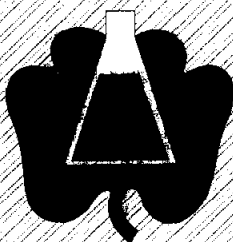


SHAMROCK

*11th Annual Report
2001-2002*



**SHAMROCK
GROUP**

Shamrock Industrial Co. Ltd.

Shamrock Industrial Co. Ltd.**SHAMROCK INDUSTRIAL COMPANY LIMITED****ANNUAL REPORT 2001 - 2002**

BOARD OF DIRECTORS	MR. KALPESH R. KHOKHANI - CHAIRMAN & MANAGING DIRECTOR MR. KAMLESH R. KHOKHANI MR. JAYENDRA H. SHETH
COMPANY SECRETARY	MR. PAWAN G. AGRAWAL
AUDITORS	M/S. R. VIJAYAN & CO., MUMBAI
PRINCIPAL BANKERS	DENA BANK B.M.C. BANK LIMITED CITIBANK N.A. GLOBAL TRUST BANK ORIENTAL BANK OF COMMERCE
REGISTERED OFFICE	146, TAKAI ADOSHI ROAD, VILLAGE : DHEKU, TALUKA: KHALAPUR DIST.: RAIGAD, MAHARASHTRA
CORPORATE OFFICE	1008, MAKER CHAMBERS - V, 221, NARIMAN POINT, MUMBAI 400 021
REGISTRAR AND SHARES TRANSFER AGENT	COMPUTRONICS FINANCIAL SERVICES (INDIA) LIMITED UNIT NO. 53-56, ELECTRONIC SADAN NO. 1, SHEEL MAHAPE ROAD, M.I.D.C., T.T.C., NAVI MUMBAI-400 709.
STOCK EXCHANGES	THE STOCK EXCHANGE, MUMBAI THE STOCK EXCHANGE, AHMEDABAD MADRAS STOCK EXCHANGE LTD., CHENNAI JAIPUR STOCK EXCHANGE LTD., JAIPUR

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NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the members of Shamrock Industrial Company Limited will be held at the Registered Office of the Company at 146, Takai Adoshi Road, Village Dheku, Taluka Khalapur, Dist. Raigad on Friday, the 27th day of September, 2002 at 12.00 noon to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account of the Company for the year ended March 31, 2002 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint director in place of Mr. Kamlesh R. Khokhani, who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors on such remuneration as may be decided by the Board of Directors.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 198, 309 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded for payment of professional fees not exceeding Rs. 30,000/- p.m. to Mr. Kamlesh R. Khokhani, Director for service rendered by him to the Company in the capacity as Management Consultant."

5. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:
"RESOLVED THAT pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956, the consent of the company be and is hereby accorded to temporarily utilise the Company's own funds generated by realisation of loans and sale of investments by way of making investments as under :

1. To acquire by way of subscription, purchase or otherwise equity shares of M/s. S. Kamal's Print Pvt. Ltd. upto Rs. 60 lacs.
2. To acquire by way of subscription, purchase or otherwise equity shares of M/s. Steeludyog.com (India) Limited upto Rs.62.50 lacs.
3. To acquire by way of subscription, purchase or otherwise equity shares of M/s. Navnidhi Synthetics Pvt. Ltd. upto Rs.40 lacs.

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to the said resolution."

6. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution :
"RESOLVED THAT pursuant to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 the consent of the company be and is hereby accorded as under :

- a. To make loan from time to time on such terms and conditions as it may deem expedient, to any body corporate;
- b. to give on behalf of the Company, any guarantee, or provide security in connection with a loan made by any other person to, or to any person by, any body corporate; and
- c. to acquire by way of subscription, purchase or otherwise the securities of any other body corporate

for such an amount that the aggregate of the loans and investments so far made, the amounts for which guarantee or security so far provided to or in all other bodies corporate, along with the investment, loan, guarantee or security proposed to be made or given by the Board may exceed sixty percent of its paid up capital and free reserves, or hundred percent of its free reserves, whichever is more, provided that the aggregate amount of all such loans, investment, securities and guarantees shall not exceed Rs.750 lacs at any time.

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to the said resolution."

Corporate Office :

1008, Maker Chambers-V,
221, Nariman Point,
Mumbai - 400 021.

