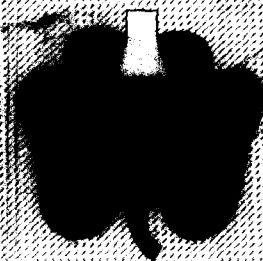


SHAMROCK

*14 th Annual Report
2004-2005*

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**SHAMROCK
GROUP**

Shamrock Industrial Co. Ltd.

**Shamrock Industrial Co. Ltd.****SHAMROCK INDUSTRIAL COMPANY LIMITED****ANNUAL REPORT 2004-2005**

- BOARD OF DIRECTORS :** SHRI. KALPESH R. KHOKHANI
CHAIRMAN & MANAGING DIRECTOR
SHRI. KAMLESH R. KHOKHANI
SHRI. JAYENDRA R. KHOKHANI
SHRI. BHARTI. C. CHOKSHI
- AUDITORS :** M/s. R. VIJAYAN & CO.
CHARTERED ACCOUNTANTS
MUMBAI.
- PRINCIPAL BANKERS :** CITI BANK N.A.
ABN AMRO BANK, N.V.
- 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
LIMITED.
1 MITTAL CHAMBERS, NARIMAN POINT,
MUMBAI 400 021.
Tel : 022 22882960
Fax : 022 22873314
- STOCK EXCHANGE :** BOMBAY STOCK EXCHANGE LIMITED

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NOTICE

Notice is hereby given that 14th Annual General Meeting of the Company will be held on September 29, 2005 at 11.00 am at 146, Takai Adoshi Road, Village Dheku, Taluka Khalapur, Dist. Raigad to transact the following business

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2005 and the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Jayendra H. Sheth who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s R. Vijayan & Co., Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. Sub-division of Shares

To consider and if thought fit to pass with or without modification, the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, and Article 58 (2) of the Articles of Association of the Company, and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the equity shares of the Company having a nominal face value of Rs. 10/- (Rupees Ten only) per share, be sub-divided into 10 (Ten) equity shares having a nominal face value of Re.1/- (Rupee One Only) per share and the relevant capital clauses in the Memorandum and Articles of Association of the Company be accordingly altered as proposed in the resolutions at Item Nos.6 and 7 of the notice convening this Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall also include any Committee thereof duly authorised in this behalf) be and are hereby authorised to issue new share certificates representing the sub-divided shares with new distinctive numbers (except in the case of shares held in damat form) in the aforesaid proportion, subject to the rules laid down in the Companies (Issue of Shares Certificates) Rules, 1960 with an option to either exchange the new share certificates in lieu of cancellation of the old share certificates or without physically exchanging the share certificates, by treating the old share certificates as deemed to be cancelled and also to inform the Registrar & Transfer Agents of the Company and Depositories to take the necessary action to give effect to the above.

RESOLVED FURTHER THAT the Board of the Company be and are hereby authorised to do all such acts, deeds, matters and things including issue of fresh share certificates and execute all such documents, instruments and writings as may be required in the said connection and to delegate all or any of the powers herein vested in them to any Committee of Directors or any Director(s) to give effect to the aforesaid resolution."

5. Increase in Authorised Share Capital

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

"RESOLVED THAT on the resolution for sub-division of the nominal face value of equity shares of the Company being duly passed and becoming effective as stated in resolution at Item No.4 of the notice convening this AGM and pursuant to Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company the Authorised Share Capital of the Company stands increased from Rs.8,00,00,000 (Rupees Eight Crore Only) divided into 80,00,000 Equity Shares of Rs.10/- each to Rs.10,00,00,000 (Rupees Ten Crore Only) divided into 10,00,00,000 Equity Shares of Re.1/- each."

6. Alteration of Memorandum of Association

To consider and, if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution :-

"RESOLVED THAT on the resolution for sub-division of the nominal face value of equity shares and increase in the Authorised Share Capital of the Company being duly passed and becoming effective as stated in resolution at Item No.4 & Item No. 5 respectively of the notice convening this AGM, Clause V of the Memorandum of Association of the Company be deleted and in place thereof, the following new Clause V be substituted:

"The Authorised Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten Crore only) divided into 10,00,00,000 (Ten Crore) equity shares of Rs.1/- each with the rights, privileges and conditions attaching thereto as are provided



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by the regulations of the Company for the time being, with power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the regulations of the Company."

7. Alteration of Articles of Association

To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:-
"RESOLVED THAT existing Article 3 of the Articles of Association of the Company be and is hereby amended to read as follows:

"The ~~Authorized~~ Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten Crore Only) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs.1/- (Rupee One) each with ~~power to increase or reduce the capital of the Company~~ and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the legislative provisions for the time being in force in this behalf."

