

SHAMROCK

***17th ANNUAL REPORT
2007 - 2008***



**SHAMROCK
GROUP**

**Shamrock Industrial
Company Limited**

Annual Report 2007-2008

SHAMROCK INDUSTRIAL COMPANY LIMITED

ANNUAL REPORT : 2007 - 2008

BOARD OF DIRECTORS	: SHRI KALPESH R. KHOKHANI CHAIRMAN & MANAGING DIRECTOR SHRI KAMLESH R. KHOKHANI SHRI JAYENDRA H. SETH SHRI CHANDRAKANT C. CHOKSHI
AUDITORS	: M/S. DHARMESH M. KANSARA & ASSOCIATES CHARTERED ACCOUNTANTS, MUMBAI.
PRINCIPAL BANKERS	: CITI BANK N.A., FORT ABN AMRO BANK, NARIMAN POINT
REGISTERED OFFICE	: 146, TAKAI ADOSHI ROAD, VILLAGE : DHEKU, TALUKA : KHALAPUR, DIST. : RAIGAD, MAHARASHTRA.
CORPORATE OFFICE	: 1008, MAKER CHAMBER – V, 221, NARIMAN POINT, MUMBAI – 400 021.
REGISTRAR AND SHARES TRANSFER AGENT	: COMPUTRONICS FINANCIAL SERVICES (INDIA) LTD. 1, MITTAL CHAMBER, NARIMAN POINT, MUMBAI – 400 021. TEL. : 022 2288 2960 FAX : 022 2287 3314
STOCK EXCHNAGE	: BOMBAY STOCK EXCHANGE LIMITED



Shamrock Industrial Co. Ltd.

SHAMROCK INDUSTRIAL COMPANY LIMITED

Registered Office: 146, Takai Adoshi Road, Village Dheku, Taluka Khalapur, Dist. Raigad.

NOTICE

Notice is hereby given that 17th Annual General Meeting of the Company will be held on Monday, September 29, 2008 at 11:30 a.m. 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, 2008 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. Dharmesh M. Kansara & Associates, 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.

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.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 25, 2008 to Monday, September 29, 2008 (both days inclusive)
3. Members are requested to bring the copy of their Annual Report and the Attendance Slip at the Annual General Meeting.
4. 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.
5. 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.**

By Order of the Board of Directors
For Shamrock Industrial Company Limited

sd/-

Kalpesh R. Khokhani
Chairman & Managing Director

Mumbai, July 31, 2008
Corporate Office:
1008, Maker Chambers-V,
221, Nariman Point,
Mumbai 400 021.

ADDITIONAL INFORMATION

Details of the director seeking appointment / re-appointment at the forthcoming Annual General Meeting

[In pursuance of Clause 49 of the Listing Agreement]

Name of the Director	Shri Jayendra H. Sheth
Date of Birth	11.1.1940
Nationality	Indian
Date of Appointment	01.08.1999
Qualifications	B.Com
Expertise in specific functional areas	He has more than 38 years of experience in Chemical Industry and also possess excellent managerial skills.
Directorships held in other companies (excluding private and foreign companies)	Nil
Committee position held in other companies	Nil
Shareholding of non-executive directors	Nil

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Shamrock Industrial Co. Ltd DIRECTORS' REPORT

To,
The Members

The Directors present their Seventeenth Annual Report with the Audited Statement of Accounts for the year ended March 31, 2008.

FINANCIAL RESULTS

PARTICULARS	Current Year 2007-2008 (Rs. in lacs)	Previous Year 2006-2007 (Rs. in lacs)
Sales & other Income	1200.01	1238.05
Profit/(Loss) before Depreciation, Interest & Tax	9.70	(1.87)
Interest	0.15	0.07
Depreciation	1.30	1.30
Profit / (Loss) before Tax:	8.25	(3.24)
Provision for Current Tax	0.95	--
Provision for Deferred Tax	--	--
Profit / (Loss) after Tax	7.30	(3.24)
Add: Balance brought forward from previous year	(684.04)	(680.80)
	(676.74)	(684.04)
Appropriations:		
Dividend	Nil	Nil
Dividend Tax	Nil	Nil
Transfer to General Reserve	Nil	Nil
Balance carried to Balance Sheet	(676.74)	(684.04)

PERFORMANCE

During the year under review, the turnover of the Company has marginally decreased to Rs.12 Crores as compared to last year's turnover of Rs.12.38 Crores and the Company has made a profit of Rs.7.30 Lacs as compared to the Loss of Rs.3.24 Lacs in the previous year.

