



LABORATORIES LIMITED

**23rd ANNUAL REPORT
2010-11**



TWENTY THIRD ANNUAL REPORT 2010-11

BOARD OF DIRECTORS

Shri Kamlesh J. Laskari	-	Chairman & Managing Director
Ms. Ranak K. Laskari	-	Director
Dr. Mahendra P. Shah	-	Director
Dr. S.L.Chopra	-	Director
Shri Ram K. Khadka	-	Director

BANKERS

Bank of Baroda
Ahmedabad

AUDITORS

M/s. Deepak Soni & Associates
Chartered Accountants
Ahmedabad

COMPANY LAW CONSULTANTS :

M/s. Mehta Hurkat & Associates,
Company Secretaries,
Ahmedabad

REGISTERED OFFICE & FACTORY

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

Dear Members,

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

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

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

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

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

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NOTICE

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

Date : 30th September, 2011
Day : Friday
Time : 10.30 a. m.
Place : Registered Office of the Company at:
737, Rakanpur Village, Sola - Santej Road,
Taluka: Kalol (N. Guj.), Dist: Gandhinagar - 382 721.

to transact the following business:

ORDINARY BUSINESS :

1. To receive and adopt Audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as on that date along with Directors' Report thereon.
2. To appoint a Director in place of Ms. Ranak K. Laskari, who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage or charge by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situated, present and future, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of Bank of Baroda (the Bank) to secure Financial Assistance of Rs. 625.74 lacs (Rupees Six hundred twenty five lacs and seventy four thousand only) lent and advanced/agreed to be lent/advanced to the Company by the Bank together with interest thereon at the agreed rate, compound interest, additional interest, liquidated damages, costs, charges, expenses and other monies payable by the Company to the Bank under the Agreements entered into/ to be entered into by the Company in respect of the said Financial Assistance."

"RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorised to finalise with the Bank the documents for modifying aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

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

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

REGISTERED OFFICE

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

By order of the Board,

Kamlesh J. Laskari
Chairman & Managing Director

NOTES :

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item Nos. 4 & 5 as set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.

Annual Report 2010-11

3. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Wednesday, the 21st September, 2011 to Friday, the 30th September, 2011 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to:
 - (a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notify immediately the Change if any, in the registered address, to the Company.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item Nos. 4 & 5 of the accompanying notice dated 25th July, 2011 and should be taken as forming part of the notice.

In respect of Item No. 4:

Bank of Baroda, Ahmedabad (the Bank) has enhanced Financial Assistance to Rs. 625.74 lacs (Rupees Six hundred twenty five lacs and seventy four thousand only). The Financial Assistance sanctioned by the Bank are to be secured by hypothecation of goods/ Machinery/ Book Debts and other movables and also Mortgage over the fixed assets/ immovable properties of the Company situated at factory located at 737, Rakanpur, Sola- Santej Road, Taluka- Kalol, Dist. Gandhinagar.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Public Company shall not, without the consent of such public in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the Bank may be regarded as, disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

Copy of Sanction Letter, Agreement, Deed of Hypothecation, correspondence of the Company with the Bank and copies of the relevant documents are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.

None of the Directors is in any way concerned or interested in the aforesaid resolution.

Your Directors recommend the Resolutions.

In respect of Item No. 5:

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

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

Draft Agreement of his promotion as Chief Executive is open for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of the meeting.

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

REGISTERED OFFICE

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

By order of the Board,

Kamlesh J. Laskari
Chairman & Managing Director

DIRECTORS' REPORT

Dear Shareholders,

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

(Rs. in lacs)

1. FINANCIAL RESULTS :

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

2. DIVIDEND :

In view of insufficient profits and with a view to conserve the resources for the working capital requirement, the Directors are unable to recommend any dividend on the Equity Shares for the year under review.

3. OPERATIONS :

The Sales and Operating Income of the Company during the year under review have been increased to Rs. 1113 lacs compared to Rs. 973 lacs during 2009-10. The Company has commenced vigorous efforts to increase sales in domestic as well as export markets. The management is hopeful of better results in the year 2011-12.

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

4. RESEARCH & DEVLEOPMENT :

The Quality Control and R & D Department of your Company has shown satisfactory performance during the year under review.

5. DIRECTORS :

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

6. FINANCE:

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

7. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2011 being end of the Financial Year 2010-11 and the Profits of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

8. DEMATERIALISATION OF EQUITY SHARES :

The Company is in the process of making arrangement with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

9. PERSONNEL AND H. R. D. :

The industrial relations continued to remain cordial and peaceful and your Company continued to give ever-increasing importance to training at all levels and other aspects of H. R. D.

10. CORPORATE GOVERNANCE :

The Report on Corporate Governance as per Clause 49 of the Listing Agreement is annexed.

11. LISTING :

The Equity Shares of the Company are listed on Ahmedabad, Mumbai and Delhi Stock Exchanges.

12. GENERAL :

12.1 INSURANCE :

The Company's properties including building, plant and machinery, stocks, stores etc. continue to be adequately insured against risks such as fire, riot, strike, civil commotion, malicious damages, machinery breakdown etc.

12.2 AUDITORS :

The present Auditors of the Company M/s. Deepak Soni & Associates, Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting. They have submitted certificate for their eligibility for re-appointment under Section 224(1-B) of the Companies Act, 1956.

The notes and remarks of Auditors have been explained in Schedule 16 to the accounts.

12.3 PARTICULARS OF EMPLOYEES :

None of the employees of the Company is drawing remuneration-requiring disclosure of information under Section 217(2-A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

12.4 DEPOSITS :

At the end of the Financial Year under Report, no fixed deposit remained unclaimed by the deposit holder, which was due for repayment.

13. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:
A. Conservation of energy :

a) Energy conservation measures taken	:	Nil
b) Proposals for reduction of consumption of energy	:	Nil
c) Impact of the above measures	:	Nil

FORM - A
Disclosure of particulars with respect to Conservation of Energy
1. Power and Fuel Consumption :

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

2. Consumption per unit of production :

Electricity (Kwh)	0.0083671	0.0072151
L.D.O. (Ltr)	0.0000000	0.0002943
Diesel (Ltr)	0.0010250	0.0004000

B. Technology Absorption : Not applicable.

C. Foreign Exchange Earning/Outgo : During the year under review, the Foreign Exchange expenditures and outgoings has been to the extent of Rs. NIL (Previous year Rs. NIL).

The Foreign exchange earnings and are Rs. NIL (F.OB.) (Previous year Rs. NIL)

14. ACKNOWLEDGMENT :

Your Directors express their sincere thanks and appreciation to Promoters, Shareholders, Suppliers and Customers for their constant support and co-operation.

Your Directors also place on record their grateful appreciation and co-operation received from Bank of Baroda and employees of the Company.

For and on behalf of the Board,

Place : Ahmedabad
Date : 25th July, 2011

Kamlesh J. Laskari
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION :

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. The Company has implemented the mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-à-vis the Stock Exchange Listing Agreement is presented below.

2. BOARD OF DIRECTORS:**a) Composition and Category of Directors :**

Name of Directors	Category of Directorship	No. of other * Directorships	Committee (1) Membership/ (2) Chairmanship in other companies	No. of Board Meetings attended	Attendance at the AGM held on 24 th September, 2010 Yes(Y)/No(N)
Kamlesh J. Laskari Chairman & Managing Director	Executive	—	—	6	Y
Ranak K. Laskari	Non-executive	—	—	6	Y
Dr. Mahendra P. Shah	Independent Non-executive	—	—	6	Y
Dr. S.L. Chopra	Independent Non-executive	1	—	6	Y
R.K. Khadka	Independent Non-executive	—	—	—	N

* Private Companies excluded

b) Details of the Directors seeking Appointment/Reappointment in forthcoming Annual General Meeting:

Name of the Director	Ms. Ranak K. Laskari
Date of Birth	30-09-1962
Date of Appointment	06-07-1988
Expertise in specific functional areas	Management & Finance
List of Public Limited Companies in which Directorships held	Nil
Chairman/Member of the Committees of the Board of Directors of the Company	Audit & Shareholders' Grievances Committee
Chairman/Member of the Committees of Directors of other Companies	Nil

c) Board Procedures :

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, and investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors were held on 15-05-2010, 09-08-2010, 01-10-2010, 13-11-2010, 14-02-2011 and 18-03-2011.

3. AUDIT COMMITTEE :

The Audit Committee consists of the following Directors:

Name of the Directors	Expertise	Function of the Committee	Attendance
Dr. S. L. Chopra	All members are Non-executive. Chairman is independent Director and majority are independent. One member has through financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s) which include approving and implementing the audit procedures, review of financial reporting system internal control procedures and risk management policies	Majority members were present at the meeting held on 15-05-2010, 09-08-2010, 13-11-2010 & 14-02-2011
Dr. Mahendra P. Shah			
Ms. Ranak K. Laskari			

4. REMUNERATION COMMITTEE :

The Board Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.

The Committee comprises the following Directors as members:

1. Dr. S. L. Chopra, Chairman - Non-executive Independent.
2. Dr. Mahendra P. Shah, Member - Non-executive Independent
3. Shri Ram K. Khadka, Member - Non-executive

Majority members attended the meetings held on 09-08-2010 & 01-10-2010.

Details of remuneration paid:

1. Shri Kamlesh J. Laskari, Managing Director was paid Rs. 16,37,639/- as managerial remuneration during the year 2010-11.
2. Sitting Fees are paid to Directors for attending meetings. No Commission or Stock Option has been offered to the Directors.

5. SHARE HOLDERS/INVESTORS' GRIEVANCES COMMITTEE :

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

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

The Company received 11 complaints during the year and all were resolved to the satisfaction of the shareholders. There was no valid request for transfer of shares pending as on 31st March 2011.

Shri Kamlesh J. Laskari, Chairman & Managing Director is the Compliance Officer for the above purpose.

6. GENERAL BODY MEETINGS :

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2007-2008	06-09-2008	10.30 a.m.	737, Rakanpur Village, Sola-Santej Road, Taluka:Kalol(N.G.), Dist.: Gandhinagar - 382 721.
2008-2009	22-09-2009	10.30 a.m.	
2009-2010	24-09-2010	10.30 a.m.	

Pursuant to the provisions of Section 192 A of the Companies Act, 1956, there was no matter required to be dealt by the Company to be passed through postal ballot.

7. DISCLOSURES :

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

8. MEANS OF COMMUNICATIONS :

- a) In compliance with the requirements of the Listing Agreement, the Company is generally intimating Unaudited/ Audited Financial Results to the Stock Exchange/s. These Financial Results are generally published in local newspaper of Gujarat. Results are not displayed on Website and are not sent individually to the Shareholders.
- b) During the year ended on 31st March 2011, no presentation was made to Institutional Investors or analyst or any other enterprise.
- c) Management Discussion and Analysis form part of the Annual Report.

