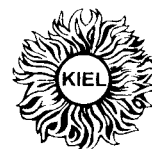


9th Annual Report 2001-2002

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For Kemrock Industries and
Exports Limited


Director



**KEMROCK INDUSTRIES
AND
EXPORTS LIMITED**



KEMROCK INDUSTRIES AND EXPORTS LIMITED

9th Annual Report 2001-2002

(From 01/10/2001 to 30/09/2002)

Board of Directors : Shri Kalpesh M. Patel Chairman & Managing Director
Shri Jayesh M. Patel Executive Director
Shri Jatin M. Patel Whole Time Director
Shri Kaushik Bhatt
Shri Arvind M. Shah
Shri Manoj M. Shah
Shri S. D. Lahiri GSFC Nominee Director

Bankers : Punjab National Bank
Vadodara

Auditors : H. K. Shah & Co.
Chartered Accountants
Ahmedabad

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

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KEMROCK INDUSTRIES AND EXPORTS LIMITED

NOTICE

Notice is hereby given that the 9th Annual General Meeting of M/s Kemrock Industries & Exports Ltd., will be held on Monday, the 31st March, 2003 at 9.00 a.m. at its Registered Office at 296/A, GIDC, Makarpura, Baroda-390 010 to transact the following **Ordinary business**.

1. To receive, consider and adopt the Profit and Loss Account for the year ended 30th September 2002, Balance Sheet as of that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Manoj Shah who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

For and on behalf of the Board,

Place : Vadodara
Date : 03/03/2003

Kalpesh Patel
Chairman & Managing Director



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 Share transfer Books of the Company will remain closed from Monday, 24th March, 2003 to Saturday, 29th March, 2003. (both the 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 queries in writing to the Company at its Registered Office so as to reach at least seven days before the date of the meeting.
5. The Shares of the Company are traded in the Demat form. Hence the Shareholders are requested to contact their Depository Participants for demat of their Shares of the Company.



KEMROCK INDUSTRIES AND EXPORTS LIMITED

DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting the 9th Annual Report together with the Audited Accounts for the period ended 30th September, 2002 of the Company.

Following figures summarise the working results of the Company.

	<u>(Rs. in Lacs)</u>	
Financial Result :	Year ended 30.09.2002 (for 12th Months)	Year ended 30.09.2001 (for 18th Months)
Total Turnover	1258.27	2201.58
Profit before Taxation	19.53	25.80
Less : Provision for Taxation	2.08	0.33
Add : Deferred Tax Assets	6.38	---
Profit after Tax	23.83	25.47
Add : Prior Period Income	0.11	---
Net Profit	23.94	25.47

Dividend

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

Operation in Retrospect :

Despite lots of odd and economic adversities faced, the Company was successful in registering modest performance during the year under report.

As evident during the financial year of 12 months ended 30.09.2002, the Company earned Gross Income of Rs. 1258.27 Lacs with Net Profit of Rs. 23.94 Lacs as against Gross Income of Rs. 2201.58 Lacs with Net Profit of Rs. 25.47 Lacs during the previous financial year of 18 months.

Acute recessionary trend prevailing in the Industry as a whole adversely affected the Company in availing adequate orders but compelled the Company to reduce prices of its products, due to price cutting stiff competitions, making thereby available suppressed margin to the Company, reducing in all, the Profitability. However on annualized basis, the Net Profit is up by 40 % compared to previous year.

Export

In order to counter the domestic adverse marketing forces, the Company has been developing Export markets and the Board is pleased to share that a phenomenal rise in Export sales has been achieved from Rs. 51.14 Lacs of previous year to Rs. 251.79 Lacs during the year under report. Continuous thrust and ceaseless efforts are being made to explore and execute export Orders from Overseas buyers.

Finance

Despite irregularity caused due to late and non-realization of Debtors on time and lack of adequate and surplus generating orders, the Company has put its sincere efforts in its endeavour to make dues to GSFC, the term lending institution and Punjab National Bank, the Banker to the Company. Allout efforts are planned and being executed to meet financial commitments made to both of them.

The Board places on record, its sincere appreciation to the support and encouragements given by both of them to the Company in its endeavour to run its affairs at optimum capacities.



KEMROCK INDUSTRIES AND EXPORTS LIMITED

Future Prospects

During five months ended 28.02.2003 of the Current Year, the Company has successfully achieved Gross Income of Rs. 815 Lacs, majorly on its Exports and with chosen major domestic regular clients. The Company has been working on firm export commitments and executing orders thereof. Further, to cater growing wide demand rang, the Company has been making due Capital Investments in dies and ancillary plants and machineries and the Company expects to realize return thereon in coming years. The Company is, therefore confident in posing better financial results during the Current Year, barring unforeseen circumstances.

