

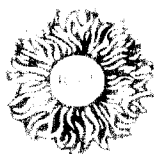
10th Annual Report 2002 : 2004

Report  Junction

CERTIFIED TRUE COPY

For KEMROCK INDUSTRIES AND EXPORTS LTD.

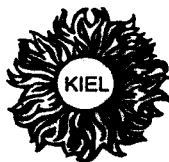

COMPLIANCE OFFICER



**KEMROCK INDUSTRIES
AND EXPORTS LIMITED**

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KEMROCK INDUSTRIES AND EXPORTS LIMITED

Board of Directors:

Kalpesh M. Patel	<i>Chairman & Managing Director</i>	
Jayesh M. Patel	<i>Executive Director</i>	<i>[Up to 25.02.2004]</i>
Jatin Patel	<i>Whole time Director</i>	<i>[Up to 05.06.2003]</i>
Kaushik Bhatt	<i>Director</i>	
Arvind M. Shah	<i>Director</i>	
Manoj M. Shah	<i>Director</i>	
S. D. Lahiri	<i>GSFC Nominee Director</i>	
P. N. Muralidharan	<i>Director</i>	<i>[Up to 31.08.2004]</i>
Rohit Kothari	<i>Director</i>	
Mukund Bakshi	<i>Director</i>	

Bankers:

Punjab National Bank, Vadodara

Canara Bank, Mumbai

Auditors:

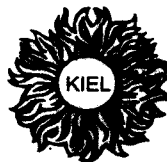
H. K. Shah & Co.,
Chartered Accountants

Registered Office & Works:

296/A, G.I.D.C. Industrial Estate,
Makarpura, Vadodara – 390 010. (Guj.) (India)

Works:

Vill. Asoj, Ta. Waghodia,
Dist. Vadodara – 391 510. (Guj.) (India)



KEMROCK INDUSTRIES AND EXPORTS LIMITED

NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of Members of **M/s Kemrock Industries and Exports Limited** will be held on Monday, the 27th September, 2004 at 9:30 a.m. at its Registered Office at 296/A, GIDC, Makarpura, Vadodara – 390 010 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2004, Balance Sheet as of that date together with reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Kaushik Bhatt, who retires by rotation and being eligible, offers himself for re-appointment.
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 an **Ordinary Resolution**

“RESOLVED THAT Shri Rohit Kothari who was appointed as an Additional Director on 31st January, 2004 and pursuant to the provisions of Section 260 of the Companies Act, 1956 who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member, pursuant to the provisions of Section 257 (1) of the Companies Act, 1956 proposing the candidature of Shri Rohit Kothari for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Shri Mukund Bakshi who was appointed as an Additional Director on 31st January, 2004 and pursuant to the provisions of Section 260 of the Companies Act, 1956 who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member, pursuant to the provisions of Section 257 (1) of the Companies Act, 1956 proposing the candidature of Shri Mukund Bakshi for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

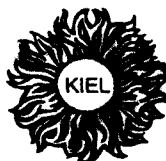
By order of the Board

Date : 25.08.2004

Place : Vadodara

Kalpesh M. Patel

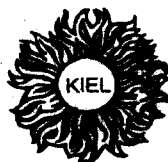
Chairman & Managing Director



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.
2. The Proxy Form duly completed and signed should be lodged with the Company 48 hours before the commencement of the meeting, in order to be effective.
3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business of Item Nos. 4 and 5, is annexed herewith.
4. Register of Members and Share Transfer Register of the Company will remain closed from Monday, 20th September, 2004 to Monday, 27th September, 2004, (both the days inclusive).
5. At the meeting, ONLY the Shareholders and Proxy will be allowed to attend the same, question of admittance will be decided by the Board of Directors. Relevance of question and the order of speaking at the meeting will be decided by the Chairman.
6. MEMBERS DESIROUS OF OBTAINING ANY INFORMATION IN RESPECT OF ACCOUNTS OF THE COMPANY, ARE REQUESTED TO WRITE TO THE COMPANY SO AS TO REACH ATLEAST SEVEN CLEAR DAYS BEFORE THE DATE OF THE MEETING.



KEMROCK INDUSTRIES AND EXPORTS LIMITED

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item Nos. 4 and 5

The Board of Directors appointed Shri Rohit Kothari and Shri Mukund Bakshi as Additional Directors at its Meeting held on 31st January, 2004 to hold office upto the date of the ensuing Annual General Meeting of the Company, pursuant to the provisions of Section 260 of the Companies Act, 1956. The Company has received notices in writing from members, pursuant to the provisions of Section 257 of the Companies Act, 1956, proposing candidatures of Shri Rohit Kothari and Shri Mukund Bakshi for appointment as Directors of the Company, liable to retire by rotation.