DIVIDEND

Your Directors regret their inability to recommend any dividend for the year under consideration due to heavy accumulated losses.

BULK DRUG PROJECT

As informed earlier, the Company has taken some initiative to start the Bulk Drug Project, but it struggled 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. 6.63 Crore plus interest thereon in the Debt Recovery Tribunal, Mumbai is still pending.

PUBLIC DEPOSITS

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

MANAGEMENT DISCUSSION & ANALYSIS

Industry Environment

According to a survey conducted by ASSOCHAM, Indian pharmaceutical exports have a potential to grow around 18 percent in the next two years to take its total export volume to about Rs 30,000 crore from the exports volumes of Rs 15,500 crore in 2003-2004.

Consumer spending on healthcare is expected to rise to 13 per cent of GDP by 2015. Furthermore, internationally operating Indian Companies have seen healthy growth of their exports into Western markets. Indian players too have started acquiring assets in Europe and the United States with an intention to scale up their presence in these markets. The growth also has spurred players in the Indian pharmaceutical industry to explore newer avenues of drug research, discovery and development, promising higher capital investments in the near future. There have been several new collaborations with the aim of research and discovery between Indian and non Indian pharmaceutical companies, some of which are Mergers and Amalgamations.



Shamrock Industrial Co. Ltd.

Many Multinational Companies have increased their spending in India to conduct clinical trials and research, either by establishing own Research and Development units or commissioning Contract Research Organisations (CROs). Pharmaceutical research, manufacturing and outsourcing have received an impetus in the country, creating the image of a land of opportunities in the pharmaceutical space.

Segment-wise performance

Your Company only operates in this one segment.

Opportunities, Threats, Risks and Concerns

The Indian pharmaceutical industry is growing consistently and is expected to do so also in future. Quality of products will improve, as is evident from the recent publication of the new Indian Pharmacopeia and the activities of the Drugs Controller of India against "irrational combinations" and "counterfeits". We wish that these initiatives, which will lead to a safer healthcare environment for patients, will be followed up in a transparent and rational way.

India with a population of over a billion is a largely untapped market. In fact the penetration of modern medicine is less than 30% in India. Improving accessibility of healthcare services and products to patients in smaller towns constitutes a major opportunity. For the pharmaceutical industry in India the National Pharmaceuticals Policy still represents a major threat. We regard price monitoring as a better option, balancing affordability and investments into continuous improvements of product quality. Another major concern relates to the recent developments in the post product-patent regime. Unfortunately, for India the patent regime needs to be challenged looking at the limited amounts of patents granted and patents being opposed.

Your Company will also pursue new opportunities and will ensure adequate internal preparedness to take maximum advantage of such opportunities going forward.

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, 2008, the Company had 1 employee 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 favourable year.

CORPORATE GOVERNANCE

The Company has complied with all mandatory requirements as prescribed under Clause 49 of Listing Agreement with Bombay Stock Exchange Limited (BSE).

A separate section on Corporate Governance forms part of the Annual Report. A certificate regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report.

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 Shri Jayendra H Sheth is provided elsewhere in this Annual Report as additional information.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors based on the representations received from the Operating Management confirm 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 profit 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.

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AUDIT COMMITTEE

The Audit Committee comprises of Mr. Chandrakant Chokshi (Chairman), Mr. Jayendra Sheth, and Mr. Kamlesh Khokhani, all being Non-Executive Directors. The Audit Committee met 5 (five) times during the year under review.

