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
17. The Company has appointed Mr. Manish Maheshwari, Practicing Company Secretary, as ‘scrutinizer’ (the “Scrutinizer”), for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
18. Section 72 of the Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form SH-13.



KABRA DRUGS LIMITED

19. The Ministry of Corporate Affairs (vide circular Nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively, has undertaken a Green initiative in 'Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by representing / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Transfer Agent.

Place: Indore
Date: 21.05.2014

By order of the Board

Registered Office:
26, Sector "A", Sanwer Road,
Industrial Area, Indore – 452 003 (M.P)
CIN: L02423MP1989PLC005438
E-mail: kabradrugs@rediffmail.com

Chairman cum Managing Director

Registration No.10-05438

Authorised Capital Rs.500.00 Lacs

SECRETARIAL COMPLIANCE CERTIFICATE

To

The Members

Kabra Drugs Limited,

26, Sector – A, Sanwer Road

Industrial Area

Indore - 452015(M.P.)

We have examined the registers, records and books and papers of **Kabra Drugs Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there-under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014 (01.04.2013 to 31.03.2014). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, and its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure `A' to this certificate, as per the provisions of the Act and the rules made there-under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure `B' to this certificate, with the Registrar of Companies/Regional Director/Central Government/ Company Law Board or other authorities within the time prescribed under the act and the rules made there under.
3. The Company being a Public Limited Company comments are not required in respect maximum number of members during the said financial year.
4. The Board of Directors duly met 6 times on 13th May 2013, 30th May 2013, 31st May 2013, 14th August 2013, 02nd November 2014, 14th February 2014. Signatures of Directors have been obtained in the attendance register of Directors of the Board Meeting and the proceedings were properly recorded in the Minutes Book maintained for the purpose. No resolution by circulation has been passed by the Company.
5. The Company closed its Register of Members from 26th September 2013 to 30th September 2013 (both days inclusive).
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 30th September, 2013 after giving due notice to the members of the Company and the resolutions passed threat were duly recorded in the minutes book maintained for the purpose. Signatures of Members have been obtained in the attendance register of Shareholders.
7. No any Extra Ordinary General Meeting was held during the financial year.

8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company has obtained approval from the Board of Directors, Members for appointment falling within the purview of section 314 of the Act.
12. The Company has issued duplicate share certificates during the financial year as per information given by Registrar and Transfer Agent.
13. The Company has
 - (i) delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provision of the Act.
 - (ii) not deposited any amount in a separate Bank account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any members of the Company as no dividend was declared during the financial year.
 - (iv) was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund (applicable when Rules are notified) as no dividend was declared during any financial year.
 - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancies during the financial year.
15. The Company has already appointed Managing Director/ Whole time in compliance with the provisions of Section 269 read with Schedule XIII of the Act.
16. The Company has not appointed any sole- selling agent during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional director, registrar or such other authorities prescribed under the provisions of the act.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there-under.
19. The Company has not issued any share during the financial Year.
20. The Company has not bought back any shares during the financial Year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with provisions of the Act.

23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The amount borrowed by the Company from Financial Institutions, Banks, Directors, Members and others during the financial year ending 2014 are within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been earlier passed is duly convened the General Meeting.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act.
26. The Company has not altered the provisions of Memorandum with respect to the situation of the Company' registered office from one state to another during the financial year.
27. The Company has not altered the provisions of Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of Memorandum with respect to the share capital of the Company during the financial year.
30. The Company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year.
32. The Company has not received any money as security from its employees during the year.
33. The Company has deposited both the employees and employers contribution towards Provident Fund with the prescribed authorities during the financial year.

**For M Maheshwari & Associates
Company Secretaries**

Date :21st May 2014
Place : Indore

**MANISH MAHESHWARI
FCS 5174
C.P. No.3860**

Annexure A

Registers as maintained by KABRA DRUGS LIMITED

Statutory Registers

Sl. No.	Particulars	Section
1.	Register of Charges	143
2.	Register of Members	150
3.	Copies of Annual Return	163
4.	Minute Book containing minutes of Board Meeting General Meeting	193
5.	Books of Accounts	209
6.	Register of Directors, Managing Director	303
7.	Register of Director's Shareholding	307

Annexure B

Forms and returns as filed by the Company with the Registrar of Companies. Regional Director, Central government or other authorities during the financial year ending on 31st March, 2014.

1. Balance Sheet filed under Section 220 for the year-ended 31.03.2013 vide SRN Q20209839 dated 29/10/2013.
2. Annual Return filed under Section 160 as on 30.09.2013 vide SRN Q25335530 dated 27/11/2013.
3. Compliance certificate under Section 383(A) as on 31.03.2013 vide SRN Q18193201 dated 27/10/2013.
4. Form 23C under Section 233 B(2) for the financial year 2013-14 vide SRN S21269022 dated 14.06.2013.
5. Form 23C under Section 233 B(2) for the financial year 2012-13 vide SRN S21268958 dated 14.06.2013 with additional fee.



KABRA DRUGS LIMITED

CIN: L02423MP1989PLC005438

Registered Office: 26, Sector "A", Sanwer Road, Industrial Area, Indore – 452 003
(M.P.)

S. No.

Folio No./DP ID-Client ID :

Full Name of the Shareholder in Block Letters :.....

Address :.....

No. of Shares held :

Dear Member,

Subject: Process and manner for availing E-voting facility

Pursuant to provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the business to be transacted at the Annual General Meeting of the Company to be held on Thursday, July 31, 2014, at 11.00 a.m. may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Company has engaged the services of National Securities Depository Limited ('NSDL') to provide e-voting facilities.

The e-voting facility is available at the link <https://www.evoting.nsdl.com>

The electronic voting particulars are set out below:

EVEN (E-voting event number)	User ID	Password / Pin

The e-voting facility will be available during the following voting period:

Commencement of e-voting	From 9.00 A.M. of July 25, 2014
End of e-voting	Up to 6.00 P.M. of July 26, 2014

E-voting shall not be-allowed beyond 6.00 P.M of July 26, 2014. During the e-voting period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off date may cast their votes electronically. The Cut-off date for the purpose of e-voting is June 30, 2014.

Please read the instructions printed overleaf before exercising the vote.



KABRA DRUGS LIMITED

CIN: L02423MP1989PLC005438

Registered Office: 26, Sector "A", Sanwer Road, Industrial Area, Indore – 452 003
(M.P.)

Instruction for E-voting

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL) the instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Depository Participants(s)]:

(i) Open email and open PDF file viz; (File Name) The said PDF file contains your user ID and password/PIN for e-voting.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) If you login first time, Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or a combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" (E-voting Event Number) of Kabra Drugs Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional & Corporate Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. Together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to ankit_4321@yahoo.com with a copy marked to evoting@nsdl.co.in

B. In case Email I.D. of the member is not registered with the depository participant and members holding shares in Physical Form:

(i) Initial password will be provided/intimated through Letter from our Registrar:



KABRA DRUGS LIMITED

CIN: L02423MP1989PLC005438

Registered Office: 26, Sector "A", Sanwer Road, Industrial Area, Indore – 452 003
(M.P.)

EVEN(E Voting Event Number)	USER ID	PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) To Sl. No. (xii) Above, to cast vote.

I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IV. The e-voting period commences on July 25, 2014 (9:00 am) and ends on July 26, 2014 (6:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 30, 2014 may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of June 30, 2014.