8. Raising of Funds through Issue of Securities

To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to Section 81 and other applicable provisions of the Companies Act, 1956 and subject to such approvals, permissions, consents and sanctions as may be necessary from the Government of India (GOI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI) and/or any other competent authorities and enabling provisions of the Memorandum & Articles of Association of the Company, the Listing Agreement(s) entered into by the Company with the Stock Exchanges, where the shares of the Company are listed and in accordance with the guidelines issued by the GOI, RBI, SEBI and/or any other competent authorities and clarifications thereof, issued from time to time, and subject to all such other approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors of the Company (herein after called "The Board" which term shall include any committee constituted/ to be constituted by the Board for exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot such number of Equity shares/ preference shares and/or Foreign currency convertible bonds (FCCBs), American Depository Receipts (ADRs) / Global Depository Receipts (GDRs), Singapore Depository Receipts (SDRs) and/or Fully/ Partially convertible Bonds/ Debentures/Loans and/or Depository shares/ Receipts and/or any other instruments/securities in the nature of shares/Debentures/Bonds and/or warrants, naked or otherwise, convertible into shares or otherwise, either in registered or bearer forms, and/or any such securities convertible into equity shares of Re.1/- each or otherwise, (hereinafter referred to as 'financial instruments') or any combination of the financial instruments in the International/ Domestic Market, through prospectus, offer Letter, Circular, or through any other mode as the case may be from time to time, in one or more tranches, whether in India or outside India with or without premium, whether rupee denominated or denominated in any foreign currency as may be deemed appropriate by the Board for an amount not exceeding Rs.2,00,00,000 (Rupees Two Crore) to the existing shareholders, Indian Public, promoters, strategic investor(s), employees, financial institutions, Banks, mutual funds, foreign investors, non-resident Indians, foreign institutional investors, multilateral agencies, venture capital funds, companies, other bodies corporate, other entities or any other person or one or more combinations thereof, on such terms and conditions (including pricing, rate of dividend, amount of premium, if any, at the time of conversion/redemption, manner of conversion/redemption, conversion/redemption period, and matters incidental thereto) as the Board may in its sole discretion decide.

RESOLVED FURTHER THAT for the purposes of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, proper, expedient, desirable or appropriate for making the said issue as aforesaid including the listing of the securities in one or more national and international Stock Exchanges and to settle any question, query, doubt or difficulty that may arise in this regard including the power to allot under-subscribed portion, if any, in such manner and to such person(s) as the Board may deem fit and proper in its absolute discretion to be most beneficial to the Company."

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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

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2. The Register of Members and Share Transfer Books of the Company will remain closed from September 27, 2005 to September 29, 2005 (both days inclusive)
3. Explanatory Statement pursuant to Section 173(2) is enclosed.
4. Members are requested to bring the copy of their Annual Report and the Attendance Slip at the Annual General Meeting.
5. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Company so as to reach at least seven days before the date of the meeting, so that the information required may be made available at the meeting, to the best extent possible.
6. Members holding shares in physical form are requested to advise any change of address immediately to Company's Registrar and Share Transfer Agents, Computronics Financial Services (India) Limited. **Members holding shares in electronic form must advise their respective Depository Participants about change in address and not to the Company.**

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

Mumbai, September 6, 2005

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY IN RESPECT OF THE ITEM NOS. 4 TO 8

Item No. 4

The Board of Directors of the Company at its meeting held on September 6, 2005 have decided to reduce the nominal face value of the equity shares of the Company by sub-dividing the equity shares, in order to improve liquidity, to make more attractive and affordable for all class of investors. In view of this, it is proposed that the nominal face value of the equity shares of the Company be reduced from Rs.10/- each to Re.1/- each.

The Board of Directors recommends the resolution for approval of Members.

None of the Directors of the Company is concerned or interested in the said resolutions except to the extent of their shareholding in the Company.

Item No. 5

The Company proposes to further issue, offer and allot certain Equity Shares on rights basis and/or private placement basis and/or preferential basis, as per SEBI (Disclosure and Investor Protection) Guidelines, 2000.

The present Authorised Capital of the Company is Rs.8,00,00,000 consisting of 80,00,000 Equity Shares of Rs.10/- each.

The proposed issue of equity shares will increase the Subscribed and Paid-up Equity Capital beyond the present limit. Hence, a resolution is proposed to increase the limit of Authorised Capital to Rs.10,00,00,000 consisting of 10,00,00,000 Equity Shares of Re.1/- each.