9. SHAREHOLDERS' INFORMATION :

- a) Registered Office : 737, Rakanpur Village, Sola-Santej Road,
Taluka : Kalol (N.Guj.), Dist. : Gandhinagar - 382 721.
- b) Annual General Meeting : Day : Friday
Date : 30th September, 2011
Time : 10.30 a.m.
Venue : 737, Rakanpur Village, Sola-Santej Road,
Taluka:Kalol(N. Guj.), Dist. : Gandhinagar - 382 721.
- c) Financial Calendar :
1st Quarter Results : Mid- August, 2011.
Half-yearly Results : Mid- November, 2011.
3rd Quarter Results : Mid- February, 2012.
Audited yearly Results : End- May, 2012.
- d) Book Closure Dates : From : Wednesday The 21st September, 2011
To : Friday, The 30th September, 2011.
(Both days inclusive).
- e) Dividend Payment Date : Not applicable.
- f) Listing of Shares on Stock Exchanges : **1. Ahmedabad Stock Exchange Limited**
Kamdheni Complex, 1st Floor,
Opp. Sahajanand College, Panjara Pole,
Ambawadi, Ahmedabad - 380 015.
2. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort Mumbai - 400 001.
3. The Delhi Stock Exchange Association Limited
DSE House, 3/1, Asaf Ali Road,
New Delhi - 110 002.
- g) Stock Exchange Code :

Stock Exchange	Code
ASE	29630
BSE	524604
DSE	6668
- h) Stock Price Data : The Shares of the Company have not been traded during the period from 1st April, 2010 to 31st March, 2011 hence no information is submitted.

i) Registrar and Share Transfer Agents :

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

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

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

j) Share Transfer System :

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

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

k) Distribution of Shareholding as on 31st March, 2011:

No. of Equity Shares held	No. of Shareholders	%of share-holders	No. of Shares held	% of Shareholding
Up to 500	22,136	95.01	26,83,800	45.88
501 to 1000	868	3.72	6,84,800	11.71
1001 to 2000	238	1.02	3,43,050	5.86
2001 to 3000	24	0.10	57,310	0.98
3001 to 4000	6	0.02	20,900	0.36
4001 to 5000	13	0.05	63,700	1.09
5001 to 10000	6	0.02	39,900	0.68
10001 and above	15	0.06	19,56,540	33.44
Grand Total	23,306	100.00	58,50,000	100.00

l) Category of Shareholders as on 31st March, 2011:

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

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

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

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

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

11. ADDRESS FOR CORRESPONDENCE :

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

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

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

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

For and on behalf of the Board,

Place : Ahmedabad
Date : 25th July, 2011.

Kamlesh J. Laskari
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments:

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

b. Opportunities and Threats:

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

c. Segment wise Performance:

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

d. Recent Trend and Future Outlook:

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

e. Risks and Concerns:

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

f. Internal Control Systems and their Adequacy:

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

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2010-11 is described in the Directors' Report.

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

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

i. Cautionary Statement:

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

Place : Ahmedabad
Date : 25th July, 2011.

For and on behalf of the Board,

Kamlesh J. Laskari
Chairman & Managing Director



LABORATORIES LIMITED

AUDITORS' CERTIFICATE

To
The Members of
Kamron Laboratories Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Kamron Laboratories Ltd., for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India. We have conducted over review on the basis of relevant records and documents maintained by the Company for the year ended 31st March, 2011 and furnished to us for the purpose of the review and the information and explanation given to us by the Company during the course of review.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all materials respects with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances is pending for period exceeding one month against the Company as per the records maintained by the Company.

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

For DEEPAK SONI & ASSOCIATES
Chartered Accountants
FRN: 102250W

Place: Ahmedabad
Date : 25th July, 2011

Deepak Soni
Proprietor
M. No. 31138

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of Kamron Laboratories Limited as at 31st March, 2011 and Profit & Loss Account and the cash flow statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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.
3. As required by the Companies (Auditors Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the Information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on information and explanations given to us, none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our informations and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon and give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as 31st March, 2011
 - ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - iii) In so far as it relates to the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

For DEEPAK SONI & ASSOCIATES
Chartered Accountants
FRN: 102250W

Place : Ahmedabad
Date : 25th July, 2011

Deepak Soni
Proprietor
M. No. 31138

Referred to in paragraph 2 of our report of even date

1. In respect of its fixed assets :
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on basis of available information.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its inventories :
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to / from a company, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - a) The Company has not granted any loans. The company has taken loans from one party aggregating to Rs. 26.81 lacs during the year.
 - b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
 - c) In respect of loans taken by the Company, the interest payments are regular and the principal amount is repayable on demand.
 - d) There is no overdue amount in respect of loans taken by the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of any party during the year.
6. The Company has not accepted any deposits from the public during the year under review.

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7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of Cost Records under section 209(1)(d) of the Companies act, 1956 in respect of manufacturing activities of the Company.
9. In respect of statutory dues:
- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities.

- b) The following statutory dues on account of dispute have not been deposited by the company.

Particulars		Amount (Rs.)	Forum
i)	The Central Excise Act, 1944	---	---
ii)	The Central Sales Tax Act,	1,10,32,991	The Commercial Tax Officer Div.03, Gandhinagar.

Demand has been stayed by the Deputy Commissioner, Vivad-3, Gandhinagar.

