

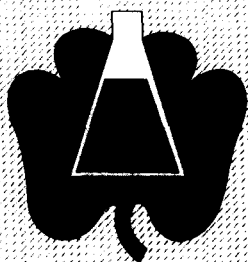
# SHAMROCK

*13th Annual Report  
2003-2004*

**CERTIFIED TRUE COPY**

**FOR SHAMROCK INDUSTRIAL CO. LTD.**

*PR Khobla*  
**DIRECTOR.**



**SHAMROCK  
GROUP**

**Shamrock Industrial Co. Ltd.**


**Shamrock Industrial Co. Ltd.**

# SHAMROCK INDUSTRIAL COMPANY LIMITED

## ANNUAL REPORT 2003 - 2004

<b>BOARD OF DIRECTORS</b>	: SHRI. KALPESH R. KHOKHANI - CHAIRMAN & MANAGING DIRECTOR SHRI. KAMLESH R. KHOKHANI SHRI. JAYENDRA H. SHETH SMT. BHARTI. C. CHOKSHI
<b>COMPANY SECRETARY</b>	: SHRI. PAWAN G. AGRAWAL
<b>AUDITORS</b>	: M/s. R. VIJAYAN & CO., CHARTERED ACCOUNTANTS MUMBAI.
<b>PRINCIPAL BANKERS</b>	: DENA BANK B.M.C. BANK LIMITED CITIBANK N.A. ABN AMRO BANK, N.V.
<b>REGISTERED OFFICE</b>	: 146, TAKAI ADOSHI ROAD, VILLAGE : DHEKU, TALUKA: KHALAPUR DIST.: RAIGAD, MAHARASHTRA
<b>CORPORATE OFFICE</b>	: 1008, MAKER CHAMBERS-V, 221, NARIMAN POINT, MUMBAI 400 021.
<b>REGISTRAR AND SHARES TRANSFER AGENT</b>	: 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.
<b>STOCK EXCHANGE</b>	: THE STOCK EXCHANGE, MUMBAI

## Annual Report 2003-2004

### NOTICE

**NOTICE** is hereby given that the Thirteenth 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 Wednesday, the 29th day of September, 2004 at 11.00 a.m. to transact the following:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Profit & Loss Account of the Company for the year ended 31st March, 2004 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Shri. 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 **Ordinary Resolution**:  
"RESOLVED THAT Smt. Bharti C. Chokshi, who was appointed as Additional Director of the Company in terms of section 260 of the Companies Act, 1956 w.e.f. 15th December, 2003 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company whose period of office shall be liable to retirement by rotation."

5. To consider and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**:  
"RESOLVED THAT pursuant to Section 198, 269, 309 read with Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof, and other statutory provisions, if any, consent of the Company be and is hereby accorded to the re-appointment of Shri. Kalpesh R. Khokhani, as the Managing Director of the Company for a further period of five years with effect from 1st October, 2004, whose period of office shall not be subject to retirement by rotation, at the remuneration not exceeding 40,000/- per month.

RESOLVED FURTHER THAT subject to the superintendence, control and direction of the Board of Directors and subject to the provisions of the Companies Act, 1956 Shri. Kalpesh R. Khokhani shall continue to be in charge of overall supervision of the functioning of the Company, handling day to day affairs of the Company and performing all other duties that the Board may delegate to the Managing Director from time to time.

RESOLVED FURTHER THAT Shri. Kalpesh R. Khokhani shall be entitled to reimbursement of expenses actually and properly incurred by him for the purpose of the Company.

RESOLVED FURTHER THAT the Board of Directors may, in their discretion pay to the Managing Director lower remuneration than the maximum remuneration hereinbefore stipulated and revise the same from time to time within the maximum limits stipulated by this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

#### **Corporate Office :**

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

By order of the Board  
For Shamrock Industrial Co. Ltd.