Date: 30th August, 2002

By order of the Board

Sd/-
KALPESH R. KHOKHANI
CHAIRMAN & MANAGING DIRECTOR

Shamrock Industrial Co. Ltd.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM DULY COMPLETED AND STAMPED, MUST REACH THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.
2. The Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 23rd September, 2002 to Friday, 27th September, 2002 (both days inclusive) for the purpose of ensuing annual general meeting of the Company.
4. Members are requested to notify any change in their address to the Company's Registrar and Transfer Agent, quoting their Folio Nos.
5. Equity shares of the Company have been activated for dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vide ISIN 'INE022F01015.' Members wishing to dematerialise their shares may approach to any Depository Participant (DP).
6. As per the provisions of the amended Companies Act, 1956, the facility for making nomination is available to the shareholders in respect of the equity share held by them. Members who desire to avail of this facility may send Form 2B duly filled in and signed to the Company's Registrar and Transfer Agent.

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

Item No. : 4

The Board of Directors of the Company at their meeting held on 9th April, 2001 approved the payment of professional fees to Mr. Kamlesh R. Khokhani, Director of the company for the services rendered by him to the company in his professional capacity as Management Consultant. He devotes considerable time and attention to the business of the Company. In view of this the Board recommends approval of the members for payment of professional fees to Mr. Kamlesh R. Khokhani.

Mr. Kamlesh R. Khokhani, Director and Mr. Kalpesh R. Khokhani, Managing Director being his relative is interested in the said resolution.

Item No. 5 & Item No. 6

The Company can make investment or loan, give guarantee or provide security exceeding the limit prescribed under Section 372 A of the Companies Act, 1956 provided approval of the members is accorded.

During the year the Company applied for purchase of equity shares of M/S. S. Kamal's Print Pvt. Ltd., M/S. Steeludyog.com (India) Ltd., M/S. Navnidhi Synthetics Pvt. Ltd. The Company will have to make further payments towards allotment money in respect of these shares. In that case, the company may exceed the limits prescribed under the said section. Accordingly the resolution is recommended for the approval of the members.

The Company may make further investment and loans, may give guarantee or provide security which may exceed the limits set out in Section 372A of the Companies Act, 1956. It may not be possible for the company to obtain permission of the shareholders every time such transaction take place, especially in view of the time factor involved. It is therefore proposed to obtain a general sanction from the shareholders of the Company in this behalf by means of Special Resolution. Members are therefore requested to approve the resolution as set out above as Special Resolution.

Corporate Office :

1008, Maker Chambers-V,
221, Nariman Point,
Mumbai 400021

Date: 30th August, 2002

By Order of the Board

Sd/-
KALPESH R. KHOKHANI
CHAIRMAN & MANAGING DIRECTOR

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DIRECTORS' REPORT

To

The members of

Shamrock Industrial Company Limited

The directors hereby present their Eleventh Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March 2002.

FINANCIAL RESULTS

PARTICULARS	(Rs. in Lacs)	
	2001-2002	2000-2001
Sales and Other Income	62.28	643.89
Profit / (Loss) before Depreciation, Interest and Tax	(55.94)	5.13
Depreciation	1.70	1.71
Interest	0.62	5.55
Loss before Extraordinary Items and Tax	55.15	2.13
Less : Extraordinary Items	—	5.05
Loss Before Tax	55.15	7.18
Tax	NIL	NIL
Loss After Tax	55.15	7.18
Balance brought forward from previous year	216.00	223.18
Balance carried forward	160.84	216.00

TURNOVER

The overall income for the year 2001-2002 was Rs. 62.28 Lacs as against Rs.643.89 Lacs in the previous year showing a decline of approximately 90% over the previous year. The loss for the year was at Rs. 55.15 lacs against loss of Rs. 7.18 Lacs in the previous year.

EXPORT

Though Company still retains its Government recognition of Export House for its past performances, due to non co-operation faced from its current bankers on giving financial assistance for several orders on hand, your Company has been unable to fulfil several export orders thereby affecting export sales.

DIVIDEND

Due to loss the directors regret their inability to recommend any dividend for the year under review.

FORFEITURE OF SHARES

The Company forfeited 20,14,800 equity shares during the financial year ended on 31st March, 2002 on account of non payment of call money on 14.5% Fully Convertible Debentures which was already converted into equity shares. The necessary formalities in respect thereof have been duly completed.

BULK DRUG PROJECT

The Company has not been able to start Bulk Drug Project due to inadequacy of finance and on account of time and cost overrun.

RECOVERY SUIT FILED BY DENA BANK

The Company's lead bankers Dena Bank have filed a claim amounting to approximately Rs. 6.75 crores in the Debt Recovery Tribunal, Mumbai against the Company. However, the Company has also filed a counter claim suit on the same account for Rs. 21.80 crores against Dena Bank in the Debt Recovery Tribunal, Mumbai for damages on account of claims, business losses, over due excess interest charged by the bank, L/C's devolved etc. However the matter is Sub-Judice.