VI. Mr. M. Maheshwari, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

VIII. The Results of e-voting, and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.madhavmarbles.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

IX. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents at the following address:

M/S Ankit Consultancy Pvt. Ltd.
60, Electronic Complex, Pardeshipura,
Indore (M.P.) 452010
Tel.: 0731-2551745-46 Fax: 0731-4065798
e-mail-ankit_4321@yahoo.com



KABRA DRUGS LIMITED

As required by section 102(1) of the Companies act, 2013, the following Explanatory Statements set out all material facts relating to the special business in accompanied notice.

Item No. 4

As a security for the loans to be sanctioned by financial institution or any other person / persons with whom the company is negotiating for financial assistance for its projects in form of loan/loans, the company would be required to give first mortgage of all the movable and immovable properties of the company present and future.

Section 180(1)(a) of the Companies Act, 2013, provides, inter alia, that the Board of Directors of company, shall not without the consent of such company in general meeting, lease, or otherwise dispose of the whole or substantially the whole of the undertaking of the company.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the financial institution or any other person/persons can be considered to be disposal of the company's properties, it is necessary for the members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 before creation of the said mortgage / charge / hypothecation.

The Board commends the passing of Special Resolution at Item No.4 of the Notice.

None of the Directors or Key Managerial Personnel or their relatives of the Company is either directly or indirectly are interested or concerned in the proposed Resolution.

Item No. 5

Section 180(1) (c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money, where the money to be borrowed, together with the money already borrowed by the company not exceed aggregate of its paid-up share capital and free reserves, apart from temporary loan obtained from the company's bankers in the ordinary course of business , except with the consent of the company accorded by way of Special Resolution .

The Board commends the passing of Special Resolution at Item No.5 of the Notice.

None of the Directors or Key Managerial Personnel or their relatives of the Company is either directly or indirectly are interested or concerned in the proposed resolution.

Item No. 6

Mr. Mahendra Singh Mandloi (Holding DIN 02396839 was appointed as Director w.e. f. 27th June, 2006 and is continuing as Independent Director. In order to comply with the provisions of Section 149(4), (10) & (11) and 152(6) (e) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, It is proposed to formally appoint Mr. Mahendra Singh Mandloi to hold office for 5 (five) consecutive years.

It may be noted that Mr. Mahendra Singh Mandloi has given a declaration under Section 149(7) of the Companies Act, 2013 that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Further, in the opinion of the Board also, he fulfills the conditions specified in the Companies Act, 2013 for such an appointment.

It may also be mentioned that none of the other Directors (other than Mr. Mahendra Singh Mandloi) /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item No. 6 of the Notice for approval by the shareholders.

Item No. 7

Mr. Madhusudan Sharma (Holding DIN 02396829) was appointed as Director w.e. f. 27th August, 2008 and is continuing as Independent Director. In order to comply with the provisions of Section 149(4), (10) & (11) and



KABRA DRUGS LIMITED

152(6) (e) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, It is proposed to formally appoint Mr. Madhusudan Sharma to hold office for 5 (five) consecutive years.

It may be noted that Mr. Madhusudan Sharma has given a declaration under Section 149(7) of the Companies Act, 2013 that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Further, in the opinion of the Board also, he fulfills the conditions specified in the Companies Act, 2013 for such an appointment.

It may also be mentioned that none of the other Directors (other than Mr. Madhusudan Sharma) /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item No. 7 of the Notice for approval by the shareholders.

Place: Indore
Date: 21.05.2014

By order of the Board

Registered Office:

26, Sector "A", Sanwer Road,
Industrial Area, Indore – 452 003 (M.P)
CIN: L02423MP1989PLC005438
E-mail: kabradrugs@rediffmail.com

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. Mahendra Singh Mandloi
Date of Birth	03 rd March 1966
Date of Appointment	27 th June 2006
Expertise in specific functional area.	Production and Technical
Qualification	M. Sc.
List of outside Directorship held	Nil
Chairman / Member of the Committee of the Board of Directors of the Company	<ol style="list-style-type: none">i. Audit Committee - Memberii. Remuneration Committee – Memberiii. Shareholder Committee – Chairman



KABRA DRUGS LIMITED

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the 25th Annual Report of the Company along with the Audited Accounts for the year ended 31st March 2014:

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	<u>2013-2014</u>	<u>2012-2013</u>
Sales & Other Income	1142.11	1019.73
Total Expenditure	1094.50	971.96
Profit (loss) before depreciation, and tax	47.61	47.77
<u>Less: Depreciation</u>	26.33	26.17
Provision for Income Tax	12.63	6.76
Profit (Loss) after depreciation & tax	8.65	14.84

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 2014.

BUSINESS REVIEW

Year under review proved to be turn around for the company in terms of Sales target of the Company. The revenue realization was Rs. 1142.11 Lacs as compare to previous Year of Rs. 1019.73 Lacs. The Company has earned net Profit for the year Rs. 8.65 Lacs as compare to previous year figure of Rs.14.58 Lacs.

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 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Mahendra Singh Mandloi, will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

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 2014-15. 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.



KABRA DRUGS LIMITED

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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Management discussion and Analysis Report have been attached and forms part the Directors Report.

LISTING AGREEMENTS REQUIRMENTS:

Your Directors are pleased to announce that your Company has obtained trading approval of Equity shares of the Company at the Stock Exchange, Mumbai and started its trading w.e.f. 8th February 2012.

The company has obtained connectivity with Central Depository Services Limited (CDSL) and National Depository Services Limited (NSDL) to provide facilities to all members, investors and shareholders and to hold the shares in dematerialised form.

BUY-BACK OF SHARES

There was no buy-back of shares during the year under review.

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 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.

INSURANCE

The assets of the Company are adequately insured against the loss of fire, natural calamities and such other risk considered by management of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE AND OUTGO

Information in accordance with the provision of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in annexure `A` forming part of this report. The energy conservation measures implemented during the year include installation of fan-less cooling towers, energy efficient pumps.

PARTICULARS OF EMPLOYEES

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.



KABRA DRUGS LIMITED

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.

Place: Indore
Date: 21.05.2014

By order of the Board

Registered Office:
26, Sector "A", Sanwer Road,
Industrial Area, Indore – 452 003 (M.P)
CIN: L02423MP1989PLC005438
E-mail: kabradrugs@rediffmail.com

Chairman cum Managing Director



KABRA DRUGS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

A. 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

In keeping with the commitment of the Management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of executive and independent directors to maintain the independence of the Board, and to separate the board functions of governance and management.

As on 31st March 2014, the Board of the Company consisted of four Directors, of which three are non-executive as on 31st March 2014.

The Board has no institutional nominee directors.

During the year, 6 Meetings of the Board of Directors of the Company were held on 13th May 2013, 30th May 2013, 31st May 2013, 14th August 2013, 02nd November 2014 & 14th February 2014. The maximum gap between any two meetings did not exceed four months.

No inter-se relationships among the Directors.

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 Directorship	Committee Membership	
					Chair man	Mem ber
Mr. Shyam Kabra	Promoter –Executive Director	6	Yes	2	-	-
Mr.Madhusudan Sharma	Independent	6	Yes	-	1	2
Mr. Rajendra Boardia	Independent	6	Yes	-	1	2
Mr. Mahendra Madloi	Independent	6	Yes	-	1	2

CODE OF CONDUCT

As per the provisions of Clause 49 of the Listing Agreement, the Company has framed a code of conduct for the Board Members and Senior Management which was approved and adopted by the Board of Directors. The Code of Conduct has been posted on the website of the Company (<http://www.kabradrugslimited.com>). The Code has been circulated to all members of the Board and Senior Management of the Company who have confirmed compliance therewith.