**KALPESH R. KHOKHANI**  
CHAIRMAN & MANAGING DIRECTOR

Date : 1st September, 2004

#### **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. Information pursuant to Clause 49 VI of the listing agreement in respect of appointment of new director or re-appointment of Director is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 27th September, 2004 to Wednesday, 29th September, 2004 (both days inclusive) for the purpose of ensuing annual general meeting of the Company.



## Shamrock Industrial Co. Ltd.

5. As the members are aware equity shares of the Company have already been activated for dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vide ISIN 'INE022F01015.' Members holding shares in physical form can dematerialise their shares by approaching to any of the Depository Participants (DP).
6. Members holding shares in physical form are requested to notify any change in their address to the Company's Registrar and Transfer Agent, Quoting their Folio Nos. and members holding shares in demat form are requested to notify such change to their respective Depository Participant (DP).
7. 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 shares 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.

### ANNEXURE TO NOTICE

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

##### Item No. 4

Smt. Bharti C. Chokshi was appointed as additional Director of the Company on 15th December, 2003 by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 107 of the Articles of Association of the Company. She holds office only upto the date of forthcoming Annual General Meeting but is eligible for appointment as Director. The Company has received a notice from a member proposing the candidature of Smt. Bharti C. Chokshi for office of Director of the Company.

The Board recommends passing of the aforesaid Ordinary Resolution at Item No. 4 of the notice.

None of the Directors of the Company, except Smt. Bharti C. Chokshi, is concerned or interested in the said resolution.

##### Item No. 5

Members may be aware Shri. Kalpesh R. Khokhani was re-appointed as Managing Director of the Company with effect from 1st October, 1999 for a period of five years at the maximum remuneration of Rs. 40,000 p.m. His term is expiring on 30th September, 2004. The remuneration committee and the Board of Directors at their meeting held on 1st September, 2004 passed the resolution for his re-appointment as Managing Director of the Company with effect from 1st October, 2004 for a further period of five years at the same remuneration subject to the approval of the members.

The Board recommends passing of the aforesaid Ordinary Resolution at Item No. 5 of the notice.

None of the Directors except Shri. Kamlesh R. Khokhani being related to Shri. Kalpesh R. Khokhani and Shri. Kalpesh R. Khokhani, himself are concerned or interested in the said resolution.

#### B. INFORMATION ON DIRECTORS RE-APPOINTMENT / APPOINTMENT AS PER SUB-CLAUSE VIA OF CLAUSE 49 OF THE LISTING AGREEMENT

Information about directors being re-appointment / appointed at the ensuing Annual General Meeting is as under:

##### Smt. Bharti C. Chokshi :

Smt. Bharti C. Chokshi aged 50 years is reputed diamond merchant having 20 years of experience in imports / exports. She has been associated with Shamrock Group of Companies since last 5 to 6 years. She has been associated with number of companies of international repute. Her valued knowledge and contact at international market will help serving the interest of the company. She holds office of director in Shamrock pharmaceuticals Pvt. Ltd., Shamrock Finlease Limited, Shamrock Texyfab Limited and Shamrock Exports Pvt. Limited.

##### Shri. Kalpesh R. Khokhani :

Shri. Kalpesh R. Khokhani aged 35 years has obtained a degree in Chemical Engineering (B.E.) (Hons) from Mumbai University in 1991 and subsequently completed a post graduate diploma in Business Management from the leading Management Institute in Mumbai. He has obtained hands on experience for over 10 years in manufacturing and exports in the pharmaceutical Industry. He is looking into day to day management of the Company.

#### **Corporate Office :**

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

By order of the Board

**For Shamrock Industrial Co. Ltd.**

Date : 1st September, 2004

**KALPESH R. KHOKHANI**  
CHAIRMAN & MANAGING DIRECTOR

## Annual Report 2003-2004

**DIRECTORS' REPORT**

To

The members of

Shamrock Industrial Company Limited

The Directors hereby present their Thirteenth Annual Report togetherwith the audited financial statements of accounts for the year ended 31st March 2004.