10. The Company has generated Profit of Rs.10.25 Lacs during the year under review. The company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund / society. Clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is therefore not applicable to the Company.
14. The Company has not made any transactions and contracts in respect of trading in securities, debentures and other investments during the year under review. All investments have been held by the Company in its own name.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year were applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the company has not utilised any amount from short term sources towards repayment of long term borrowings and acquisition of fixed assets.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year under review.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For DEEPAK SONI & ASSOCIATES
Chartered Accountants
FRN: 102250W

Place: Ahmedabad
Date : 25th July, 2011

Deepak Soni
Proprietor
M. No. 31138


KAMRON LABORATORIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Schedule	31-03-2011 (in Rs.)	31-03-2010 (in Rs.)
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	[1]	58500000	58500000
(b) Reserves and Surplus	[2]	<u>11949104</u>	<u>11125507</u>
2. LOANS & FUNDS			
(a) Secured Loans	[3]	35490422	30694798
(b) Unsecured Loans	[3]	<u>11394929</u>	<u>10016104</u>
3.			
(a) Deferred Tax Liabilities		458774	458774
(b) Provision For Gratuity		1435434	1418785
(C) Provision For Income Tax		<u>920000</u>	<u>460000</u>
TOTAL :		<u>120148663</u>	<u>112673968</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
Gross Block	[4]	83760813	80601228
Less : Depreciation		<u>31937369</u>	<u>28810326</u>
Net Block		51823444	51790902
Capital Work in Progress		4006624	1280750
2. INVESTMENTS			
	[5]	3725000	3725000
3. CURRENT ASSETS, LOANS AND ADVANCES			
(a) Inventories	[6]	25253579	22940875
(b) Sundry Debtors	[7]	23526288	23994358
(c) Cash & Bank Balances	[8]	1341121	2985496
(d) Loans and Advances	[9]	<u>13446257</u>	<u>13936202</u>
		63567245	63856931
Less : Current Liabilities & Provisions			
(a) Current Liabilities	[10]	<u>7275844</u>	<u>8027378</u>
		7275844	8027378
Net Current Assets		56291401	55829553
4. Deferred Revenue Expenses (To the extent not written off and/or adjusted)		4296562	-
5. Misc. Expenses (To the extent not written off and/or adjusted)			
Pre. Expenses		5632	47763
(Previous Year Balance)		47763	89894
Add : During the year		-	-
		<u>47763</u>	<u>89894</u>
Less : W.off. during the year		<u>42131</u>	<u>42131</u>
TOTAL :		<u>120148663</u>	<u>112673968</u>
NOTES ON ACCOUNTS SCHEDULE	[16]		

As per our separate report of even date.

For DEEPAK SONI & ASSOCIATES

Chartered Accountants
Firm Reg. No. 102250W

Deepak Soni
Proprietor
M. No.: 31138
Ahmedabad
25th July, 2011.

For & on behalf of Board,

Kamlesh J. Laskari Chairman & Managing Director
Smt. Ranak K. Laskari Director
Dr. Mahendra P. Shah Director
Dr. S. L. Chopra Director
Ahmedabad
25th July, 2011

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

Particulars	Schedule	2010-11 (in Rs.)	2009-10 (in Rs.)
INCOME			
(a) Sales & Operating Income		111272293	97312497
(b) Increase (Decrease) in Inventories	[11]	2127332	3173958
(c) Interest (Gross) (Tax deducted at source Rs.744/-, P.Y. Rs.1685/-)		13364	18888
		113412989	100505343
EXPENDITURES			
(a) Cost of goods sold	[12]	72615458	56172174
(b) Expenses			
(1) Personnel Expenses	[13]	11792377	12081541
(2) Excise Duty		995303	1237930
(3) Other Expenses	[14]	19675445	22744530
(c) Interest			
(1) On Fixed Loans		369802	231556
(2) Others		3553963	3800386
(d) Depreciation	[15]	2925084	2815998
		111927432	99084115
Profit before amortisation of expenses and Tax		1485557	1421228
Less : Provision for current year's Tax		460000	460000
Provision for deferred Tax		—	—
Profit for the year available for appropriation		1025557	961228
LESS APPROPRIATIONS :			
(a) Transfer to General Reserve		—	—
Profit for the year		1025557	961228
Add : Balance of Profit & Loss account Brought forward Profit (Loss)		6951472	5990244
Balance of Profit & Loss Account carried to Balance sheet		7977029	6951472

NOTES ON ACCOUNTS SCHEDULE [16]

As per our separate report of even date.
For DEEPAK SONI & ASSOCIATES
Chartered Accountants
Firm Reg. No. 102250W
Deepak Soni
Proprietor
M. No.: 31138
Ahmedabad
25th July, 2011.

For & on behalf of Board,
Kamlesh J. Laskari Chairman & Managing Director
Smt. Ranak K. Laskari Director
Dr. Mahendra P. Shah Director
Dr. S. L. Chopra Director
Ahmedabad
25th July, 2011

CASH FLOW FOR THE YEAR ENDED ON 31ST MARCH, 2011.