The Board of Directors recommends the resolutions for approval of Members.

None of the Directors of the Company is in any way, concerned or interested in the said resolutions.

Item Nos. 6 and 7

Consequent to the sub-division of shares and increase in authorised share capital of the Company, it is necessary to alter the Capital Clause of the Memorandum of Association and the Articles of Association of the Company. The Ordinary Resolution in Item No.6 and the Special Resolution in Item No.7 seek to make corresponding amendment in Clause V of the Memorandum of Association and Articles 3 of the Articles of Association to give effect to the above resolutions.

After the resolution has been adopted by the members, the Company will fix a Record Date for splitting the share certificates. Shareholders holding in electronic form will be allotted sub-divided shares in electronic form (demat mode). Shareholders holding shares in the form of physical share certificates will have the opportunity to either receive sub-divided shares in demat mode or in the form of physical certificates. In view of the fact that the Company's shares are now tradable only in the demat mode and sale in physical form (to the extent permissible), apart from causing delays/ risks associated with postal interception and potential fraud, often also leads to the realisation of a significantly lower price,



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it will be in the interest of the members to opt for receiving split shares in lieu of their existing holding in physical form, in the demat mode. Members may like to bear this aspect in mind while exercising their option.

The Board of Directors recommends the resolutions at Item Nos. 6 and 7 of the notice for approval of Members.

The Memorandum and Articles of Association of the Company is available for inspection at the Corporate Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of the ensuing Annual General Meeting.

None of the Directors of the Company is concerned or interested in the said resolutions except to the extent of their shareholding in the Company.

Item Nos. 8

Your Company proposes to raise resources as a part of the restructuring process of the Company and to augment the long term working capital requirements. To meet the requirement of funds, the Company proposes to offer Equity shares/ preference shares and/or Foreign currency convertible bonds (FCCBs), American Depository Receipts (ADRs) /Global Depository Receipts (GDRs), Singapore Depository Receipts (SDRs) and/or Fully/ Partially convertible Bonds/Debentures/ Loans and/or Depository shares/ Receipts and/or any other instruments/securities in the nature of shares/Debentures/ Bonds and/or warrants, naked or otherwise, convertible into shares or otherwise, either in registered or bearer forms, and/or any such securities convertible into equity shares of Re.1/- each or otherwise in India or in one or more foreign markets to be subscribed in foreign currencies / rupees by foreign / domestic investors, non-residents, foreign institutional investors / foreign companies / foreign banks, NRI's, foreign nationals, companies/corporate bodies or such other entities / persons as may be decided by the Board for an amount not exceeding Rs.2,00,00,000 (Rupees Two Crore).

Section 81 of the Companies Act, 1956, inter-alia, provides that whenever subscribed share capital of the Company is increased by issue and allotment of further shares, such further shares shall be offered to the persons who on the date of offer are holders of the equity shares of the company, in proportion to the capital paid up on that date unless the members in the general meeting decide otherwise by way of special resolution in accordance with Section 81 (1A) of the Companies Act, 1956.

Therefore, your Company proposes that the decision to undertake an offering of securities be taken pursuant to a special resolution passed in accordance with provisions of Section 81 (1), 81 (1A) and all other relevant provisions of the Companies Act, 1956.

To the extent that any part of the above mentioned fund rising plan includes issue of securities linked to or convertible into Equity Shares of the Company, the holders of the said securities would be entitled to convert their respective securities into Equity Shares of your Company, ranking pari passu in all respects with the existing Equity Shares of the Company.

Your Directors recommend the above resolution as special resolution for your approval.

None of the Directors of the Company is concerned or interested in the said resolutions except to the extent of their shareholding in the Company.

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

Mumbai, September 6, 2005

ADDITIONAL INFORMATION

Mr. Jayendra H. Sheth, born in January 1940, having 35 years experience in Chemical Industry and also possesses excellent managerial skills; as such his presence on the board will enhance smooth functioning of the company.

Mr. Jayendra H. Sheth, is neither holding Directorship in any other Company (excluding private and foreign companies) nor does he occupies Committee membership in any of the companies.

He is not holding any shares in the Company.

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DIRECTOR'S REPORT

To,

The Members

The Directors present their Fourteenth Annual Report with the Audited Statement of Accounts for the year ended March 31, 2005.