**FINANCIAL RESULTS**

	(Rs. In Lacs)	
<b>PARTICULARS</b>	<b>2003-2004</b>	<b>2002-2003</b>
Sales and Other Income	0.76	7.71
Profit / (Loss) before Depreciation, Interest and Tax	(16.28)	(816.66)
Depreciation	1.45	1.70
Interest	0.07	0.34
Profit / (Loss) Before Tax	(17.80)	(818.70)
Less : Deferred Tax	—	—
Profit / (Loss) after Deferred Tax	(17.80)	(818.70)
Balance brought forward from previous year	(659.60)	159.10
Balance before transitional adjustment on account of Deferred tax	(677.40)	(659.60)
Less : Transitional adjustment on account of Deferred Tax	—	—
Balance carried forward	(677.40)	(659.60)

**TURNOVER**

During the year under consideration, the company could not engage in any activity due to lack of sufficient funds. The overall income for the year 2003-2004 was Rs. 0.76 lacs as against Rs. 7.71 Lacs in the previous year. The loss for the year was at Rs. 17.80 lacs against loss of Rs.818.70 Lacs in the previous year.

**DIVIDEND**

The Directors do not recommend any dividend for the year under review.

**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**

As informed earlier, the claim filed by Dena Bank amounting to approximately Rs. 6.75 crores in the Debt Recovery Tribunal, Mumbai is still pending.

**DELISTING OF COMPANY'S EQUITY SHARES FROM THE STOCK EXCHANGE, AHMEDABAD**

Consequent upon the special resolution passed by the members at the last Annual General Meeting held on 27th September, 2003 for voluntary delisting of the Company's Equity shares from The Stock Exchange, Ahmedabad, the Company got its equity shares delisted from the said Stock Exchange under SEBI (Delisting of Securities) Guidelines, 2003. Payment of listing fee to this stock exchange was not justified in view of no trading of equity shares of the Company on this stock exchange. Further due to financial losses, imperativeness to reduce the operating and other costs, the Board of Directors deemed it appropriate to delist the equity shares from the said stock exchange. The Equity shares of the Company continues to be listed on the Stock Exchange, Mumbai.

**CORPORATE GOVERNANCE**

The report on Management Discussion and Analysis, Corporate Governance as well as the Auditors' Certificate regarding compliance of conditions of corporate governance as per Clause 49 of the Listing Agreement forms part of this Annual report.





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

The company is not engaged in any 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 review.

## **DIRECTORS**

During the year under review Smt. Clarine H. Bale resigned from the office of Director w.e.f. 1st October, 2003 due to her other pre-occupations. The Board places on record the invaluable service rendered by her to the Company.

The Board appointed Smt. Bharti C. Chokshi as Additional Director of the Company w.e.f. 15th December, 2003. She holds office only upto the date of the ensuing Annual General Meeting of the Company. The Board recommends her appointment as Director at the ensuing Annual General Meeting of the Company.

The term of office of Shri. Kalpesh R. Khokhani as Managing Director is expiring on 30th September, 2004. The remuneration committee and the Board of Directors at their meeting held on 1st September, 2004 passed the resolution for his re-appointment as Managing Director of the Company with effect from 1st October, 2004 for a further period of five years subject to the approval of the members. The Board recommends passing of the resolution for his re-appointment at the ensuing Annual General Meeting.

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

Explanation pursuant to Section 217 (3) of the Companies Act, 1956 :

The Company initially planned to start Bulk Drug Project but due to severe handicaps including lack of financial support, the Company was unable to start the operations. However in view of continuous negotiations for finance with various Banks, Financial Institution and other parties the Board of Directors is hopeful that company will be able to start the Bulk Drug Project. As far as outstanding bank loans are concerned the Board of Directors is hopeful that Company will get favourable judgement for cases filed with Debt Recovery Tribunal, Mumbai. Hence the accounts of the Company are prepared on going concern basis.