AUDITORS

The auditors M/s. Dharmesh M. Kansara & Associates, 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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of activities which are being carried on by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively are not applicable to the Company.

There were no foreign exchange earnings and outgoing during the year 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.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation of the assistance and support extended by customers, financial institutions, banks, vendors, Government and other associated with the activities of the Company.

For and on behalf of the Board of Directors

sd/-

Kalpesh Khokhani
Chairman & Managing Director

Place : Mumbai
Date : 30/06/2008



Shamrock Industrial Co. Ltd.

SHAMROCK INDUSTRIAL COMPANY LIMITED

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

The Company views sound corporate governance as an integral part of its efforts to enhance shareholders' value. The Company believes in adopting the philosophy of professionalism, transparency and accountability in all areas.

BOARD OF DIRECTORS

The Company's Board of Directors comprises of 4 Directors, of which 3 are Non-Executive directors, out of whom 2 are Independent Directors as on March 31, 2008. All the Directors are well experienced in their respective fields with experience in overall management, finance and law. They bring a wide range of skills and experience to the Board.

Composition

Director	Category
Shri Kalpesh R. Khokhani	Executive & Non-Independent
Shri Kamlesh R. Khokhani	Non- Executive & Non- Independent
Shri Jayendra H. Sheth	Non- Executive & Independent
Shri Chandrakant Chokshi	Non- Executive & Independent

Participation and Interest of Directors

Since the commencement of financial year 2007-2008 till March 31, 2008, a total of 5 Board Meetings were held on the following dates viz. April 30, 2007, June 30, 2007, July 31, 2007, October 31, 2007 and January 31, 2008. The maximum time gap between two board meetings did not exceed the limits prescribed in Clause 49 of listing agreement. The following table gives details of participation of the directors of the Company in Board Meetings and AGMs of the Company and interests of these directors in other companies:

Director	Participation of Directors		Interest of Directors in Other Companies		
	Board Meetings	Last AGM	Directorship*	Committee Membership#	Committee Chairmanship#
Shri Kalpesh Khokhani	5	YES	-	-	-
Shri Kamlesh Khokhani	5	YES	-	-	-
Shri Jayendra Sheth	5	YES	-	-	-
Shri Chandrakant Chokshi	5	YES	2	-	-

* Excludes alternate directorships and directorships in foreign companies, and private companies which are neither a subsidiary nor a holding company of a public company.

Excludes committees other than Audit Committee, Shareholder, Investor Grievance Committee and membership of committees of Companies other than Public Limited Companies.

AUDIT COMMITTEE

The functions of Audit Committee include: -

- Overseeing of the Company's financial reporting process and disclosure of its financial information.
- Recommending the appointment/removal of external auditor, fixation of audit fee and also approval for payment for any other service.
- Reviewing with management, the annual financial statements before submission to the Board.
- Reviewing the Company's financial and risk management policies.

Composition

Currently, the committee consists of three directors with an optimum mix of Independent and Non-Independent Directors with majority of Independent Directors, which is in compliance with the amended Clause 49 of Listing Agreement. The Committee is headed by Shri Chandrakant Chokshi, being Non-Executive Independent Director with effect from December 29, 2006, which was previously headed by Smt. Bharti Chokshi.

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The committee held five meetings during the year. The audit committee considered audit reports covering operational, financial and also the quarterly results of the Company. The minutes of the meetings of the audit committee are placed before the Board. The terms of reference of the audit committee are in accordance with all the items listed in Clause 19 (H) (D) and (E) of the Listing Agreement.

During the year under review 5 meetings of the Audit Committee were held, the dates being April 30, 2007, June 30, 2007, July 31, 2007, October 31, 2007 and January 31, 2008.