	2010-11 (in Rs.)	2009-10 (in Rs.)
(A) CASH FLOW FORM OPERTING ACTIVITIES		
Net Profit / (Loss) before tax and Extra ordinary Items	1025557	961228
Adjustments for :-		
Depreciation	2925084	2815998
Interest Paid	3923765	4031942
Interest Income (considered separately)	(13364)	(18888)
Depreciation on sales of assets	—	(556156)
Sub Total	<u>6835485</u>	<u>6272896</u>
Operating Profit before working capital changes :	<u>7861042</u>	<u>7234124</u>
Increase in :		
Sundry Debtors	(468070)	(5169534)
Loans and Advances	489945	(123226)
Inventories	(2312704)	(2401003)
Trade payable	751534	(820880)
Pre Expenses	42131	42131
Deferred Revenue Expenses	(4296562)	—
Sub Total	<u>(6360654)</u>	<u>(6830752)</u>
Cash generated from operations	<u>1500388</u>	<u>403372</u>
Tax adjustment	—	(152838)
Cash flow before extra ordinary item	<u>1500388</u>	<u>403372</u>
Net cash flow from operating activities-I	<u>1500388</u>	<u>250534</u>
(B) CASH OUTFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3159585)	(2444454)
Capital Work in Progress	(2725875)	(1280750)
Sales of Investment	—	1000
Sales of Fixed Assets	—	1099812
Interest received	13364	18888
Net Cashout Flow for investing Activities II	<u>(5872096)</u>	<u>(2605504)</u>
Cashflow after Investing Activities III (I+II)	<u>(4371708)</u>	<u>(2354970)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	6174449	6074994
Gratuity Provision	16649	(262963)
Deferred Tax	—	—
Income Tax Provision	460000	460000
Interest paid	(3923765)	(4031942)
Net Cash Flow from Financial activities IV	<u>2727333</u>	<u>2476759</u>
Net Cash Flow after Financing activities V (III+IV)	<u>(1644375)</u>	<u>121789</u>
(D) CASH AND CASH EQUIVALENTS (Opening Balance)	<u>2985496</u>	<u>2863707</u>
Cash and Cash equivalents (Closing Balance)	<u>1341121</u>	<u>2985496</u>
	<u>(1644375)</u>	<u>121789</u>

Note : Figures in the brackets are out flows.

As per our separate report of even date.

For DEEPAK SONI & ASSOCIATES

Chartered Accountants
Firm Reg. No. 102250W

Deepak Soni

Proprietor
M. No.: 31138
Ahmedabad
25th July, 2011.

For & on behalf of Board,

Kamlesh J. Laskari Chairman & Managing Director

Smt. Ranak K. Laskari Director

Dr. Mahendra P. Shah Director

Dr. S. L. Chopra Director

Ahmedabad
25th July, 2011

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SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31-03-2011 (in Rs.)	As at 31-03-2010 (in Rs.)
SCHEDULE - 1 : SHARE CAPITAL		
Authorised		
60,00,000 (Previous year - 6000000) Equity shares each of Rs.10/-	60000000	60000000
50,000 (Previous year - 50000) 11% Cumulative Redeemable Preference shares each of Rs.10/-	500000	500000
TOTAL :	<u>60500000</u>	<u>60500000</u>
Issued, Subscribed and Paid Up		
58,50,000 (Previous year - 5850000) Equity shares each of Rs.10/- fully paid up	58500000	58500000
TOTAL	<u>58500000</u>	<u>58500000</u>
SCHEDULE-2 : RESERVE & SURPLUS		
(a) Capital Reserve - State Subsidy - Balance as per last Balance Sheet	1799000	1799000
(b) General Reserve : Balance as per last Balance sheet	16000	16000
(c) Revaluation Reserve : Balance as per last Balance sheet Less : depreciation on revalued Assets	2359035 201960	2560995 201960
	<u>2157075</u>	<u>2359035</u>
(d) Balance in the Profit & Loss Account	7977029	6951472
TOTAL	<u>11949104</u>	<u>11125507</u>
SCHEDULE -3 LOAN FUNDS		
(A) SECURED LOANS :		
Long term loans from Bank of Baroda secured by mortgage and/or hyothecation of all present and future assets both movable and immovable including Land, Building, Plant & Machinery, Spare Parts etc. by way of first charge and guaranteed by Shri Kamlesh J. Laskari, Managing Director and Smt. Ranak K. Laskari, Director of the Company.	7867451	8580469
Short term cash credit from Bank of Baroda against hypothecation of inventory and bookdebts and further secured by second charge on the fixed assets of the company and guaranteed by Shri Kamlesh J. Laksari, Managing Director and Smt. Ranak K.Laskari, Director of the company.	27622971	22114329
Sub Total :	<u>35490422</u>	<u>30694798</u>
(B) UNSECURED LOANS :		
(i) Loan from the Managing director	4948947	4922137
(ii) Other trade deposits	6445982	5093967
Sub Total :	<u>11394929</u>	<u>10016104</u>
TOTAL	<u>46885351</u>	<u>40710902</u>

SCHEDULE - 4 : FIXED ASSETS

Fixed Assets	Gross Block				Depreciation				Net Block	
	As at 01-04-10 Rs.	Additions Rs.	Deduction Rs.	As at 31-03-11 Rs.	Up to 01-04-10 Rs.	For the year Rs.	On ded. Adjust. Rs.	Up to 31-03-11 Rs.	As at 31-03-11 Rs.	As at 31-03-10 Rs.
Land	9010210	-	-	9010210	-	-	-	-	9010210	9010210
Office Equipments	3083143	19480	-	3102623	1777298	218210	-	1995508	1107115	1305845
Furniture & Fixtures	638739	-	-	638739	511434	40432	-	551866	86873	127305
Vehicles	829311	-	-	829311	389646	78785	-	468431	360880	439665
Factory Building	13573692	-	-	13573692	5410817	453361	-	5864178	7709514	8162875
Non Factory Building	8719578	39175	-	8758753	2194215	142602	-	2336817	6421936	6525363
Trade Marks	80200	-	-	80200	-	-	-	-	80200	80200
Plant & Machinery	44666355	3100930	-	47767285	18526915	2193654	-	20720569	27046716	26139440
Total	80601228	3159585	-	83760813	28810325	3127044	-	31937369	51823444	51790903
Previous Year	79256586	2444454	1099812	80601228	26348524	3017957	556156	28810325	51790903	

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

As at	As at
31-03-2011	31-03-2010
(in Rs.)	(in Rs.)