## **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, 2004;
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 thank esteemed shareholders, customers and business associates 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 - 400 021.

By order of the Board  
For Shamrock Industrial Co. Ltd.

Date : 1st September, 2004

**KALPESH R. KHOKHANI**  
CHAIRMAN & MANAGING DIRECTOR

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Company initially planned to start the Bulk Drug Project. But due to severe handicaps including lack of financial support, the Company is unable to start the operations. With adequate financial support the position would have been better. However management is endeavouring to minimise and overcome its inherent logistic handicaps and is evaluating various options to start the Bulk Drug Project. Due to Company's goodwill in the international market, it continuously receives offers for export of pharmaceutical products.

The suit filed by Dena Bank against the Company in Debt Recovery Tribunal, Mumbai for recovery of its dues is still pending. The management is expecting the verdict for the same by end of the Current year.

## **REPORT ON CORPORATE GOVERNANCE**

The Company pursuant to the code of Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) furnishes its Report as under :

### **1. COMPANY'S PHILOSOPHY :**

The basic philosophy of Corporate Governance in the Company is to achieve business excellence and enhance shareholders value, keeping in view the interest of its various stakeholders by short and long term actions.

### **2. BOARD OF DIRECTORS :**

The Board of Directors of the Company is comprised of four Directors:

Shri. Kalpesh R. Khokhani	- Promoter, Non-Independent and Executive Director
(Chairman and Managing Director)	
Shri. Kamlesh R. Khokhani	- Promoter, Non-Independent and Non-Executive Director
Shri. Jayendra H. Sheth	- Independent and Non-Executive Director
Smt. Bharti C. Chokshi	- Independent and Non-Executive Director

Attendance of each director at the Board Meetings, last Annual General Meeting and Number of Other Directorship, Membership and Chairmanship of committee in various companies:

Sl. No.	Name of Director	F.Y.2002-03		As on Date		
		Attendance at		No. of other Directorships	Committee Position	
		BM	AGM		Member	Chairman
1.	Shri. Kalpesh R. Khokhani	8	Yes	NIL	NIL	NIL
2.	Shri. Kamlesh R. Khokhani	8	Yes	NIL	NIL	NIL
3.	Shri. Jayendra H. Sheth	8	Yes	NIL	NIL	NIL
4.	Smt. Clarine H. Bole*	5	Yes	NIL	NIL	NIL
5.	Smt. Bharti C. Chokshi**	2	No	4	NIL	NIL

\* Resigned w.e.f. 1.10.2003

\*\* Appointed as Additional Director w.e.f. 15.12.2003

### **No. of Board Meetings held and dates on which held:**

During the year Company has held 8 Board Meetings as against the minimum requirement of 4 meetings. The meetings were held on 14.5.2003, 10.6.2003, 1.9.2003, 2.9.2003, 1.10.2003, 24.10.2003, 15.12.2003, 29.1.2004.

### **3. COMMITTEES OF THE BOARD**

The important Committees constituted by the Board of Directors of the Company are as under :

#### **A. AUDIT COMMITTEE**

The Audit Committee of the Company comprises of Smt. Bharti C. Chokshi as Chairperson and Shri. Kamlesh R. Khokhani and Shri. Jayendra H. Sheth as members. During the year under review Smt. Clarine H. Bole erstwhile member and Chairperson resigned from directorship and committee. The Board reconstituted the audit committee on 15th December, 2003 wherein Smt. Bharti C. Chokshi was appointed as a new member and Chairperson of the Committee.

Mr. Pawan G. Agrawal, Company Secretary is the Secretary to the Committee.

The committee deals with accounting policies and commercial matters, financial reporting and internal control systems and covers matter covered in the listing agreement.

During the year the Committee met 5 times. The meetings were held on 14.5.2003, 1.9.2003, 2.9.2003, 15.12.2003 and 29.1.2004. All the then committee members were present at all the meetings.