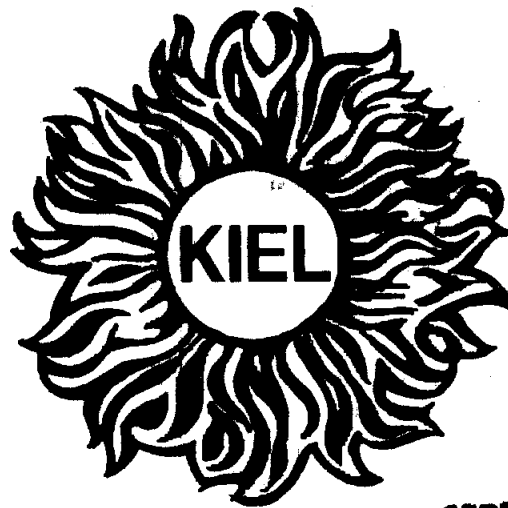


# 7<sup>th</sup> Annual Report 1999-2000



CERTIFIED TRUE COPY  
For Kemrock Industries and  
Exports Limited

  
Director

Report  junction.com

**KEMROCK INDUSTRIES**

**AND**

**EXPORTS LIMITED**

**7<sup>th</sup> Annual Report 1999-2000.**

Board of Directors : Shri Kalpesh M. Patel  
 Shri Jayesh M. Patel  
 Shri Jatin M. Patel  
 Shri Jayesh S. Vyas  
 Shri Kaushik Bhatt  
 Shri Arvind M. Shah  
 Shri Manoj M. Shah  
 Shri S. D. Lahiri

Chairman & Managing Director  
 Executive Director  
 Whole Time Director

GSFC Nominee Director

Bankers : Dena Bank

Auditors : Shah & Shah Associates  
 Chartered Accountants,  
 Vadodara.

Registered Office  
 & Works : 296-A, G.I.D.C. Industrial Estate,  
 Makarpura,  
 Vadodara - 390 010.

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## KEMROCK INDUSTRIES AND EXPORTS LIMITED

### NOTICE

Notice is hereby given that the 7<sup>th</sup> Annual General Meeting of M/s Kemrock Industries & Exports Ltd., will be held on Monday, the 25<sup>th</sup> September, 2000 at 3.30 p.m. at the Registered Office at 296/A, G.I.D.C., Makarpura, Baroda – 390 010 to transact the following business:-

#### Ordinary Business :-

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31<sup>st</sup> March 2000 and Balance Sheet as of that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Arvind Shah who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

#### Special Business :-

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

“RESOLVED THAT Subject to the approval of the Central Government as required under Section 21 of the Companies Act, 1956, the name of the Company be and is hereby changed from “Kemrock Industries And Exports Ltd”. to “Kemrock Advanced Composites Ltd”. or “Kemrock Hi-tech Composites Ltd”. or “Kemrock FRP Composites Ltd”. or “Kemrock Composites Ltd”. or such other name as may be finally decided by the Board of Directors and made available by the Registrar of Companies, Gujarat, and that the Memorandum and Articles of Association of the Company, be and are hereby amended so as to replace the name “Kemrock Industries And Exports Limited.” wherever it occurs, by the new name as approved.”

“FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do and perform all the acts to give effect to the aforesaid change of Name of the Company.”

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution** :

“RESOLVED THAT in partial modification of the resolution passed by the Shareholders earlier, pursuant to the provisions of Section 293(1)(d) and other applicable provisions of the Companies Act 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to continue to borrow such sum or sums of money in any manner from time to time, as may be required for the purpose of business of the Company, with or without security and upon such terms and conditions as they may think fit, notwithstanding that the moneys 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 for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided however that the total amount so borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the limit of Rs.15 Crores (Rupees Fifteen Crores only).”

“FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to take all such other steps as may be necessary or desirable to give effect to the above Resolution”.



## KEMROCK INDUSTRIES AND EXPORTS LIMITED

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

"RESOLVED THAT in partial modification of the resolution passed by the Shareholders earlier, 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 the creation by the Board of Directors of the Company of such mortgages, charges and hypothecations, on such of the assets of the Company, both present and future, in such manner as the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of all or any of the financial institutions, banks or any other investing agencies or Trustees for the holders of debentures, bonds or other instruments which may be issued to and subscribed by all or any of the financial institutions, banks or any other investing agencies or any other person(s) or bodies corporate by private placement or otherwise, to secure rupee or foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value not exceeding Rs.15 Crores together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment, or on redemption, costs, charges, expenses and all other moneys payable by the Company to the aforesaid parties or any of them under the Agreements or Arrangements entered into/to be entered into by the Company in respect of the said loans, debentures, bonds or other instruments".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize with the aforesaid parties or any of them, the documents for creating the mortgages / charges / hypothecations and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."