SCHEDULE - 5 : INVESTMENTS (AT COST-LONG TERM)
(a) UNQUOTED

(i) 10,000/- Equity Shares of Rs. 10/- each fully paid in PRSSB Services Ltd. (Previous Year 10,000/- Equity Shares)	3725000	3725000
TOTAL :	3725000	3725000

SCHEDULE - 6 : INVENTORIES

(i) Raw and Packing Materials (at cost or net realisable value whichever is less)	3679965	3063919
(ii) Work in Process (at cost)	5651780	5718668
(iii) Finished Goods (at lower of cost or net realisable value)	15431060	13905303
(iv) Stores & Spares (at lower of cost of net realisable value)	99682	53162
(v) Other stock (at lower of cost of net realisable value)	391092	199823
TOTAL :	25253579	22940875

SCHEDULE - 7 : SUNDRY DEBTORS
(A) Over six months :

Unsecured, considered good	5071623	4408152
Unsecured, considered doubtful	164626	-

(B) Other debts :

Unsecured, considered good	18290039	19586206
Unsecured, considered doubtful	-	-

TOTAL :	23526288	23994358
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	As at 31-03-2011 (in Rs.)	As at 31-03-2010 (in Rs.)
SCHEDULE - 8 : CASH AND BANK BALANCES		
(A) On hand	926551	400866
(B) With scheduled banks :		
In current accounts	349179	2519239
In fixed deposits	65391	65391
TOTAL :	1341121	2985496

SCHEDULE - 9 : LOANS AND ADVANCES

(Unsecured)		
(a) Advances recoverable in cash or in kind or for value to be received	12384717	13123628
(b) Balance with custom, excise and Sales Tax	12981	49900
(c) Income Tax	730142	444257
(d) Deposits	318417	318417
TOTAL :	13446257	13936202
Notes : (1) Loans & Advances include :		
(a) Considered Good	13446257	13936202
(b) Considered Doubtful	—	-
TOTAL :	13446257	13936202

SCHEDULE - 10 : CURRENT LIABILITIES

(a) Sundry Creditors / Liabilities for goods and expenses	7008816	7648440
(b) Sales Tax & Professional Tax	88496	152937
(c) Income tax deducted at source	178532	226001
TOTAL :	7275844	8027378

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	2010-11 (in Rs.)	2009-10 (in Rs.)
SCHEDULE - 11 : ACCRETION /DECREASE IN INVENTORIES		
Opening stock :		
Work in Process	5718668	4932130
Finished Goods	7110490	4723070
	12829158	9655200
Closing stock :		
Work in Process	5651780	5718668
Finished Goods	9304710	7110490
	14956490	12829158
Increase(Decrease) in inventories	2127332	3173958

	2010-11 (in Rs.)	2009-10 (in Rs.)
SCHEDULE - 12 : COST OF GOODS SOLD		
OPENING STOCK :		
Raw Materials	1644968	1503932
Packing Materials	1418951	1347674
Finished Goods	6794813	7578653
	9858732	10430259
PURCHASES :		
Raw Materials	53331680	40289103
Packing Materials	8164152	4401080
Finished Goods	10826680	10698573
	72322512	55388756
Freight, Cartage, on Raw Material	240529	211891
	72563041	55600647
CLOSING STOCK :		
Raw Materials	1430425	1644968
Packing Materials	2249540	1418951
Finished Goods	6126350	6794813
	9806315	9858732
TOTAL :	72615458	56172174

SCHEDULE - 13 : PERSONNEL EXPENSES

Salaries and Wages	9969536	10214686
Remuneration to the Managing Director	1479239	1478676
Gratuity & Welfare Expenses	343602	388179
TOTAL	11792377	12081541

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	2010-11 (in Rs.)	2009-10 (in Rs.)
SCHEDULE - 14 : OTHER EXPENSES		
Power and Fuel	1708407	1808035
Stores and Spares	194175	291575
Insurance	77496	146100
Repairs and Maintance to Machinery	235693	398624
Repairs and Maintance to Buildings	249334	150489
Repairs (Others)	141814	150643
Discount on Sales	596769	1330256
Publicity and Propaganda Sales Promotuin	3390281	4399378
Travelling	3505174	4602662
Freight and Custom Clearance charges	1362797	1362391
Laboratory Expenses	281345	392486
Bank charges	319814	139437
Fees for Licenses, Etc..	112721	222197
Postage, Telegram, Etc..	206665	214135
Professional Tax	2500	2500
Professional and legal fees	1776418	1980753
Audit fees	200000	125000
Listing Fees / Roc Fees	5000	20045
Loading & Unloading Charges (Labour charges)	2517937	2419157
Directors sitting fees	14000	12000
Sales Tax	484523	319344
Rate & Taxes	2889	10020
General charges (Incl.Telephone, Conveyance, Misc. Expenses,etc.)	2289693	2247303
TOTAL :	<u>19675445</u>	<u>22744530</u>
SCHEDULE - 15 : DEPRECIATION		
On the fixed Assets	3127044	3017958
Less : Transfer from Revaluation Reserve	201960	201960
Total :	<u>2925084</u>	<u>2815998</u>

SCHEDULE -16 :

NOTES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

1. Corroponding figures of the previous year have been regrouped whenever necessary to make them comparable with current year figures.
2. Statement of Significant Accounting Policies
 - (a) **Basis of Accounting :**
The financial statements are prepared in accordance with the relevant presentation requirements of the Companies Act,1956 under the historical cost convention on an accrual basis.
 - (b) **Fixed assets :**
It is a practice of the Company to state the Fixed Assets at cost of acquisition/construction less accumulated depreciation. However, on revaluation of certain fixed assets viz the Plant& Machinery, Land, Factory Building and Non-factory Building such fixed assets have been stated at revalued amounts on the basis of their replacement value determined by the approved valuer. Increase resulting on revaluation of the fixed assets has been credited to Revaluation Reserve Account.