Attendance of the Members at the Meetings of Audit Committee held during 2007-2008:

Audit Committee Members	Status	No. of Audit Committee Meetings Attended
Shri. Chandrakant Chokshi	Chairman	5
Shri Jayendra H. Sheth	Member	5
Shri Kamlesh R. Khokhani	Member	5

REMUNERATION COMMITTEE (NON-MANDATORY REQUIREMENT)

The Remuneration Committee has been constituted to recommend the remuneration package to the Directors including Executive Directors. The remuneration committee of the Company comprises of Shri Chandrakant Chokshi as Chairman (previously chaired by Smt. Bharti Chokshi), Shri Kamlesh R. Khokhani and Shri Jayendra H. Sheth all being Non-Executive Directors as the other members of the Committee. The Directors were not paid any remuneration during the year under review. No meetings of the remuneration committee were held during the year.

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

Shareholders' / Investors' Grievance Committee of the Directors was constituted long back to specifically look into the redressal of complaints of investors relating to transfer of shares, non-receipt of dividend / notices / annual reports etc. The Committee comprises of Shri Kamlesh Khokhani, a Non-Executive Director as Chairman and Shri Kalpesh Khokhani as a member. The Committee has delegated the power to approve transfer to Computronics Financial Services (India) Limited, being Registrar and Transfer Agent of Company. The Committee also monitors redressal of investor's grievances.

One meeting of the Shareholders' / Investors' Grievance Committee was held during the year on March 31, 2008. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 1. There were no complaints pending as on March 31, 2008.

COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS

Management Discussion & Analysis

A Management Discussion and Analysis Report on the Financial Condition and Results of Operation is attached and forms part of this Annual Report.

Subsidiary Company

Company has not floated any subsidiary company.

Disclosures

As required by revised clause 49, a statement in summary form of transactions with related parties, if any, are being periodically placed before the Audit Committee.

Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

Disclosures on Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimisation procedures. The Board shall periodically review the same.

Code of Conduct

The Board has formulated a code of conduct for the Board members of the Company. All Board members have affirmed their compliance with the code. A declaration to this effect signed by the Chairman of the Board of Directors of the Company is given elsewhere in the Annual Report.

CEO/CFO Certification

A certificate from Chairman on the financial statements of the Company was placed before the Board.



Shamrock Industrial Co. Ltd.

Review of Directors' Responsibility Statement

The Board in its report have confirmed that the annual accounts for the year ended March 31, 2008 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

Tenure of Independent Directors on the Board

The Company has not yet fixed any tenure for the Independent Directors on the Board of the Company.

Remuneration Committee

The Board has set up a Remuneration Committee, details of whereof are furnished earlier in the Report.

Shareholder Rights

Half yearly report is not sent to each household of shareholders. However, the results of the Company are published in the newspapers

Audit Qualifications

Strategic decisions were taken during the year resulting in unqualified financial statements of the Company.

Training of Board Members

The Company has not yet adopted any training programme for the members of the Board.

Whistle Blower Policy

The Company has not yet adopted any Whistle Blower policy.

GENERAL BODY MEETING

The Annual General Meeting of the Company will be held on Monday, September 29, 2008 at 11:30 a.m. at 146, Takai Adoshi Road, Village Dheku, Taluka Khalapur, Dist. Raigad. The details of last 3 Annual General Meetings were as under:

Particulars	Date & Time	Venue	Special Resolutions Passed
14 th Annual General Meeting	September 29, 2005 at 11.00 a.m.	Raigad	Nil
15 th Annual General Meeting	September 25, 2006 at 11.00 a.m.	Raigad	1. Raising of Funds through issue of Securities. 2. Alteration of Articles of Association pertaining to the Authorised Share Capital clause of the Company.
16 th Annual General Meeting	September 28, 2007 at 11.00 am	Raigad	1. Commencement of New Business. 2. Raising of Funds through issue of Securities.

No resolution was passed by postal ballot in the last year. No resolution is proposed to be passed by postal ballot at the ensuing AGM.

Disclosures

1. The Company has entered into related party transactions as set out in the notes to accounts, which are not likely to have a conflict with the Company's interest.
2. There were no material pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.
3. There were no material transactions of the Company with its promoters, directors, management or their relatives that may have potential conflict with the interest of the Company at large.
4. There were no penalties or strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets at any time during last 3 years.