Shri Rohit Kothari and Shri Mukund Bakshi are qualified Chartered Accountants in the profession for more than a decade. Looking to their educational background, expertise, vast and varied business experience, business acumen possessed and useful contribution being given by each of them to the Company, it is hoped that their association as Directors would immensely benefit the Company. The Directors therefore recommend the resolutions for adoption.

None of the Directors except Shri Rohit Kothari and Shri Mukund Bakshi are concerned or interested in the said resolutions.

By order of the Board

Date : 25.08.2004

Place : Vadodara

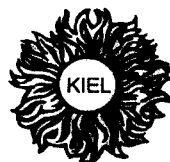
Kalpesh M. Patel

Chairman & Managing Director

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

Information pursuant to Clause 49 of the Listing Agreement regarding appointment / reappointment of Directors

Name of the Directors	Kaushik Bhatt	Rohit Kothari	Mukund Bakshi
Date of Birth	10.09.1954	29.02.1964	04.03.1964
Date of Appointment	10.02.1996	31.01.2004	31.01.2004
Specialized Expertise	Legal Matters	Finance & Business Matters	Corporate Affairs & Taxation Matters
Qualifications	B.Com. LLB(Sp)	B. Com., FCA	B. Com., FCA
Directorships of other Companies as on 31 st March, 2004	Nil	Nil	Nil
Chairman / Member of other Committees of Companies as on 31 st March, 2004	Chairman of Remuneration Committee & Member of Audit Committee and Shareholders' Grievance committee of Kemrock Industries and Exports Ltd.	Member of Audit Committee, Remuneration Committee and Shareholders' Grievance committee of Kemrock Industries and Exports Ltd.	Member of Shareholders' Grievance committee, Audit Committee and Remuneration Committee of Kemrock Industries and Exports Ltd.



KEMROCK INDUSTRIES AND EXPORTS LIMITED

DIRECTORS' REPORT

To,
The Shareholders
Kemrock Industries and Exports Limited

Your Directors have pleasure in presenting herewith their 10th Annual Report for the year ended 31st March, 2004.

1. Financial Results

The financial results of the company for the year ended 31st March, 2004 are as under:

	(Rs. in Lakhs)	
Particulars	Year ended 31.03.2004 (for 18 Months)	Year ended 30.09.2002 (for 12 Months)
Total Income	2,799.94	1,249.52
Profit before Taxation	365.95	19.53
Less : Provision for Taxation	10.00	2.08
Add. : Deferred Tax (Assets) / Liability	25.82	(6.38)
Profit after Tax	330.12	23.83
Add. : Prior Period Income / (Expenditure)	(50.00)	0.11
Net Profit .	280.12	23.94

2. Dividend

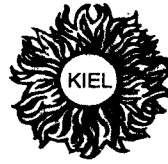
The Company's endeavour to increase the shareholder value has begun to show results. We assure you, this will continue. In a considered view to conserve resources, for future growth and development, your Directors do not recommend any dividend to the equity shareholders.

3. Operations

The Company registered good results during the period 2002-04. Total income during the period is Rs. 2,799.94 lakhs [Rs. 2,333.28 lakhs on an annualized basis] against Rs. 1,249.52 lakhs in 2001-02. Gross Profit before Tax rose to Rs. 365.95 lakhs [Rs. 243.97 lakhs on an annualized basis] against Rs. 19.53 lakhs in 2001-02. Exports during the period amount to Rs. 1,155.01 lakhs.

The Company has entered into a long term strategic marketing alliance with a leading group, on global scale, in fiberglass reinforced composite products having a committed offtake from your Company. Export sales of these products have been excellent and customers are satisfied with the product quality on all parameters.

The Company has undertaken efforts to obtain certification under Approvals and Regulatory Standards from accredited agencies which will offer tremendous marketing edge. The Company has obtained ISO 9001-2000 certification in January 2004.



KEMROCK INDUSTRIES AND EXPORTS LIMITED

4. Management Discussion & Analysis

a) Industry Structure and Developments

Your Company is primarily engaged in the business of manufacturing and exports of Fiberglass Reinforced Polymer Composites. Continuous up gradation of technologies & facilities has ensured a pathway to success.

b) Opportunities and Threats

The Company has mastered the processes and technology and have developed indigenous procedures to deliver high quality world class reinforced composites. The Company has commercialised its production lines for the entire range of FRP products, by the various manufacturing processes. It has strongly ventured into exports. It has a competitive edge over its competitors.

To summarize, the Company is now on the threshold of major growth, as is true for any technology driven company, the growth comes once the technologies have been absorbed, the products have been manufactured and the markets have accepted them.

c) Segment wise and Product wise Performance

The Company is primarily engaged in the manufacture and export of Fiberglass Reinforced Polymer Composites. Therefore, it is considered to be operating in a single business segment.

d) Business Outlook

The composites have started replacing steel, aluminum and other traditional materials. The entire shift to composites is based on the certain benefits they carry over the contemporary materials being used.