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 31st May 2013, 14th August 2013, 2nd November 2013, and 14th February 2014. The details of the meetings held and attended are as given below:

Name of Director	Meetings held	No. of Meetings attended
Mr. Rajendra Boardia	5	5
Mr. Mahendra Madloi	5	5
Mr. Madhusudan Sharma	5	5

IV Remuneration Committee

The Remuneration Committee has approved the terms of remuneration of the Whole Time Directors. The Committee had met on the 31st May 2013, during the year 2013-2014. The composition of the remuneration committee is as follows:

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

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 2014 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
2012-2013	26, Sector "A" Sanwer Road, Industrial Area, Indore – 452 003	30.09.2013	02.00 P.M.
2011-2012	26, Sector "A" Sanwer Road, Industrial Area, Indore – 452 003	29.09.2012	02.00 P.M.
2010-2011	26, Sector "A" Sanwer Road, Industrial Area, Indore – 452 003	30.09.2011	02.00 P.M.

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.



KABRA DRUGS LIMITED

- 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.

IX. CEO and CFO Certification

The CEO and CFO of the Company have certified positively to the Board on the matters specified under Clause 49(V) of the Listing Agreement.

X. 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.

XI General Shareholders Information

Annual General Meeting

Date 31.07.2014

Time: 11.00 A.M.

Venue: 26, Sector "A" Sanwer Road,
Industrial Area, Indore – 452 003 (M.P)

CIN: L02423MP1989PLC005438

X Date of Book Closure

The Register of Members and Share Transfer Register of the Company will remain close from Friday, July 25, 2014 to Thursday, July 31, 2014 (both days inclusive).



KABRA DRUGS LIMITED

Financial Calendar 2014-2015

1	First Quarter Results	August 2014
2	Second Quarter & Half Yearly Results	November 2014
3	Third Quarter Results	February 2015
4	Fourth Quarter Results	May 2015

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

Your Company confirms that it has paid annual listing fees to the Stock Exchanges Mumbai and M.P. Stock Exchange Indore for the year 2013-14 and as such there are no arrears.

Market Price Data

High/ low of market price of the Company's equity shares traded on BSE during the last financial year was as follows.

Month	Quotation at Mumbai Stock Exchange	
	High (Rs.)	Low (Rs.)
April, 2013	13.36	7.80
May, 2013	16.26	13.62
June, 2013	13.70	12.66
July, 2013	15.20	10.46
August, 2013	16.40	9.40
September, 2013	11.23	7.92
October, 2013	11.22	6.75
November, 2013	12.00	10.13
December, 2013	11.40	9.58
January, 2014	10.30	8.86
February, 2014	9.87	9.87
March, 2014	9.38	9.38

Registrar & Transfer Agent

As per the directives of SEBI, the Company has appointed M/s. Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) – 452 010 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.



KABRA DRUGS LIMITED

Distribution of Shareholding

Distribution of Shareholding as on 31st March 2014 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	3825	50.46	3805260	8.67
1001 – 2000	1917	25.29	3832680	8.73
2001 – 3000	361	4.76	1081500	2.46
3001 – 4000	204	2.72	823250	1.88
4001 – 5000	451	5.95	2253960	5.14
5001 – 10000	422	5.57	3555390	8.10
10001 – 20000	256	3.38	4115620	9.38
20001 – 30000	47	0.62	1193480	2.27
30001 – 40000	21	0.28	757890	1.73
40001 – 50000	10	0.13	474100	1.08
50001 – 100000	34	0.45	2563090	5.84
100001 & above	31	0.41	19429780	44.27
Total	7581	100.00	43886000	100.00

The Shareholding Pattern as on 31st March 2014 is given below:

S.No	Category	No. of Shares held	% Shareholding
1	Promoter	1133700	25.83
2	Private Corporate Bodies	201191	4.58
3	Indian Public	3254900	69.59
	Total	4388600	100.00

Dematerialization of Shares and Liquidity

As on 31st March 2014, 1856600 shares was held in dematerialized form and 2532000 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 (M.P.)



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. | : | |
| | 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	31/03/2014	31/03/2013
	<u>Electricity</u>		
	Purchased Units HT	265196	363155
	Purchase Units 12 kw	9847	9124
	Total Amounts (Rs.) H.T.	1783831	2273003
	Total Amount (Rs(12 KW	87610	83531
	Rate / Unit (Rs.) HT	6.72	6.26
	Rate / Uniy (Rs.(12 KW	8.90s	9.16
	Own Generation		
	1. <u>L. D.O</u>		
	a) Quantity (in Litters)	690	1175
	b) Amount (Rs)	38923	52890
	Rate Per Unit (Rs.)	56.41	45.01
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.		



KABRA DRUGS LIMITED

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Kabra Drugs Limited

We have examined the compliance of corporate governance by Kabra Drugs Limited, Indore for the year ended on 31st March 2014, as stipulated in clause 49 of the Listing agreement of the said company with stock exchanges.

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

On the basis of our review and according to the information and explanation given to us and representation made to us by the management, we state that to the best of our knowledge and belief, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges.

**For Agrawal Jhavar & Associates.
Chartered Accountants**

Place : Indore
Date : **21.05.2014**

**(Dharmendra Agrawal)
(Proprietor)
M.No.77507**



KABRA DRUGS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report are prepared in adherence to the spirit enunciated in the Code of Corporate Governance, approved by the Securities Exchange Board of India and in compliance with the provisions of the Listing Agreement.

Industry Structure and Development

During 2013, India's growth was pegged at 4.4 per cent. It is expected to recover to 5.4 per cent in 2014 supported by slightly stronger global growth, improving export competitiveness and implementation of recently approved investment projects, an edition of the World Economic Outlook released by the IMF said. As a result, several countries are gradually returning to normal macroeconomic policies. However, the economic health in parts of Europe and the fiscal trends in some other countries is cause for concern and continue to impact the world economy.

Over the last decade, the Indian pharmaceuticals sector has carved out a significant global share by leveraging inherent strengths and enhancing regulatory and technical maturity. The forecast for the Indian economy is positive with growth expected to touch around 6-7 per cent in the current fiscal year. Yet, constant inflation in the country is taking its toll and rising global commodity prices is only compounding the problem. The pharmaceutical industry in India retains its position of strength as the pharmacy capital of the world. It supplies an estimated one-third of all global pharmaceutical produce in terms of volume. In the financial year 2012-13, the domestic formulations market with annual sales pegged at around Rs. 720 billion and has been globally ranked third in terms of volume and tenth in terms of value. It maintained a steady growth at CAGR of - 12.5 per cent during the past five years despite the lethargic economic conditions (Source Pharmaceutical Report, Phillip Capital. A growing trend was that more Indian pharmaceutical companies focused on semi-urban and rural markets for incremental growth opportunities. During the year, the industry also witnessed Indian pharma companies selling out to the multinationals.

Outlook on Threats, Risks and Concerns

The Company does not foresee any commercial or other threats, which could disrupt the operations of its business.

Taking into the account all the above it is expected that while the growth in profitability would be a challenge, the concrete plans and strategies which, are afoot should see growth in turnover and profits in the years to come.

Financial & Operational Performance

Particulars	(Rs. in Lacs)		
	Year ending 31.03.2014	Year ending 31.03.2013	% Changes
Gross Income	1142.11	1019.70	12.00 %
Net Profit After Interest, Depreciation & Tax	8.65	14.84	-41.71 %

Internal Control Systems and Adequacy

As always, the Company's internal control procedures are tuned to keep up with the organization's pace of growth and increasing complexity of operations. These ensure compliance with various regulations. The internal audit team carries out extensive audits throughout the year, across all functional areas and submits its reports to the Audit Committee of the Board of Directors.