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

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6. Certain Fixed Assets of the Company viz the Plant & Machinery, Land, Factory Building and Non-factory Building were revalued during the year ended 31st March, 1998 on the basis of their replacement value as of 31st March, 1998 determined by the approved valuer and the surplus arising on such revaluation amounting to Rs.1,43,62,580/- in the accounts of the Company have been credited to the revaluation reserve and the said fixed assets have been shown at revalued figures.
7. The company during the year under review has adopted programme of substantial expansion of marketing. The company has introduced certain new products and has also entered into certain new regional areas. The company with a view to expanding the regional market and with a view to introducing new products has expended substantially on salary of marketing staff, allowances of marketing staff, commission, travelling of marketing staff. The management of the company is of the view that the company shall continue to enjoy benefits of the expenses for the subsequent years and therefore on basis of appraisal of the expenses and considering the enduring nature of the expenses the company has transferred 40% the aggregate expenses i.e. Rs. 42,96,562/- (Previous Year Rs. Nil) to Deferred Revenue Expenditure. The management of the company is of the opinion that the company shall be able to enjoy the benefits for the next ten years and therefore the company has decided to amortize expenditure at the rate of 10% per annum commencing from financial year 2011-12.
8. Salaries, Wages and Bonus including payments to and provisions for Managing Director.

	2010-11	2009-10
Salaries	1429956	1430000
House Rent Allowance & Other Allowance	49283	48676
Contributions to and provisions for Provident Fund and Family Pension Fund and Superannuation.	158400	158400
Total	1637639	1637076

9. Interest includes interest of Rs.4.99 Lacs (2009-2010 Rs.5.63 Lacs) on Fixed Deposit of Rs.46.74 Lacs (2009-10 Rs.49.22 Lacs) paid / payable to Managing Director.
10. In compliance with the Accounting Standard relating to Accounting for Taxes on Income - AS 22' issued by the Institute of Chartered Accountants of India (ICAI), the Company has provided deferred tax Rs. Nil (Previous Year Rs.Nil) in Profit & Loss Accounts towards deferred tax liabilities for the year ended 31st March 2011. The Company is in process of accounting appraising the deferred tax asset/liability and on final is at on and ascertaining the amount necessary entry shall be passed.

	31-03-2011	31-03-2010
11. Earnings per Share (Basic)	Rs.	Rs.
Net Profit (After Tax) as per profit and loss account available for equity shareholders (Rs. in Lacs)	10.25	9.61
Equity Shares for calculation of earnings per shares (nos)	585.00	585.00
Earnings per Share (Basic) (Rs.)	58,50,000	58,50,000
	0.17	0.06

12. No provision has been made in the accounts for Sundry Debtors of Rs.1,64,626/- (previous year Rs.Nil/-) and Loans & Advances of Rs.Nil (previous year Rs.Nil/-) considered Doubtful of recovery. However in the opinion of the directors, current assets including sundry debtors considered doubtful, loans and advances including considered doubtful have the value at which they are stated in the Balance Sheet if realised in the ordinary course of business and therefore no provision has been made in respect of such debtors and loans and advances. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.
13. Confirmation of the balances of sundry debtors, sundry creditors, loans and advances are subject to confirmation and reconciliation. On receipt of confirmation and after making the reconciliation the necessary entries shall be made.

14. Auditors' Remuneration:	2010-11	2009-10
Audit fees	2,00,000	1,25,000
Tax audit fees	50,000	50,000
Fees for taxation matters	25,000	25,000
Fees for Certifications matters	—	—
	2,75,000	2,00,000

15. There were no amounts overdue and remaining outstanding to small scale and/or ancilliary industrial suppliers on account of principal and/or interest at the close of the year. This disclosure by the company is based on the information available with the company regarding the status of the suppliers on defined under the Micro, Small and Medium Enterprise Development Act, 2006.

16. Estimated amount of contracts remaining to be executed on capital account and not Provided for Rs.5.00 Lacs (Previous Year Rs.5.00 Lacs)

17. **Related party disclosures as required by AS-18**

Name of the related party and nature of relationship where control exists :

Sr.No. Name of the related party

I. Subsidiaries Company Nil

II. Associates Company / Enterprise where common control exists. Nil

III. Key Management Personnel

1 Kamlesh J. Laskari

2 Rohan K. Laskari

IV. Relatives of Key Management Personnel and their Enterprise

1 Kamlesh J. Laskari

2 Ranak K. Laskari

3 Sohan K. Laskari

4 Jagdish D. Laskari

V. Directors

1 Kamlesh J. Laskari

2 Ranak K. Laskari

3 Dr. Mahendra P. Shah

4 Dr. S.L. Chopra

5 Ram K. Khadka

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

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

(Rs. in Thousands)					
Sr. No.	Nature of Transactions	Associates	Key Mangt. Personnel	Relatives of Key Mangt. Personnel	Total
1.	Purchase of material/ finished goods	---	---	---	---
2.	Remuneration	---	1649	---	1649
3.	Sitting Fees to Diretors	---	14	---	14
4.	Lease Rent/ Shed Rent Receipt	---	---	---	---
5.	Conversion Charges	---	---	---	---
6.	Deposits taken during the year	---	2681	1521	4202
7.	Repayments of Deposits during the year	---	3242	1953	5195