Director

Shri Manoj Shah retires by rotation and being eligible, offers himself for reelection.

Directors' Responsibility Statement :-

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors would like to state that :-

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis.

Corporate Governance

As applicable, the Company has initiated and undertaken requisite steps to effect the implementation of Corporate Governance during the year ended 30th September, 2003 in terms of directives of SEBI. However, the report thereon with report on Management discussion and analysis, shall be presented to the Shareholders in the next year, on its complete applicability to the Company.

Statutory Disclosures

As required under the provisions of Section 217(2A) of the Companies Act, 1975, information relating of Particulars of Employees are not furnished as no employee is covered thereunder.

Particulars in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars of in the report Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology absorption and Foreign Exchange earning sand out go, is given in the Annexure – A. :

Public Deposit

The Company has not accepted any deposit from the Public during the period under review.

Audit Committee

In Compliance of Section 292 A of the Companies Act, 1956, the Audit committee comprised of Shri Kalpesh Patel, Shri Jayesh Patel and Shri Manoj Shah, has been constituted and committee discharged its functions as stipulated.

Auditors

The Auditors M/s. H. K. Shah & Co. the Chartered Accountants, hold office until the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Acknowledgement

Your Directors place on record their sincere appreciation to Gujarat State Financial Corporation, Punjab National Bank, all the esteemed Shareholders of the Company and all the Customers and Suppliers for their valued Co-operation. Your Directors also place on record their appreciation to Executive, Staff and Workers for their dedicated and valued services to the Company.

For and on behalf of the Board,

Place : Vadodara
Date : 03/03/2003

Kalpesh Patel
Chairman & Managing Director



KEMROCK INDUSTRIES AND EXPORTS LIMITED

Annexure "A"

Conservation of Energy, Technology Absorption and Foreign Exchange Earnigs and outgo.
Purshant to Section 217(1)(e) of the Companies Act, 1956.

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS)
RULES, 1988.

A. Conservation of Energy Form "A" (Rs. in Lacs)

A. Power & Fuel Conservation		2001-2002 (12 th Months)	2000 – 2001 (18 th Months)
1.	Electricity		
a)	Purchased :		
	Unit	1,55,487	1,88,959
	Total Amount (Rs.)	8,14,307	9,72,044
	Rate / Unit (Rs.)	5.24	5.14
b)	Other Generation	Nil	Nil
	i) Through Diesel Generation	Nil	Nil
	Qty. (Ltr.)	945	1630
	Total Amount Rs.	18,636	22407
	Average Rate Rs.	19.71	13.74
	ii)Through Turbine/Generator	Nil	Nil
2.	Coal	Nil	Nil
3.	Furnace Oil Quantity KL	Nil	Nil
	Total Amount (Rs.)	Nil	Nil
	Average Rate / KL Rs.	Nil	Nil
4.	Other		
	By Product Stream in Tone	Nil	Nil
	L.P. Gas	Nil	Nil
	Quantity	Nil	Nil
	Total Amount	Nil	Nil
	Average Rate / MT	Nil	Nil

B. Consumption Per Unit of Production :

Particulars	Product	Unit	2001-2002	2000-2001
Electricity (KWH)	FRP Product	No.	7.31	12.45



KEMROCK INDUSTRIES AND EXPORTS LIMITED

B. Technology Absorption From "B" (See Rule 2)

Disclosure of Particulars with respect to Technology Absorption (To the extent applicable)

A. Research and Development (R & D)

1. Specific area in which R. & D is carried out by the Company.

a) Not Applicable

2. Benefit derived as a result of the above R & D :

a) Not Applicable

3. Future plan of action :

a) Not Applicable

4. Expenditure on R & D :

	Current Year	Previous Year
a) Capital Expenditure	Nil	Nil
b) Recurring Expenditure	Nil	Nil
c) Total Expenditure	Nil	Nil
d) Total R & D Expenditure as percentage of turnover	Nil	Nil

B. Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards Technology absorption, Adaptation and Invocation.

Plant operation and maintenance personnel were trained.

2. Benefits derived as a result of the above :

Improvement in Productivity & efficiency.

3. Information regarding technology imported during last 5 year :

a) Technology imported	Pultrusion and Resin transfer moulding technology.
b) Year of Import	1996-97
c) Has technology been fully Absorbed	Yes
d) If not fully absorbed area where this has not taken place, reasons there fore and future plans of action.	Not Applicable

C. Foreign Exchange Earning and Outgo

	2001-2002(Rs.)	2000-2001(Rs.)
Foreign Exchange earned	25,178,849/-	51,13,597/-
Foreign Exchange Used	39,12,624/-	44,55,817/-