Human Resources

Your Company believes in philosophy of communicating with the entire team in a two way process. Company also believes in the principal of proper delegation of authority which results in uplift of Commitment level, responsibility and accountability of entire team right from Managing Director to Lowest level of administration. Every effort is made to implement the suggestions received and to encourage staff for more suggestion.



Cautionary Statement

Actual performance may differ from projections made as the Company's operations are subject to various economic conditions, government regulations and other incidental factors.



KABRA DRUGS LIMITED

CEO & CFO CERTIFICATION

The Board of Directors
KABRA DRUGS LIMITED
26, Sector A Sanwer Road, Industrial, Area,
INDORE M.P.

Re-financial Statements for the year 31.03.2014 Certification

We, Shyam Kabra Chairman & Managing Director and Rajendra Bordia Director, on the basis of the review of the financial statements and the cash flow statements for the

Financial year ending 31.03.2014 and to the best of our knowledge and belief, thereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended 31.03.2014 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - (a) There have been no significant changes in the international control over financial reporting during this year.
 - (b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the noted to the financial statements.
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Shyam Kabra

Chairman & Managing Director

Place: Indore
Date 21.05.2014



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, 2014' 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: - 21.05.2014

Dharmendra Agrawal
Partner

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, 2014 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 2014 the directors of the company do not prima facie have any disqualification as referred to in amended section 274 (1) (g) of the Companies Act, 1956.
- (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 2014.
 - (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 : 21.05.2014

(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, 2014 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) (a) 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;
(b) 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;
- (2) 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;
- (3) 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;
- (4) 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;
- (5) 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;
- (6) 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.

- (7) 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;
- (8) As informed to us, the Company has not accepted any deposits from the public;
- (9) 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;
- (10) 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 31.03.2014 of investor Education and Protection Fund, Provident Fund, Income Tax deducted at source, Services 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
State Excise Act	47.50	M.P.High Court
Labor Act	NOT ASERTEN	Labor Court, Indore

- (11) The accumulated losses of the Company, at the end of the current financial year, is less than fifty percent of its net worth.
- (12) Based on our audit procedures and according to the information and explanations given to us. The Company has taken secured loan of Rs. 6551091 [4850000 cc loan and 1701091 unclear balance up to 31.3.2014] from bank of india as CC limit from bank against hypothecation of stock and charge against companies fixed assets of the company.
- (13) 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;
- (14) 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;

- (15) 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;
- (16) The Company has not obtained any term loans during the year;
- (17) 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;
- (18) The Company has not made any preferential allotment of shares during the year;
- (19) The Company has not issues any debentures during the year;
- (20) The Company has not raised any money by public issue during the year;
- (21) 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

PLACE : INDORE
DATED : 21.05.2014

(DHARMENDRA AGRAWAL)
PROP.
M.N. 77507

KABRA DRUGS LIMITED
Balance Sheet as at 31st March, 2014

Particulars	Note No	31st March 2014	31st March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	43886000	43886000
(b) Reserves and Surplus	3	-14556537	-15421828.3
(c) Money received against share warrants		0	0
(2) Share application money pending allotment		0	0
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	22764451	16675620
(4) Current Liabilities			
(a) Short-term borrowings	5	7316611	11321900
(b) Trade payables	6a	19017561	20192917
(c) Other current liabilities	6b	12452144	9204943.62
(d) Short-term provisions	7	1253754	965930.24
Total		92133984	86825483
II.Assets			
(1) Non-current assets			
(a) <i>Fixed assets</i>	8	0	
(i) Tangible assets		32999015	35058002
(ii) Intangible assets		0	0
(iii) Capital work-in-progress		0	0
(iv) Intangible assets under development		0	0
(2) Current assets			
(b) Inventories	9	7621932	5355060
(c) Trade receivables	10	45823382	38668838
(d) Cash and cash equivalents	11	2848668	2849403
(e) Short-term loans and advances	12	2840987	4894179.6
(f) Other current assets		0	0
Total		92133984	86825483

Summary of Accounting Policies

1

The Accompanying Notes are integral part of the Financial Statement

As per our report of Even Date

For Agrawal Jhavar & Associates

Chartered Accountants

Firm Regn No. 008614C

For and on Behalf of the Company

DHARMENDRA AGRAWAL

PROPRITOR

M .No. 77507

CHAIRMAN &
MANAGING DIRECTOR

DIRECTOR

Place: INDORE

Date: 21.05.2014

KABRA DRUGS LIMITED

Profit and Loss statement for the year ended 31st March, 2014

Particulars	Note No	31st March 2014	31st March 2013
Revenue from operations (Gross)	13	114169587	101970740
Less: Excise Duty / VAT		0	0
Revenue from Operations (Net)		114169587	101970740
Other Income	14	41578	3529
Total Revenue		114211165	101974269
Expenses:			
Cost of materials consumed	15	77829281	66482999
Cost of Packing Material	16	9739388	8465164
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	17	10403	159695
Employee benefit expense	18	6610459	5656960
Other expenses	19	14627768	15863022.45
Total		108817299	96627840.45
Earnings Before Interest Tax, Exceptional Items, Depreciation and amortization Expenses		5393866	5346428.55
Financial costs	20	632388	568758.24
Depreciation and amortization expense	8	2,633,287	2,617,480
Exceptional Items	21	0	0
Profit before extraordinary items and tax		2128191	2160190.31
Extraordinary Items		0	0
Profit before tax		2128191	2160190.31
Tax expense:	22		
(1) Current tax		1262900	675577.76
(2) Deferred tax		0	0
Profit(Loss) from the perid from continuing operations		865291	1484612.55
Profit/(Loss) from discontinuing operations		0	0
Tax expense of discounting operations		0	0
Profit/(Loss) from Discontinuing operations		-15421828	-16906441
Profit/(Loss) for the period		-14556537	-15421828.45
Earning per equity share:			
(1) Basic		0.20	0.33
(2) Diluted			

Summary of Accounting Policies

1

The Accompanying Notes are integral part of the Fiancial Statement

As per our report of Even Date

For Agrawal Jhawar & Associates
Chartered Accountants
Firm Regn No. 008614C

For and on Behalf of the Company

DHARMENDRA AGRAWAL
PROPRITOR
M .No. 77507

CHAIRMAN & MANAGING
DIRECTOR DIRECTOR

Place: INDORE

Date: 21.05.2014

**KABRA DRUGS LIMITED,
CASH FLOW STATEMENT FOR THE YEAR 2013-2014**

CASH FLOW FROM OPERATING ACTIVITIES	31st March 2014	31st March 2013
Net Profit before taxation and extraordinary item	2128191	2160190
Adjustment for:		
Depreciation	2633287	2617480
Miscellaneous (Preliminary) Expenses Written Off		
Interest Paid	632388	568758
Interest received	-41578	-3529
Profit/Loss on Sale of assets		
Operating Profit before Working Capital Changes	0	5342899
Increase/Decrease in Inventory	-2266872	-2837648
Increase/Decrease in Loans and Advances	2053192	-3241032
Increase/Decrease in Trade Paybles	8630389	5123144
Increase/Decrease in trade receivables	-7154544	-18022726
Cash generated from Operations	1262165	-13635363
Prior Period Expenses		
FBT paid		
Miscellaneous Expenses		
Income Tax	-1262900	-675577
NET CASH FLOW FROM OPERATING ACTIVITIES	-735	-14310940
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of investment		
Interest received	41578	3529
Miscellaneous expenditure		
Purchase of Fixed Assets	-1452520	-252633
Sale of Asset		
NET CASH FLOW FROM INVESTING ACTIVITIES	-1410942	-249104
CASH FLOW FROM FINANCING ACTIVITIES		
Amount of Secured Loan raised/repaid	6088831	8480661
Unsecured Loan Repaid/Raised	-4005289	8858657
Interest Paid	-632388	-568758
Corporate tax on dividend		
Dividend Paid		
NET CASH FLOW FROM FINANCING ACTIVITIES	40212	16770560
NET INCREASE IN CASH AND CASH EQUIVALENTS	-735	2210516
Cash and Cash Equivalents at the begining of the period	2849403	638887
Cash and Cash Equivalents at the end of the period	2848668	2849403