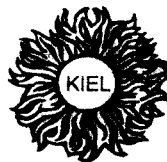
The Company has entered into a long term strategic marketing alliance with a leading group, on global scale, in fiberglass reinforced composite products having a committed off take from your Company. Export sales of these products, made so far, have been excellent and customers are satisfied with the product quality on all parameters. One of the major domestic customers has awarded the development and supply of all fiberglass parts in view of its successful experience with your Company. These parts involve very sophisticated levels of technology and naturally, this opportunity has opened the doors to enter the international market for high tech Fiberglass Products.

e) Internal Control and its Adequacy

For effective inter departmental communications and follow up process, high speed computers and requisite software have been installed. The system of internal control provides updated accounting records, the reliability of financial information essential for running business. The Company has a clearly defined organization structure and delegated authority. Sufficient control is exercised through monthly, quarterly and annual business review by the management.

f) Financials

The detailed financial analysis of the Company's operations for the year is given in the Directors' Report and therefore the same is not repeated. However, some important figures on the Company's profitability are given below.



KEMROCK INDUSTRIES AND EXPORTS LIMITED

	2002-2004	2001-2002
Profit before Tax (PBT) (Rs. In Lakhs)	365.95	19.53
Earning Per Share (EPS) (Rs.)	2.93	0.44
Profit after Tax (PAT) (Rs. In Lakhs)	280.12	23.94

g) Human Resources

The relations between employees and the management have remained cordial.

5. Directors' Responsibility Statement

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed 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 as at 31st March 2004 and of the Profit of the Company for the year ended on that date;
- the directors have taken proper and sufficient care for the 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; and
- the directors have prepared the annual accounts of the Company on a 'going concern' basis.

6. Directors

The Board of Directors with utmost grief and deep sorrow, regret the sad and untimely demise of Shri Jayesh Patel and Shri Jatin Patel, both Promoters and Whole-time Directors. The Board deeply mourns their sad demise and pray to the Almighty to rest their departed souls in eternal peace and tranquility.

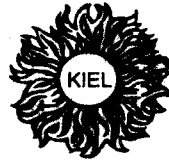
The Board of Directors place on record their sincere, heartfelt appreciation and recognition for the valuable contributions given by both of them to the Company by playing significant instrumental role in bringing the Company to the present stature of success.

Pursuant to the provisions of Companies Act, 1956 and Articles of Association of the Company, Shri. Kaushik Bhatt, who retires by rotation and being eligible, offers himself for reappointment.

Shri P. Muralidharan, Shri Rohit Kothari and Shri Mukund Bakshi have been appointed as Additional Directors to hold offices up to ensuing Annual General Meeting. However due to preoccupation, Shri P. Muralidharan resigned as a Director of the Company. Members are requested to consider reappointment of Shri Rohit Kothari and Shri Mukund Bakshi as Directors of the Company.

7. Corporate Governance

A separate report on Corporate Governance is annexed as **Annexure 'A'** to the Directors' Report. The Auditors of the Company have certified that conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, are complied by the Company and their Certificate is annexed to the said report. Management Discussion and Analysis Report is also published as a part of the report.



KEMROCK INDUSTRIES AND EXPORTS LIMITED

8. Dematerialization of Securities

In terms of SEBI's directives, the Shares of the Company are being dematerialized under its ISIN INE990B01012 allotted by National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) and are dematerialized with both the depositories.

Share holders are requested to avail the facilities of dematerialization of their shares.

9. Delisting of shares

In accordance with the approval granted by the shareholders. The delisting from the Vadodara Stock Exchange Limited and Ahmedabad Stock Exchange Limited is in advanced stage and its approval is awaited.

The Company's equity shares shall continue to be listed on the Stock Exchange, Mumbai (BSE) having nationwide trading terminals.

10. Statutory Disclosures

The particulars in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in **Annexure – B**.

Particulars of Employees required to be furnished under Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules 1975, are furnished in **Annexure –C**.

11. Public Deposits

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

12. Auditors

The Auditors M/s. H.K. Shah & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Members are requested to consider their reappointment and fix remuneration.

13. Insurance

All the properties and insurable interests of the Company including Buildings, Plant and Machineries and Stocks, have been adequately insured.

14. Acknowledgement

Your Directors place on record their sincere appreciation to Punjab National Bank, Canara Bank and Gujarat State Financial Corporation, the esteemed Shareholders, Business Associates and Employees of the Company for their valued contribution and continued co-operation and support in furthering the interests of the Company.

By order of the Board

Date : 25.08.2004
Place : Vadodara

Kalpesh M. Patel
Chairman & Managing Director