7. To consider and, if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company, be and are hereby altered by inserting the following Article as Article No. 25A after the existing Article No.25.

### 25A Dematerialisation of Securities :

- (i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

#### (ii) Definitions

For the purpose of this Article :-

"Beneficial Owner" means a person or persons whose name(s) is/are recorded as such with a depository ;

"SEBI" means the Securities and Exchange Board of India ;

"Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a Certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and

"Security" means such security as may be specified by SEBI from time to time.

#### (iii) Options for Investors

Every person subscribing to Security offered by the Company shall have the option to receive Security certificates or to hold the security in a dematerialised form with a depository. Such a person who is the beneficial owner of the Security, can at any time, opt out of a depository, if permitted by the law, in respect of any Security in the manner provided by the Depositories Act and Rules, if any, prescribed thereunder, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.



## KEMROCK INDUSTRIES AND EXPORTS LIMITED

If a person opts to hold his Security with a depository, the Company shall intimate such depository the details of allotment of the Security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Security.

**(iv) Securities in Depositories to be in fungible form.**

All securities held by a depository shall be depositories to be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B and 187C of the Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

**(v) Rights of Depositories**

- (a) Notwithstanding anything to the contrary contained in Act or these Articles, a depository shall be deemed to be the registered Owner for the purposes of effecting the transfer of Ownership of security on behalf of the beneficial Owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

**(vi) Service of Documents**

Notwithstanding anything contained in the Act or these Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

**(vii) Transfer of Securities**

Nothing contained in Section 108 of the Act or these Article, shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

**(viii) Allotment of Securities**

Notwithstanding anything contained in the Articles, where securities are dealt with in a dematerialised form with a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

**(ix) Distinctive numbers of Securities held in a Depository**

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to Securities held with a depository.

**(x) Register and Index of Beneficial Owners**

The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the purpose of these Articles.

**(xi) Other matters**

Notwithstanding anything contained in these Articles or the Act, the provisions of Depositories Act, 1996 relating to dematerialization of Securities, (including any modification or re-enactment thereof and Rules/Regulations made thereunder) shall prevail and apply accordingly :

**CERTIFIED TRUE COPY**

**For Kemrock Industries and  
Exports Limited**

*[Signature]*

**Director**

For and on behalf of the Board,

**Kalpesh Patel**

Chairman & Managing Director

Date : 28th August 2000

Place : Vadodara



## KEMROCK INDUSTRIES AND EXPORTS LIMITED

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES SHOULD BE LODGED WITH THE COMPANY 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 20<sup>th</sup> September 2000 to Monday, 25<sup>th</sup> September, 2000. (Both days inclusive)
3. Shareholders are requested to:
  - a. bring their copy of the Annual Report at the meeting.
  - b. send all communications relating to their shareholding, quoting Folio No. at Registered Office only.
4. MEMBERS DESIROUS OF OBTAINING ANY INFORMATION WITH RESPECT OF THE ACCOUNTS OF THE COMPANY ARE REQUESTED TO SEND THEIR QUERRIES IN WRITING TO THE COMPANY AT ITS REGISTERED OFFICE SO AS TO REACH AT LEAST SEVEN DAYS BEFORE THE DATE OF THE MEETING.

### Annexure to Notice

#### Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

##### Item No. 4.

As the Shareholders are aware that the Company has been incorporated with main object to manufacture and deal with Fibre Glass Reinforced Plastic Products [F.R.P.]. With the increasing awareness about the Fibre Glass Reinforced Plastic Products and their utilities in almost all sectors of users, the Fibre Glass Reinforced Plastic Products are now Worldwide known as Composites. The Company has been entering into Marketing tie up for its Exports and in order that the Company's Business activities and products are reflected properly, by its name, it is proposed by the Board of Directors to change the name of the Company, subject to the necessary approvals, from Kemrock Industries and Exports Ltd. which is very general name, not indicative of business activities that is undertaken by the Company, to the new proposed name which is very indicative and reflective of the Business activity of the Company.

None of the Directors are in any way interested in the aforesaid resolution.

The Board recommends the resolution for adoption.

##### Item No. 5.

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot except with the consent of the Company in General Meeting, borrow moneys apart from temporary loans obtained from the Company's Bankers in the ordinary course of the Business, in excess of the aggregate of the Paid up Capital and Free Reserves of the Company.