1. Figures in minus represents Cash outflows
2. Cash & Cash equivalents represents Cash & Bank Balances only

As per our report of Even Date

For AGRAWAL JHAWAR & ACCOCIATES

Chartered Accountants

Firm Regn No. 008614C

For and on Behalf of the Company

DHARMENDRA AGRAWAL

PROPRITOR

M .No. 77507

CHAIRMAN & MANAGING
DIRECTOR

DIRECTOR

Place: INDORE

Date: 21.05.2014

KABRA DRUGS LIMITED

Notes to the Accounts and Accounting Policies for the Year Ended 31st March 2014

Basis of Preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1 Accounting Policies

a Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

b Fixed Assets - All fixed assets are stated at cost of acquisition including installation and incidental cost. No addition/deletion

c Intangible Assets- The company has not having any Intangible Assest during the year.

d depreciation - Depreciation is provided from date of use on staight line method as per the provisions of schedule 14 of the companes Act 1956.

e Lease - the Company has paid lease rent to DIC for land and account for as per payment basis.

f Impairment of Assets- The compnay has not having impairment of assest.

g Government Grant & Subsidies -: The Company has not registered for Govt.Granth and Subittees , during the year .

h Investments - The compnay has not having intestments during the year .

i Inventories -: Inventories are valued as certified by management on following basis. Raw Material. At cost Finish Goods -

Revenue Recognition- Sales are recognised on dispatch of goods to the customers , which normally results in transfer fo title in the goods. The company has only one business segment " MANUFACTURING OF DRUGS " Furtner , since virtually all sales are effected in the domestic market , there is only one geographical segment . Therefore , the disclosure reqquirements of " SEGMENT REPORTING " are not applicable to the company. Related party disclosures as required as per accounting standard (AS_18 on " Related party discloures " issued by the Institute of Chartered Accoutnat of India , are as below.

k Foreign Currency Transaction -: The company has not incurred any transaction in foreign currency during the year .

l Retirement and Employee Benefits - Contribution of Provident fund and ESIC are charged to P & L a/c on actual basis and provision for gratuity , leave encasement etc. Retirement enefits are charges to P & L a/c on payment basis. The company has not practice to create separate reserve on actual basis.

m Income Taxes.- Payment and provisions of Income Tax has been done as per .

n Provision & Contingent Liabilities - These are separately disclosed in the financial statement by way of notes to the accounts. Contingent liabilities are not recognazed but are disclosed in the notes, contingent assets are neigher recognized nor disclosed in the financial statement.

o CONTINGENT LIABILITIES AS ON BALANCE SHEET DATE. 1] HON, BLE M.P. has given probable liability under sales tax and excise acts on purchase of denatured spirit relating to 1991-1992 . High Court has granted a stay. (Rs. 47.50 Lacs) Estimated amount due.

KABRA DRUGS LIMITED
Notes to the Accounts and Accounting Policies for the Year Ended 31st March 2014

2 SHARE CAPITAL	31.03.2014	31.03.2013
a Particulars		
<u>Authorized Share Capital</u>		
500000 Equity Shares (Prev. Year 500000) of Rs.10 Each	50000000	50000000
Nil Preference Shares (Prev. Year Nil)	0	0
	50000000	50000000
<u>Issued, Subscribed and Paid Up Capital</u>		
4388600 Equity Shares (Prev. Year 4388600) of Rs. 10 Each	43886000	43886000
Nil Preference Shares (Prev. Year Nil)	0	0
	43886000	43886000

b Reconciliation of Shares outstanding at the beginning and at the end of the year:

Equity Shares	31.03.2013	31.03.2012
	Nos.	Amount
At the Beginning of the Year	0	0
Issued during the year	0	0
Outstanding at the end of the year	0	0
Preference Shares	31.03.2013	31.03.2012
	Nos.	Amount
At the Beginning of the Year	0	0
Issued during the year	0	0
Outstanding at the end of the year	0	0

c Terms / Rights Attached to Shares

i Equity Shares

The Company has only one class of Equity shares having a par value of 10/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the Year Ended 31st March 2014 the amount per share dividend recognized as distributions to equity shareholders was Rs. NIL For 31st March 2013 was Rs NIL)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii Preference Shares

The company has not having any preference Share during the year

d Shares held by holding / ultimate holding and or their subsidiaries / associates

	31.03.2014		31.03.2013	
	Nos.	Amount	Nos.	Amount
Equity Shares				
Holding Company (Name)	0	0	0	0
Ultimate Holding Company (Name)	0	0	0	0
Subsidiaries / Associates (Name)	0	0	0	0
	0	0	0	0

	31.03.2014		31.03.2013	
	Nos.	Amount	Nos.	Amount
Preferences Shares				
Holding Company (Name)	0	0	0	0
Ultimate Holding Company (Name)	0	0	0	0
Subsidiaries / Associates (Name)	0	0	0	0
	0	0	0	0

KABRA DRUGS LIMITGED
Notes to the Accounts and Accounting Policies for the Year Ended 31st March 2014

e Details of Shareholders holding more than 5% shares in the Company

Name of the Share holders	31.03.2014		31.03.2013	
	Nos.	%	Nos.	%
Equity				
Shri Shyam kabra	562500	12.82	672500	15.33
Mrs Kusum Kabra	332500	7.57	332500	7.57
Mr.Asyush Kabra	16700	0.38	116700	2.66
Miss Khushboo Kabra	222000	5.06	222000	5.06
Total	1133700	25.83	1343700	30.62
Preferences				
NIL				

f Shares reserved for issue under options / Contracts / Commitments

g Details of Shares Issued other than by Cash / Issued by way of Bonus / Brought Back in immediately preceding Five Years.

	31.03.2014	31.03.2013
No of shares Issued Other Than by Cash	NIL	NIL

h Details of Securities converting into Shares along with their terms and date:

The company has not converted shares during the year

i Calls Unpaid NIL NIL

j Shares Forfeited NIL NIL

3 RESERVE & SURPLUS

	31.03.2014	31.03.2013
a Capital Reserve		
Opening Balance	0	0
Addition during the year	0	0
Transfer during the year	0	0
Closing Balance	<u>0</u>	<u>0</u>
b Profit & Loss Account		
Balance as per last Balance Sheet	-15421828	-16906441
Add Profit For the Year	865291	1484612.7
Less: Appropriation		
Dividend on Equity Shares	0	0
Dividend on Preference Shares	0	0
Tax on Dividend	0	0
Transfer to General Reserve	0	0
	<u>-14556537</u>	<u>-15421828.3</u>
Total Reserve & Surplus	<u>-14556537</u>	<u>-15421828.3</u>