DELISTING OF SHARES FROM MADRAS STOCK EXCHANGE AND JAIPUR STOCK EXCHANGE

Pursuant to the approval accorded by the members at the extra-ordinary general meeting held on 2nd March, 2002 for delisting of securities of the Company from any one or more Stock Exchanges other than Regional Stock Exchange, the Board of Directors have decided for delisting of equity shares of the Company from 2 stock exchanges viz. Madras Stock

Shamrock Industrial Co. Ltd.

Exchange Limited and Jaipur Stock Exchange Limited. Since the volume of trading of Company's shares is very thin on these Stock Exchanges and due the financial losses, imperativeness to reduce the operating and other cost, it does not justify continuance of listing on these Stock Exchanges. Necessary formalities with respect thereof is under process.

CORPORATE GOVERNANCE

The Clause No. 49 of the Listing Agreement under the heading Corporate Governance is applicable to the Company from the financial year 2002-2003. The Company is being taking necessary steps in order to comply with the Listing Agreement.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

The company is not at present engaged in manufacturing activities therefore, there is no information to be submitted 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 in respect of conservation of energy and technology absorption. There were no foreign exchange earnings and outgoing during the period under report.

DIRECTORS

In accordance with the requirements of the section 256 of Companies Act, 1956 and Articles of Association of the Company, Mr. Kamlesh R. Khokhani, Director is liable to retire by rotation and is eligible for reappointment. The Board recommends his re-appointment at the ensuing meeting.

AUDITORS

The auditors M/s R. Vijayan & Co., Chartered Accountants, will retire as statutory auditors of the Company at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with Section 224 (1B) of the Companies Act 1956. The Board recommends their re-appointment.

The explanation contained in the Notes to Accounts may be treated as the explanation submitted by the Board of Directors as contemplated U/s. 217 (3) of the Companies Act, 1956.

AUDIT COMMITTEE

Audit Committee of the Company comprises of Mr. Kalpesh R. Khokhani, Mr. Kamlesh R. Khokhani and Mr. Jayendra H. Sheth.

PARTICULARS OF EMPLOYEES

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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed;
2. Appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs at the end of the financial year and of the loss of the Company for the financial year ended 31st March, 2002;
3. Proper and sufficient care has been taken 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;
4. The annual accounts have been prepared on a going concern basis.

ACKNOWLEDGEMENT

Your directors wish to acknowledge and thank the central and state governments for their support and guidance.

Yours directors thank our esteemed shareholders, customers, business associates, financial / investment institutions and commercial banks for the faith reposed in the company and its management.

Your directors place on record their deep appreciation of the dedication and commitment of your company's employees.

Corporate Office :
1008, Maker Chambers-V,
221, Nariman Point,
Mumbai 400021.

Date: 30th August, 2002

By order of the Board
Sd/-
KALPESH R. KHOKHANI
CHAIRMAN & MANAGING DIRECTOR

Annual Report 2001-2002

AUDITORS' REPORT

TO THE MEMBERS OF SHAMROCK INDUSTRIAL COMPANY LIMITED

We have audited the attached Balance Sheet of SHAMROCK INDUSTRIAL COMPANY LIMITED, as at 31st March, 2002 and the Profit and Loss Account of the company for the year ended on that date annexed thereto and report that :

- (1) 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 whether the financial statements are free of material misstatements. 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Manufacturing and other Companies (Auditors Report) Order, 1998 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
- (4) Further to our comments in the Annexure referred to in paragraph 1 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 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 by this report are in agreement with the books of accounts.
 - d) In our opinion the Balance Sheet and Profit & Loss Account dealt with by this report are in compliance with accounting standard referred to in section 211(3C) of the Companies Act, 1956.
 - e) On the basis of the written representation received from the directors, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2002 from being appointed as directors in terms of clause (g) of sub-section (1) of 274 of the Companies Act, 1956.
 - f) **Attention is invited to note No. 5 (b) of schedule 14 relating to non-provision of bank interest payable on outstanding dues to Bombay Mercantile Co-op. Bank to the tune of Rs. 47,06,027/-, and Note No. 12 relating to non-provision of diminution in the value of quoted investment to the tune of Rs. 1,32,68,390/- resulting in understatement of losses to the extent.**

Subject to what is stated in Paragraph (f) above, In our opinion and to the best of our information and according to the explanations given to us, the said Accounts read together with Significant Accounting Policies in Schedule 14 and the other notes appearing thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:-

- (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2002 and
- (ii) in the case of the Profit & Loss Account, of the loss for the year ended on 31st March, 2002

For **M/S. R.VIJAYAN & CO.**
Chartered Accountants

(R. VIJAYAN)
Proprietor

Place : Mumbai
Date : 30th August, 2002