

MD	✓	BKC	✓
CS	NA	DPY	NA
RO	✓	DIV	NA
TRA	NA	AC	✓
AGM	NA	SHI	✓
YE	✓		✓

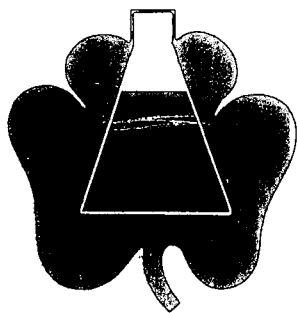
no more

CERTIFIED THIS TO BE A TRUE COPY

For SHAMROCK INDUSTRIAL CO. LTD.

K. R. Chauri
DIRECTOR.

Shamrock Industrial Co. Ltd.
Annual Report 1997-98



SHAMROCK INDUSTRIAL COMPANY LIMITED

ANNUAL REPORT 1997-98

CHAIRMAN MR. RAMESHCHANDRA J. KHOKHANI

BOARD OF DIRECTORS MR. KALPESH R. KHOKHANI
MR. KAMLESH R. KHOKHANI
MR. JITESH R. KHOKHANI

AUDITORS M/S. MEHTA KOTHARI & CO.
MUMBAI.

BANKERS DENA BANK
B.M.C. BANK LTD.
STATE BANK OF INDIA
CITIBANK N.A.

**REGISTERED OFFICE
& FACTORY.** 146, TAKAI ADOSHI ROAD
VILLAGE DHEKU
TAL KHALAPUR
DIST. RAIGAD.

DIRECTORS' REPORT

TO THE MEMBERS

THE DIRECTORS HEREBY PRESENT THEIR SEVENTH ANNUAL REPORT ON THE BUSINESS AND OPERATIONS OF THE COMPANY AND THE FINANCIAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1998.

FINANCIAL RESULTS

	CURRENT YEAR RS. IN LACS	PREVIOUS YEAR RS. IN LACS
SALE OF PRODUCTS AND OTHER INCOME	1720.81	1702.01
PROFIT BEFORE DEPRECIATION, INTEREST AND TAX	131.16	158.87
DEPRECIATION	1.00	0.82
INTEREST	115.13	133.33
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX	15.03	24.22
EXTRAORDINARY ITEM	(1.41)	2.62
PROFIT BEFORE TAX	13.62	26.84
TAX	0.25	3.50
PROFIT AFTER TAX	13.37	23.34
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR	202.37	179.02
AMOUNT AVAILABLE FOR APPROPRIATIONS	215.74	202.36
BALANCE CARRIED FORWARD TO THE NEXT YEAR'S ACCOUNT	215.74	202.36

TURNOVER AND PROFIT

THE OVERALL INCOME FOR THE YEAR 1997 - 98 WAS RS.1720.81 LACS. THE PROFIT BEFORE DEPRECIATION, INTEREST, EXTRAORDINARY ITEMS AND TAX WAS LOWER AT RS.131.16 LACS AGAINST RS. 158.87 LACS IN THE PREVIOUS YEAR. THE PROFIT AFTER TAX WAS RS.13.37 LACS AS AGAINST RS. 23.34 LACS IN THE PREVIOUS YEAR.

THE COMPANY'S RESULTS WERE AFFECTED BY PREVAILING RECESSIONARY CONDITION AND THE SEVERE LIQUIDITY CRUNCH WHICH HAVE RESULTED IN THE POOR FINANCIAL PERFORMANCE OF MANY COMPANIES IN THE YEAR 1997-98.

AUDITORS

THE AUDITORS M/S MEHTA KOTHARI & COMPANY CHARTERED ACCOUNTANTS, RETIRE AS STATUTORY AUDITORS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING AND BEING ELIGIBLE, OFFER THEMSELVES FOR REAPPOINTMENT AND HAVE FURNISHED A CERTIFICATE PURSUANT TO SECTION 224(1B) OF THE COMPANIES ACT, 1956. YOU ARE REQUESTED TO APPOINT AUDITORS AND FIX THEIR REMUNERATION.

BULK DRUG PROJECT

THE CONSTRUCTION PROJECT FOR MANUFACTURING OF FRUSEMIDE HAS BEEN COMPLETED UP TO 80 TO 85% AND ACCORDING TO U.S.F.D.A. NORMS, COMPANY HAS TO SET UP IN HOUSE EFFLUENT TREATMENT PLANT AND R&D FACILITIES, GODOWNS ETC. WHICH HAS RESULTED IN TO INCREASE IN CONSTRUCTION COST OF THE PROJECT.

SOME OF THE MEMBERS HAS NOT PAID ALLOTMENT MONEY THEREFORE THE MANAGEMENT WAS COMPELLED TO FORFEIT THOSE SHARES AND DEBENTURES. THIS WAS AGAIN FINANCIAL LOSS TO THE COMPANY RESULTING IN TO DELAY IN THE COMPLETION OF PROJECT.

YOUR COMPANY IS APPROACHING BANKS AND FINANCIAL INSTITUTIONS FOR LOANS FOR MEETING FINANCIAL REQUIREMENTS FOR COMPLETING THE PROJECT. WE EXPECT TO COMPLETE THE PROJECT WITHIN SIX MONTHS ONCE THE LOAN IS DISBURSED BY THE BANK OR INSTITUTIONS.