Earlier, the Shareholders at their meeting held on 31.05.1992, had authorised the Board of Directors to borrow money not exceeding Rs. 5 Crores. Considering the long term future requirements of the borrowed funds, your Directors are of the view that the aforesaid limit be enhanced. In the circumstances, the consent of the shareholders under Section 293(1)(d) of the Companies Act, 1956 is required to enable the Board of Directors to borrow upto Rs. 15 Crores over and above aggregate of Paid up Capital and Free Reserves of the Company.

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

The Board recommends the resolution for adoption.





## KEMROCK INDUSTRIES AND EXPORTS LIMITED

### Item No. 6.

The Borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any part of the moveable or immoveable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

The mortgage and/or charge by the Company of its moveable and/or immovable properties and/or the whole or any part of the undertakings of the Company in favour of the lenders, with a power to take over the management of the business and concern of the Company in certain events of default by the Company, may be regarded of the Company's undertaking(s) within the meaning of Section 293(1)(a) of the Companies Act, 1956. Hence, it is necessary for the members to consider and if deemed fit, pass a resolution under the said Section.

None of the Directors of the Company recommend, is in any way, concerned or interested in the resolution.

The Board recommends the resolution for adoption.

### Item No. 7.

With the introduction of the Depository as per Depositories Act, 1956, some of the provisions of the Companies Act, 1966, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding securities in an electronic form is a far safer and more convenient method for holding and trading in the Securities of the Company. Shares of the Company has ben compulsorily admitted for dematerialisation by SEBI, effective from 25th September, 2000 and it is, therefore, proposed that the Company's Articles of Association be suitably altered as set out in resolution at Item No.7 of the Notice to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners of the Securities in such a system.

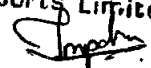
None of the Directors is concerned or interested in these resolutions except to the extent of the shares that may be held by them in the Share Capital of the Company.

The Board recommends the resolution for adoption.

A copy of the Articles of Association of your Company together with the proposed alterations is available for inspection by the members of the Company at its Registered Office between the hours of 3.00 p.m. and 5.00 p.m. on any working day of the Company.

**Date** : 28th August, 2000  
**Place** : Vadodara

For and on behalf of the Board,  
**Kalpesh Patel**  
Chairman & Managing Director

**CERTIFIED TRUE COPY**  
For Kemrock Industries and  
Exports Limited  
  
**Director**



# KEMROCK INDUSTRIES AND EXPORTS LIMITED

## DIRECTORS' REPORT

To,  
The Shareholders,

Your Directors have pleasure in presenting the 7<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2000 of the Company.

Following figures summarise the working results of the Company.

Financial Result :	(Rs. in Lacs)	
	Year ended 31.03.2000 (for 12 months)	Period ended 31.03.1999 (for 18 months)
Income	1694.17	727.74
Total Expenditure	1323.23	573.13
Gross Profit before Interest, Depreciation & Taxation	370.94	154.61
Interest	108.75	35.47
Depreciation	59.82	106.17
Provision for Taxation	24.00	1.80
Net Profit	178.38	11.17

### Dividend

With a view to conserve cash resources, the Board does not recommend payment of dividend to the Shareholders, for the Year under review.

### Operation in Retrospect

During the year under review, the Company continued to pursuit excellence, by achieving remarkable progress by attaining new heights in performances, both in volume of its business and profitability, inspite of all round sluggishness and recession in Indian Economy.

As evident, the Company raised its Gross Income to Rs.1694.17 lacs against Rs. 727.74 lacs and earned Gross Profit before Interest, Depreciation and Tax of Rs. 370.94 lacs against Rs. 154.61 lacs compared to previous year, whereas Net Profit rose to Rs. 178.38 lacs against Rs. 11.17 lacs of previous year, showing remarkable and significant achievement.

With stabilisation of manufacturing process of Pultrusion and Resin Transfer Moulding Divisions equipped with Modernised Automatic processes and Plants and Fibre Glass Reinforced Plastic Division with its systematic manual operation, the Company expects to utilise its inbuilt productive capacities to the optimum level and to cater the overseas demand by exporting its products under active help of its Technical Collaborators and their associates in coming years.

### Finance

Gujarat State Finance Corporation (GSFC) and Dena Bank have extended their valuable financial support to the Company and its operations, from time to time not only in its implementing the Expansion Cum Modernisation Programmes but also in managing its critical phase of Growth. The Board acknowledges and conveys its sense of appreciation and gratitude of GSFC as well as Dena Bank for their valuable contributions in furthering the interest of the Company.

In meeting its part of long term Financial requirements, the Company re-issued and allotted 16,21,000 Equity Shares out of earlier forfeited shares, at Rs. 7.50 per Share, to Subscribers, on preferential and private placement basis during the year under review.