4 LONG TERM BORROWINGS

	31.03.2014	31.03.2013
a Particulars		
Bonds & Debentures (Secured / Unsecured)	0	0
Term Loans (Secured / Unsecured)	0	0
From Bank		
Deferred Payment Liabilities (Secured / Unsecured)	0	0
Deposits (Secured / Unsecured)	0	0
Loans & Advances from Related Parties (Secured / Unsecured)	0	0
Other Loans & Advances (Secured / Unsecured)	22764451	16675620
	<u>22764451</u>	<u>16675620</u>
b Out of the Above		
Total Secured	0	0
Total Unsecured	19058897	16675620
	<u>19058897</u>	<u>16675620</u>

KABRA DRUGS LIMITED
Notes to the Accounts and Accounting Policies for the Year Ended 31st March 2014

5 SHORT TERM BORROWINGS

a Particulars	31.03.2014	31.03.2013
Bonds & Debentures (Secured / Unsecured)	0	0
Term Loans (Secured / Unsecured)	0	0
From Bank		
BANK OF INDIA	6551091	11321900
Deferred Payment Liabilities (Secured / Unsecured)	0	0
Deposits (Secured / Unsecured)	0	0
Loans & Advances from Related Parties (Secured / Unsecured)	0	0
Other Loans & Advances (Secured / Unsecured)	765520	0
	<u>7316611</u>	<u>11321900</u>
b Out of the Above		
Total Secured	6551091	11321900
Total Unsecured	765520	0
	<u>7316611</u>	<u>11321900</u>
c Out of the Above Loans Guranteed by Directors & Others	6551091	11321900

d Terms and Conditions of Borrowings

6551091 Loan from Bank of India is secured against hypothication / pledge of stock/debitors/and other Assets of the company

e Default in payment of Borrowings NIL NIL

6 TRADE PAYABLES & CURRENT LIABILITIES

a Trade Payables	31.03.2014	31.03.2013
	19017561	20192917
b Other Liabilities		
Other Current Liability	12452144	9204943.62
	<u>12452144</u>	<u>9204943.62</u>

7 SHORT TERM PORIVISIONS

Particulars	31.03.2014	31.03.2013
Provision for Employee Benefits		
Gratuity	448530	0
	<u>448530</u>	<u>0</u>
Other Provisions		
Provision for Income Tax (Net of Advance Tax)	0	0
Others	805224	965930.24
	<u>805224</u>	<u>965930.24</u>
Total of Provisions	<u>1253754</u>	<u>965930.24</u>

KABRA DRUGS LIMITED

8 FIXED ASSETS

FIXED ASSETS SCHEDULE

Particulars	Original cost				Depreciation and amortization				Net book value	
	01.04.2013	Additions during the period	Deductions during the period	31.03.2014	01.04.2013	Additions during the period	Deductions during the period	31.03.2014	31.03.2014	31.03.2013
Tangible assets :										
Land Free-hold	169985	0	0	169985			0	0	169985	169985
electrical	592209	0	0	592209	592209	0	0	592209	0	0
Buildings	16,182,966	0	0	16182966	8705904	263782	0	8969686	7213280	7477062
Plant and equipment	39422771	0	0	39422771	31852886	1316466	0	33169352	6253419	7569885
Laboratory equipemnt	3036686	0	0	3036686	2591082	144243	0	2735325	301361	445604
Air conditioners	61000	0	0	61000	51031	2037	0	53068	7932	9969
site development	165619	0	0	165619	100680	2700	0	103380	62239	64939
Office equipment	714714	0	0	714714	406635	23831	0	430466	284248	308079
Plant and machinery	24,750,702	0	0	24750702	6633598	826673	0	7460271	17290431	18117104
Furniture and fixtures	573413	0	0	573413	570808	0	0	570808	2605	2605
Vehicles	1062445	1452520	1062445	1452520	184224	51293	184224	51293	1401227	878221
Others	32000	0	0	32000	17451	2262	0	19713	12287	14549
	86764510	1452520	1062445	87154585	51706508	2633287	184224	54155571	32999014	35058002
Intangible assets :										
Goodwill	0	0	0	0	0	0	0	0	0	0
Computer Software	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
WIP										
Buildings	0	0	0	0	0	0	0	0	0	0
Palnt & Equipment	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Intangible assets under Development										
Goodwill	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Total	86,764,510	1,452,520	1,062,445	87,154,585	51,706,508	2,633,287	184,224	54,155,571	32,999,014	35,055,362

KABRA DRUGS LIMITED
Notes to the Accounts and Accounting Policies for the Year Ended 31st March 2014

9 INVENTORIES

a Particulars	31.03.2014	31.03.2013
Raw Materials	6525195	4059251
Packing Material	581585	770254
Finished Goods	515152	525555
	<u>7621932</u>	<u>5355060</u>

b All Inventories Valued at Cost of Net Realizable Value whichever is lower

c Details of Stock in transit included above

Raw Materials	0	0
Stock in Trade (Trading Activity)	0	0
Stores & Spares	0	0
Loose Tools	0	0
Others	0	0
	<u>0</u>	<u>0</u>

10 TRADE RECEIVABLES

	Non Current		Current	
	31.03.2012	31.03.2011	31.03.2014	31.03.2013
a Outstanding for a period exceeding 6 months from the due date			0	
Before six months	0	0	19491461	38668838
After six month	0	0	26331921	0
Doubtful	0	0	0	0
	<u>0</u>	<u>0</u>	<u>45823382</u>	<u>38668838</u>
Less: Provision for Doubtful Debts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	0	0	45823382	38668838
b Others				
Secured considered Good	0	0	0	0
Unsecured Considered Good	0	0	0	0
Doubtful	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Less: Provision for Doubtful Debts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>45823382</u>	<u>38668838</u>
Less: Amount Disclosed under Non Current Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	0	0	45823382	38668838
Total Trade Receivables	<u>0</u>	<u>0</u>	<u>45823382</u>	<u>38668838</u>

Details of Receivables due from Directors or Officers of the Company

Director A	0	0	0	0
Officer B	0	0	0	0

11 CASH & CASH EQUIVALENTS

Cash In Hand	31.03.2014	31.03.2013
	648487	578002
Balances with Bank	1243793	2015823
Earmarked Bank Balances	0	0
Balances with Bank held as Margin Money / Security	0	0
Deposits with Bank		
fixed deposit	956388	255578
Maturity above 12 months	0	0
Total	<u>2848668</u>	<u>2849403</u>
Less: Amount Disclosed under Non Current Assets	<u>0</u>	<u>0</u>
Total of Cash & Cash Equivalents	<u>2848668</u>	<u>2849403</u>

12 SHORT TERM LOANS & ADVANCES

Particulars	31.03.2014	31.03.2013
-------------	------------	------------

KABRA DRUGS LIMITGED

Notes to the Accounts and Accounting Policies for the Year Ended 31st March 2014

a Capital Advances		
Sort terms loan and advances	1587244	2758700.84
Unsecured Considered good	0	0
Doubtful	0	0
	<u>1587244</u>	<u>2758700.84</u>
Less: Provision for Doubtful Advances	0	0
	<u>1587244</u>	<u>2758700.84</u>
 b Security Deposits		
Secured Considered good	1253743	2135478.76
Unsecured Considered good	0	0
Doubtful	0	0
	<u>1253743</u>	<u>2135478.76</u>
Less: Provision for Doubtful Advances	0	0
	<u>1253743</u>	<u>2135478.76</u>
 c Loans & Advances to Related Parties	Nil	Nil
Less: Provision for Doubtful Advances	0	0
 d Loans & Advance to Director / Officers	0	0
	0	0
Less: Provision for Doubtful Advances	0	0
	<u>2840987</u>	<u>4894179.6</u>
 Total Loans & Advances	<u>2840987</u>	<u>4894179.6</u>