FINANCIAL RESULTS

PARTICULARS	(Rs. in lacs)	
	2004-2005	2003-2004
Sales & other Income	0.25	0.76
Profit/(Loss) before Depreciation, Interest & Tax	(10.02)	(16.28)
Depreciation	1.30	1.45
Interest	0.00	0.07
Profit /(Loss) before Tax	(11.32)	(17.80)
Less : Deferred Tax	—	—
Profit /(Loss) after Deferred Tax	(11.32)	(17.80)
Balance brought forward from previous year	(677.40)	(659.60)
Balance before transitional adjustment on account of Deferred Tax	(688.72)	(677.40)
Less : Transitional adjustment on account of Deferred Tax	—	—
Balance carried forward	(688.72)	(677.40)

OPERATIONS

During the year under review, the Company could not engage in any activity due to lack of sufficient funds. The overall income for the year 2004-2005 was Rs. 0.25 lacs as compared to Rs.0.76 lacs in the previous year. The loss for the year was at Rs. 11.32 lacs against loss of Rs.17.80 lacs in the previous year.

DIVIDEND

Your Directors regret their inability to recommend any dividend for the year under consideration.

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.

FINANCIAL RESTRUCTURING

Due to depleting Net Performing Assets (NPA) of the Company and as a part of the financial restructuring process, your Directors propose to raise resources in the form of equity / preference share capital to augment the long-term working capital requirements of the Company. The Directors are also in the process of identifying strategic partners / financial institutions to meet the above requirements.

RECOVERY SUIT FILED BY DENA BANK

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

MANAGEMENT DISCUSSION & ANALYSIS

Industry Environment

The Indian pharmaceutical industry is revitalizing the national economy and scaling new heights in the world markets. The Indian bulk drug industry in particular has provided a major thrust in making the pharmaceutical sector more visible and quality driven global player.

The global Pharma business is growing rapidly. The participation of MNC's in the pharmaceutical industry is expected to rise up after implementation of WTO guidelines and the New Patent Act, which recognizes product patent as against the existing process patent in the country. However, domestic companies would continue to dominate the bulk drug segment since India has become a preferred sourcing destination for most multinational pharmaceutical giants. They increasingly source their requirement of dosage forms, bulk drugs and intermediaries as these products are available relatively less expensive from India.

Segment-wise performance Bulk Drug

Your Company only operates in this one segment.

Opportunities, Threats, Risks and Concerns

The rapid growth of pharmaceutical industry has made it difficult for the Company to stand firm in the current market as the major share in the Indian Pharmaceutical Sector is held by a few pharma giants and also the increased competition from the high-tech MNC's has made it even more difficult for your Company to stand in the market.

Your Company is optimistic about the long-term opportunities while at the same time meeting the short-term challenges. Your Company will respond to the challenges by enhancing customer focus and continue to invest in building an efficient sales and delivery engine. Your Company will also pursue new opportunities and will ensure adequate internal preparedness to take maximum advantage of such opportunities going forward.



Shamrock Industrial Co. Ltd.

Internal Control System

The Company has installed an adequate system of internal controls in all spheres of its activity. The Management regularly reviews the internal controls and takes appropriate steps to implement the suggestions and observations.

Human Resources

As on March 31, 2005, the Company had 2 employees on its rolls. There have been very cordial relations between the employees and the management.

Outlook

With the various initiatives taken by the Company to re-formulate its business policy, which is regularly reviewed by the Board of Directors, and the implementation of cost control measures, the Company looks forward to a favorable year.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits under the provisions of Section 58 A of the Companies Act, 1956 and the rules made there under.

CORPORATE GOVERNANCE

The report on 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.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors based on the representations received from the Operating Management conform that, to the best of their knowledge -

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) 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 a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability 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;
- iv) the Directors have prepared the accounts on a going concern basis.

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

The Company is not engaged in any activities thereof, there is no information to be submitted as required under Section 217 (1) (e) of the Companies Act, 1956, read with 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.

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not given, as there were no employees drawing remuneration prescribed under the said section.

DIRECTORS

As per the Articles of Association of the Company, Shri Jayendra H Sheth, retires by rotation and being eligible, offers himself for re-appointment, which your Directors consider to be in the interests of the Company and therefore commend it for your approval. Brief profile of Mr. Sheth is provided elsewhere in this Annual Report as additional information.

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 re-appointment. A certificate has been obtained from them to the effect that the appointment, if made will be in accordance with the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956. The Audit Committee and your Board recommended 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 institutions and other parties, the Board of Directors is hopeful that the 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.

ACKNOWLEDGEMENT

Your Directors thank esteemed shareholders, customers and business associates for the faith reposed in the Company and in its management. Your Directors place on record their deep appreciation of the dedication and commitment of your Company's employees.

For and on behalf of the Board of Directors

Kalpesh R. Khokhani

Chairman & Managing Director

Place : Mumbai

Date : September 6, 2005