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8. Outstanding fixed deposit payable to Managing Director	---	4892	893	5785
9. Interest paid	---	532	119	651
Total	---	13010	4486	17496

1. There are no write off / write back of any amounts for any of the above parties
18. The Company is engaged primarily in business of manufacturing pharmaceutical products. Accordingly there are no separate reportable segments as per Accounting Standard 17 dealing with segment reporting.
19. (i) Capacity, Production, Stock and Sales :

	Licensed Capacity		Installed Capacity		Production	
	2010-11	N.A.	270000000	Nos.	12274416	Nos.
TABLETS	2009-10	N.A.	270000000	Nos.	13955582	Nos.
CAPSULES	2010-11	N.A.	54000000	Nos.	782878	Nos.
	2009-10	N.A.	54000000	Nos.	1210640	Nos.
INJECTABLES	2010-11	N.A.	9000000	Nos.	4429309	Nos.
	2009-10	N.A.	9000000	Nos.	6923623	Nos.

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

Class	Unit	Opening Stock		Closing Stock		Turnover	
		Qty.	Value	Qty.	Value	Qty.	Value.
Tablet	Nos.	3087006 (2655284)	9638445 (8510884)	2948990 (3087006)	11216372 (9638445)	12412432 (13384860)	38478539 (29446692)
Capsule	Nos.	282440 (267070)	1193294 (978137)	305450 (282440)	1239713 (1193294)	759868 (1195270)	4092763 (4374688)
Liquid	Ltr.	5041.50 (4674.13)	1719291 (1064407)	5175.87 (5041.50)	1888156 (1719291)	40185.63 (45832.63)	9926301 (7646476)
Injectable	Ltr.	327.24 (602.11)	1354273 (1748295)	393.8 (327.24)	1086819 (1354273)	32122.43 (27449.87)	54700561 (47093964)
TOTAL :			13905303 (12301723)		15431060 (13905303)		107198164 (88561820)

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

NOTES :

- (a) Total Licensed/registered/installed capacity on single shift (2010-11 and 2009-10). This has been taken to include capacities installed requiring licences under the industries (Development and Regulation) Act, 1951.
- (b) The installed capacity has been stated as certified by the Managing Director of the Company. The auditors have placed reliance without verification of the certificate stated above in respect of the installed capacity.
- (iii) Consumption of Raw and Packing Materials, stores & spares

		<u>2010-11</u>	<u>2009-10</u>
Raw and Packing Materials	: Indigenous	72615458	56172174
	: Percentage	100%	100%
	: Imported	---	---
	: Percentage	---	---
Stores and Spares	: Indigenous	194175	291575
	: Percentage	100%	100%
	: Imported	---	---
	: Percentage	---	---

(iv) C.I.F.Value of Imports	:		
Raw and Packing Materials		---	---
(v) Earning in Foreign Currency :			
F.O.B. value of Exports		---	---

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

(i) Registration details

Registration No.	L24231GJ1988PLC010956
Balance Sheet Date	31-03-2011
State Code	04

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

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

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

Total Liabilities	Rs. 120148	Total Assets	Rs. 120148
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Sources of funds

Paid up Capital	Rs. 58500	Reserves & surplus	Rs. 11949
Secured Loans	Rs. 35490	Unsecured Loans	Rs. 11395
Deferred Tax Liabilities	Rs. 459	Gratuity Provision	Rs. 1435
Income Tax Provision	Rs. 920		

Application of Funds

Net Fixed Assets	Rs. 51823	Capital work in Progress:	Rs. 4007
Investments	Rs. 3725	Net Current Assets	Rs. 56291
Deferred Revenue Exp.	Rs. 4296	Accumulated losses	NIL
Misc. Expenditure	Rs. 06		

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

Turnover	Rs. 1134130	Total Expenditure	Rs. 111927
Profit (Loss) Before Tax	Rs. 1485	Deferred Tax	NIL
Profit (loss) After Tax	Rs. 1025	Income Tax	Rs. 460
Earnings (Profit) per Share (Rs.)	Rs. 0.17	Dividend Rate	NIL

Signatories to Schedules 1 to 16

As per our separate report of even date.

For DEEPAK SONI & ASSOCIATES

Chartered Accountants
Firm Reg. No. 102250W

Deepak Soni

Proprietor
M. No.: 31138
Ahmedabad
25th July, 2011.

For & on behalf of Board,

Kamlesh J. Laskari Chairman & Managing Director

Smt. Ranak K. Laskari Director

Dr. Mahendra P. Shah Director

Dr. S. L. Chopra Director

Ahmedabad
25th July, 2011

KAMRON LABORATORIES LIMITED

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

23rd Annual General Meeting

Friday, the 30th September, 2011 at 10.30 A.M.

ATTENDANCE SLIP

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

Signature of Member/ Proxy attending the meeting _____

Notes:

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

KAMRON LABORATORIES LIMITED

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

FORM OF PROXY

I/We _____

of _____ in the district of _____

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

of _____ in the district of _____

or failing him _____

of _____ in the district of _____

as my/our Proxy to attend and vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Friday, the 30th September, 2011 and at any adjournment thereof.

Signed the _____ day of _____ 2011.

Signature _____

Affix
Revenue
Stamp

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

**BOOK-POST
PRINTED MATTER**

To,

If undelivered, please return to :

KAMRON LABORATORIES LIMITED

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