13 REVENUE FROM OPERATIONS

	31.03.2014	31.03.2013
a Sale of Products		
Finished Goods	114169587	101970740
Traded Goods	0	0
b Sale of Services	0	0
c Other Operating Revenues		
Sale of Scrap	0	0
Others	0	0
	<u>114169587</u>	<u>101970740</u>

Details of Product Sold

Finish Good	<u>114169587</u>	<u>101970740</u>
	114169587	101970740

14 OTHER INCOME

OTHER INCOME	41578	3529
	<u>41578</u>	<u>3529</u>

15 COST OF MATERIAL CONSUMED

Opening Stock of Raw Material	4059251	1454353
Add: Purchases	80295225	69087897
Add: Entry Tax	0	0
	<u>84354476</u>	<u>70542250</u>

less-insurance claim received		0
Less: Clsoing Stock of Raw Material	6525195	4059251
	<u>77829281</u>	<u>66482999</u>

Details of Raw Material Consumed

RM 1 K.G.	72537907	60367940
RM 2 LITTER	5291373	6115059
	<u>77829280</u>	<u>66482999</u>

Details of Stock of RM

RM 1 LTR Rs	502110	3687123
RM 2 KG Rs	6023085	372127
TOTAL STOCK	<u>6525195</u>	<u>4059250</u>

KABRA DRUGS LIMITED

Notes to the Accounts and Accounting Policies for the Year Ended 31st March 2014

16 COST OF PACKING MATERIAL CONSUMED

Opening Stock Of Packing Material	770254	370178
Purchase A/c	9550719	8865240
	0	0
	<u>10320973</u>	<u>9235418</u>
Less: Closing Stock of Packing material		
Closing Stock	581585	770254
	<u>9739388</u>	<u>8465164</u>

17 CHANGES IN INVENTORY OF FINISHED

GOODS AND STOCK IN TRADE		
a. (Increase)/Decrease in Inventory	0	0
Opening Stock of Inventory	0	0
Stock at Finished goods ad close	515152	525555
Others	<u>525555</u>	<u>685250</u>
	10403	159695
Work in Progress		
Others	<u>0</u>	<u>0</u>

18 EMPLOYEE BENEFIT EXPENSES

Salaries & Wages	5109454	4669132
Bonus	277957	263773
Contibution to Provident & Other Funds	607757	602706
Expenses on ESOP & ESPP	0	0
Staff Welfare Expenses	98271	90149
Gratuity Expenses	515520	31200
Leave Encashment Expenses	0	0
Medical reimbursements	1500	0
	<u>6610459</u>	<u>5656960</u>

19 OTHER EXPENSES

Advisiting Exp.	5400	10000
Auditor Remuneration	130500	40000
cash discount	0	2000
Commision	4236987	4782263
consulating charges	30000	36000
Consumption of Stores & Spares	877693	1041032
Conveyance & Vehcle exp	77564	157838
courier charges	34580	30396
Dicount and other charges	22769	25012
Director Remuneration	960000	1121250
Donation	21100	6100
Dr/Cr Written Off	137135	0
Club Fees A/c	47105	0
Entry Tax	186853	224664
Excise Duty	267986	756483
Expiary and Distroyed Goods	0	8137
Factory expenses	796798	1468169
Freight Charges	1536438	563504
Goods distroy a/c	123044	0
Insurance	139006	0
interest on tds a/c	34687	0
Job work charges	94483	0
Legal and Fees , Other Fees	426753	162928
Loss of Car	266721	238000
Office Expenses	426315	359326
Other Repairs	193054	280512
Panalty for lete supply	85984	473430.45
Power & Fuel	1837708	2409424
Professional Charges	230662	315594
Professional tax	5000	5000
Property Tax	53358	70990

KABRA DRUGS LIMITED

Notes to the Accounts and Accounting Policies for the Year Ended 31st March 2014

Repairs to Buildings		358223	167510
Repairs to Machinery		42050	41867
Salex Tax		0	236829
Service Tax		14832	23150
Share Transfer Exp		145527	97497
Stationery and printint books		94253	53437
Others expenses		213922	0
Telephone and other exp.		109422	112935
Testing charges		95060	132007
Traveling Exp.Director		268497	409738
Roundoff		299	0
		14627768	15863022.45
Details of Payment to Auditors			
As Auditor		0	0
Audit Fee		110000	40000
Tax Audit Fee		20000	10000
Limited Review		0	0
Others		0	0
Reimbursement of Expenses		0	0
		130000	50000
20 FINANCIAL COST			
Interest on OTHER		33296	3100
Interest on Working Capital Loans		509804	446984
Interest on Unsecured Loans		0	0
Interst on Deposits		0	0
Bank Charges		89288	118674.24
Exchange Difference to the extent of Borrowing Cost		0	0
		632388	568758.24
21 EXCEPTIONAL ITEMS / EXTRAORDINARY ITEMS			
Details with explicit reasoning		0	0
22 TAX EXPENSES			
a Income Tax			
Current Year		1262900	675577.76
Excess / Short Provision of Previous Year		0	
Less: MAT Credit Entitlement		0	0
		1262900	675577.76
b Deffered Tax		0	0
		1262900	675577.76
23 INCOME FROM DISCONTINUED OPERATIONS			
Details with explicit reasoning		0	0
24 RELATED PARTY DISCLOSURE			
a Names of Related Parties and Related Party Relationship			
Name of Related Party		Relation	
SHRI SHYAM KABRA MANAGING DIRECTOR		Key Managerial Person	
SMT KUSUM KABRA (SPOUSE OF MD)		Manager	
SHRI MAHENDRA MANDLOI		DIRECTOR	
b The details of the related party transactions entered into by the Company:			
Particulars		31.03.2014	31.03.2013
Capital Transactions			
NIL			
Revenue Transactions			
1 SHRI SHYAM KABRA	DIRECTOR REMUNRATION	6.00 LACS	6.00 lacs
2 SMT KUSUM KABRA	SALARY	6.00 LACS	6.00 lacs
3. MR MAHENDRA MANDLOI	DIRECTOR REMUNRATION	2.35 lacs	2.21 lacs

KABRA DRUGS LIMITED
Notes to the Accounts and Accounting Policies for the Year Ended 31st March 2014

Loan Taken
NIL
Loan Given
NIL

c The details of amounts due to or due from

Particulars	31.03.2014	31.3.2013
Short Term Loans & Advances	NIL	NIL
Trade Receivables	NIL	NIL
Trade Payables	NIL	NIL
Deposits	NIL	NIL
Others	NIL	NIL

25 SEGMENT REPORTING

a Identification of Segments
The Company only one segment of the year

b Segment Information

Particulars	Segment A	Segment B	Segment C	Total
Revenue				
External Sales	114169587	0	0	114169587
Incter Segment Sales	0	0	0	
	114169587	0	0	114169587
Results	0	0	0	0
Unallocated Expenses	112082974	0	0	112082974
Operating Profit				
Other Income	41558	0	0	41558
Profit Before Tax	2128191	0	0	2128191
Income Tax	1262900	0	0	1262900
Net Profit	865291	0	0	865291

c As at 31.03.2014 Segment Assets

Segment Assets	59134969	0	0	59134969
Unallocated Assets	32999015	0	0	32999015
	92133984	0	0	92133984
As at 31.03.2014 Segment Liabilities				s
Segment Liabilities	51082020	0	0	51082020
Unallocated Liabilities	0	0	0	0
	51082020	0	0	51082020

26 EARNING PER SHARE

Particulars	31.03.2014	31.03.2013
Profit/ Loss After Tax	865291	1484612
Less: Dividends on Preference Shares and Tax Thereor	0	0
Net Profit	865291	1484612
No of Shares Basic	4388600	4388600
No of Shares Diluted	0	0
Earning Per Share Basic	0.2	0.33
Earning Per Share Diluted		

27 LEASES

Finance Lease
The company not having any financial Lease

Operating Lease
The company having lease hold from DIC

And the company paid lease rent regularly to DIC

KABRA DRUGS LIMITED**Notes to the Accounts and Accounting Policies for the Year Ended 31st March 2014****28 EMPLOYEE BENEFIT**

Contribution to provident fund and Esic for gratuity, leave encasement etc. payment basic. The company has not

are charged to P & L A/c on actual basic and provision retirement benefit are charges to P & L a/c on practice to create separate reserve on actual basic.