DIRECTORATE

MR. JITESH R. KHOKHANI RETIRE BY ROTATION AT THE ENSUING ANNUAL GENERAL MEETING, BUT BEING ELIGIBLE OFFER THEMSELVES FOR REAPPOINTMENT.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

THE COMPANY IS NOT ENGAGED IN MANUFACTURING ACTIVITIES THEREFORE THERE IS NO INFORMATION TO SUBMIT AS REQUIRED UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988, THE PARTICULAR IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION.

FOREIGN EXCHANGE EARNINGS	RS. 851.9LACS
FOREIGN EXCHANGE OUTGOINGS	RS. 45.94LACS

PERSONNEL :

IN TERMS OF THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT 1956 READ WITH (PARTICULARS OF EMPLOYEES) RULES 1975, AS AMENDED, THE COMPANY HAD NOT EMPLOYED ANY PERSON WHO WAS IN RECEIPT OF REMUNERATION FOR SUCH SUM AS IS PRESCRIBED UNDER THE SAID SECTION EITHER THROUGHOUT THE FINANCIAL YEAR OR PART THEREOF.

GENERAL

THE NOTES FORMING PART OF THE ACCOUNTS ARE SELF- EXPLANATORY OR TO THE EXTENT NECESSARY, HAVE BEEN DEALT WITH IN THE PRECEDING PARAGRAPHS OF THE REPORT.

ACKNOWLEDGEMENT

YOUR DIRECTORS TAKE THIS OPPORTUNITY TO EXPRESS THEIR GRATEFUL APPRECIATION FOR THE EXCELLENT ASSISTANCE AND COOPERATION RECEIVED FROM THE CENTRAL GOVERNMENT AS WELL AS THE STATE GOVERNMENT, SHARE HOLDERS AND THE CONSORTIUM OF COMMERCIAL BANKS. YOUR DIRECTORS ALSO THANK ALL THE EMPLOYEES OF THE COMPANY FOR THEIR VALUABLE SERVICE AND SUPPORT DURING THE YEAR.

REGISTERED OFFICE
146, TAKAI ADOSHI ROAD
VILLAGE DHEKU
TAL KHALAPUR
DIST. RAIGAD

BY THE ORDER OF THE BOARD

KAMLESH R. KHOKHANI
JT. MANAGING DIRECTOR

14TH AUGUST 1998

AUDITOR'S REPORT

TO
THE MEMBERS

We have audited the attached Balance Sheet of SHAMROCK INDUSTRIAL COMPANY LIMITED as at 31st March 1998 and the profit and loss account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing the Other Companies (Auditor's Report) Order, 1998 issued under section 227(4A) of the Companies Act, 1956 we annexe hereto a statement and the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that :
 - a. We have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
 - c. The Balance Sheet and Profit & Loss Account dealt with this report are in agreement with the books of accounts of the company.
 - d. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon gives the information as required by the Companies Act, 1956 in the manner so required and subject to note to the account give a true and fair view:
 - i In case of the Balance Sheet, of the state of affairs of the Company as at 31st March 1998.
 - ii In case of Profit and Loss Account, of the Profit for the year ended on that date.

FOR MEHTA KOTHARI & CO.
CHARTERED ACCOUNTANTS

(V. P. KOTHARI)
[PARTNER]

PLACE : MUMBAI
DATE : AUGUST, 14 1998.

ANNEXURE TO AUDITORS' REPORT :

1. The company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. All the fixed assets of the company have been physically verified by the Management during the year, and to the best of our knowledge, no serious discrepancies have been noticed on such verification. In our opinion, the frequency of physical verification of Fixed Assets is reasonable having regard to the size of the company and nature of its assets.
2. None of the fixed assets have been re-valued during the year.
3. Physical verification has been conducted by the management at the reasonable intervals during the year in respect of goods traded by the company.
4. In our opinion, the procedure of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the company and nature of its business.
5. The discrepancies noticed on verification between the physical stock and the book records were not material in relation to the operation of the company have been properly dealt with the books of accounts
6. In our opinion, the valuation of stock is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in preceding year.
7. The company has taken unsecured interest free loans from persons/parties listed in the register maintained under Section 301 of the Companies Act, 1956.
8. The company has given interest free loans or advances in nature of loans to its employees, who are repaying the amount as stipulated. In respect of loans and advances in nature of loan to a company under the same management, where no interest is charged as we are informed that the same are trade advances.
9. In our opinion and according to the information and explanations given to us and having regard to the size and nature of the business, there are adequate internal control procedure with regard to purchase of materials including equipments and plant & machinery and sale of goods.
10. According to the information and explanation given to us purchases of goods and materials and sale of goods materials and services aggregating during the year to Rs. 50000/- or more in respect of each party in pursuance of contracts or arrangements entered into the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are explained to be reasonable having regard to the prevailing market prices of such goods and materials which however are not verifiable in the absence of comparable purchases/ quotations.
11. In our opinion and according to the information and explanations given to us unserviceable or damaged stores/raw materials and finished goods have been determined by the Management and adequate provision have been made in the accounts for the loss so determined.
12. The Company has not accepted any deposits from the Public and as such the provision of Section 58A of the Companies Act, 1956, and the rules framed thereunder have no application to this Company.
13. The company's operation do not generate any significant scrap or by-product.