29 RAW MATERIAL CONSUMPTION

Particulars	31.03.2014	%	31.03.2013	%
Raw Material				
Imported	0	0%	0	0%
Indigenous	77829281	100%	66482999	100%
packing material				
Imported	0	0%	0	0%
Indigenous	9739388	100%	8465164	100%
Components				
Imported	0	0%	0	0%
Indigenous	0	0%	0	0%

30 PREVIOUS YEAR FIGURES

The Company has reclassified and regrouped the Previous Year Figures to confirm the current classification.

KABRA DRUGS LIMITED

Notes to the Accounts and Accounting Policies for the Year Ended 31st March 2014

Basis of Preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1 Accounting Policies

a Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period.

b Fixed Assets - All fixed assets are stated at cost of acquisition including installation and incidental cost. No addition/deletion

c Intangible Assets- The company has not having any Intangible Assest during the year.

d depreciation - Depreciation is provided from date of use on staight line method as per the provisions of schedule 14 of the companes Act 1956.

e Lease - the Company has paid lease rent to DIC for land and account for as per payment basis.

f Impairment of Assets- The compnay has not having impairment of assest.

g Government Grant & Subsidies -: The Company has not registered for Govt.Granth and Subitieces , during the year .

h Investments - The compnay has not having intestments during the year .

i Inventories -: Inventories are valued as certified by management on following basis. Raw Material. At cost Finish Goods -

Revenue Recognition- Sales are recognised on dispatch of goods to the customers , which normally results in transfer fo title in the goods. The company has only one business segment " MANUFACTURING OF DRUGS " Furtner , since virtually all sales are effected in the domestic market , there is only one geographical segment . Therefore , the disclosure reqquirements of " SEGMENT REPORTING " are not applicable to the company. Related party disclosures as required as per accounting standard (AS_18 on " Related party discloures " issued by the Institute of Chartered Accoutnat of India , are as below.

k Foreign Currency Transaction -: The company has not incurred any transaction in foreign currency during the year .

l Retirement and Employee Benefits - Contribution of Provident fund and ESIC are charged to P & L a/c on actual basis and provision for gratuity , leave encasement etc. Retirement enefits are charges to P & L a/c on payment basis. The company has not practice to create separate reserve on actual basis.

m Income Taxes.- Payment and provisions of Income Tax has been done as per .

n Provision & Contingent Liabilities - These are separately disclosed in the financial statement by way of notes to the accounts. Contingent liabilities are not recognazed but are disclosed in the notes, contingent assets are neigher recognized nor disclosed in the financial statement.

o CONTINGENT LIABILITIES AS ON BALANCE SHEET DATE. 1] HON, BLE M.P. has given probable liability under sales tax and excise acts on purchase of denatured spirit relating to 1991-1992 . High Court has granted a stay. (Rs. 47.50 Lacs) Estimated amount due.



KABRA DRUGS LIMITED

ATTENDANCE SLIP

CIN: L02423MP1989PLC005438

Registered Office: 26, Sector "A", Sanwer Road, Industrial Area, Indore – 452 003 (M.P)
(Please complete this attendance slip and hand it over at the entrance of the hall)

I hereby record my presence at Twenty Fifth Annual General Meeting of the Company on Thursday the 31th July , 2014 at 11:00 A.M at 26, Sector "A", Sanwer Road, Industrial Area, Indore – 452 003.

Folio No./DP ID-Client ID :

Full Name of the Shareholder in Block Letters :

No. of Shares held :

Name of Proxy (if any) in the Block Letters :

Signature of the Shareholder/Proxy/Representative*

*Strike out whichever is not applicable

Note:

1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting venue. Attendance slips shall also be issued at the venue.
 2. Electronic copy of the Annual Report for the year ended March 31, 2014 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
 3. Physical copy of the Annual report for the year ended March 31, 2014 and Notice of the Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email id is not registered or have requested for a hard copy.
-



KABRA DRUGS LIMITED

Form No. MGT-11

PROXY FORM

CIN: L02423MP1989PLC005438

Registered Office: 26, Sector "A", Sanwer Road, Industrial Area, Indore – 452 003 (M.P)
(Please complete this attendance slip and hand it over at the entrance of the hall)

[Pursuant to section 105(6) of the Companies Act, 2013 and rule19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L02423MP1989PLC005438		
Name of Company:	KABRA DRUGS LIMITED		
Registered Office :	26,SECTOR-A SANWER ROAD,INDUSTRIAL ESTATE, INDORE-452 003,(M.P.)		
Name of Member (s) :			
Registered Address :			
E-mail Id :			
Folio No/Client Id		DP ID	

I/We, being the member(s) of Shares of the above named company, hereby appoint

1.	Name			
	Address			
	E-mail Id		Signature	
	Or falling him			
2.	Name			
	Address			
	E-mail Id		Signature	
	Or falling him			
3.	Name			
	Address			
	E-mail Id		Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on on Thursday the 31th July , 2014 at 11:00 A.M at 26, Sector "A", Sanwer Road, Industrial Area, Indore – 452 003, (M.P.) and at any adhourment of such resolutions as are indicated below:

** I wish my above proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors		



KABRA DRUGS LIMITED

2. Re-appointment of Shri Mahendra Singh Mandloi who retires by rotation		
3. Re-appointment of Auditors M/s Agarwal & Jhawar Associates, Chartered Accountant		
4. Approve certain powers to Board of Directors under section 180 (a) of Companies Act, 2013.		
5. Approve certain powers to Board of Directors under section 180 (c) of Companies Act, 2013.		
6. Appointment of Shri Mahendra Singh Madloi as Independent Director U/s 149 of Companies Act,2013		
7. Appointment of Shri Madhusudan Sharma as Independent Director U/s 149 of Companies Act,2013		

*Applicable for investors holding shares in the electronic form.

Affix a
15 paise
Revenue
Stamp

Signed this _____ day of _____ 2014

Signature of Shareholder

Signature of first proxy holder

Signature of first proxy holder

Signature of first proxy holder

Notes:





1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10 % of the total share capital of the Company carrying Voting rights. A member holding more than 10 % of the total share capital carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of jointholders, the signature of any one holder will be sufficient, but names of all jointholders should be stated.

Form A

KABRA DRUGS LIMITED

CIN: L02423MP1989PLC005438

Registered Office: 26, Sector "A", Sanwer Road, Industrial Area, Indore - 452 003

1.	Name of the Company	KABRA DRUGS LIMITED
2.	Annual Financial Statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Whether appeared first time - / repetitive / since how long period -
5.	To be signed by	
	<ul style="list-style-type: none"> • CEO/Managing Director 	
	<ul style="list-style-type: none"> • CFO 	
	<ul style="list-style-type: none"> • Auditor of the Company 	 
	<ul style="list-style-type: none"> • Audit Committee Chairman 	