

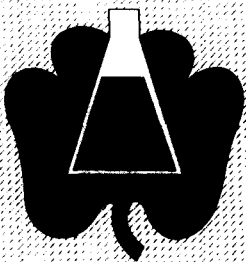
SHAMROCK

*13th Annual Report
2003-2004*

CERTIFIED TRUE COPY

FOR SHAMROCK INDUSTRIAL CO. LTD.

PR Kropla
DIRECTOR.



**SHAMROCK
GROUP**

Shamrock Industrial Co. Ltd.



SHAMROCK INDUSTRIAL COMPANY LIMITED

ANNUAL REPORT 2003 - 2004

BOARD OF DIRECTORS	:	SHRI. KALPESH R. KHOKHANI - CHAIRMAN & MANAGING DIRECTOR SHRI. KAMLESH R. KHOKHANI SHRI. JAYENDRA H. SHETH SMT. BHARTI. C. CHOKSHI
COMPANY SECRETARY	:	SHRI. PAWAN G. AGRAWAL
AUDITORS	:	M/s. R. VIJAYAN & CO., CHARTERED ACCOUNTANTS MUMBAI.
PRINCIPAL BANKERS	:	DENA BANK B.M.C. BANK LIMITED CITIBANK 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 (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 EXCHANGE	:	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.



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 Teryfab 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

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

PARTICULARS	(Rs. In Lacs)	
	2003-2004	2002-2003
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. Chakshi 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.



B. REMUNERATION COMMITTEE

The Remuneration Committee has been constituted to recommend the remuneration package to the Directors including executive director. The remuneration Committee of the Company comprises of Smt. Bharti C. Chokshi as Chairperson and Shri. Kamlesh R. Khokhani and Shri. Jayendra H. Sheth all being non-executive Directors as the other members of the committee. During the year under review Smt. Clarine H. Bole erstwhile member and Chairperson resigned from directorship and committee. The Board reconstituted the Remuneration Committee on 15th December, 2003 wherein Smt. Bharti C. Chokshi was appointed as a new member and Chairperson of the Committee. The Directors were not paid any remuneration during the year under review. No meeting of Remuneration Committee was held during the year.

C. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/ Investors' Grievance Committee comprises of two non-executive Directors viz. Smt. Bharti C. Chokshi as Chairperson and Shri. Kamlesh R. Khokhani as member to the committee. During the year under review Smt. Clarine H. Bole erstwhile member and Chairperson resigned from directorship and committee. The Board reconstituted the Shareholders' / Investors' Grievance Committee on 15th December, 2003 wherein Smt. Bharti C. Chokshi was appointed as a new member and Chairperson of the Committee. Shri. Pawan G. Agrawal, Secretary is the Compliance Officer of the Company. There were 10 complaints / inquiries receive during the year. All the complaints were resolved within the stipulated time. There were no transfers pending at the end of the financial year. No meeting of Shareholders' / Investors' Grievance Committee was held during the year.

4. GENERAL BODY MEETINGS

Details of last three AGMs:

Year	Date of AGM	Venue	Time
2000 -2001	29.09.2001	Regd. Off. : 146, Takai Adoshi Road, Village Dheku, Taluka Khalapur, Dist. Raigad	12.00 noon
2001 -2002	27.09.2002	Regd. Off. : 146, Takai Adoshi Road, Village Dheku, Taluka Khalapur, Dist. Raigad	12.00 noon
2002 -2003	27.09.2003	Regd. Off. : 146, Takai Adoshi Road, Village Dheku, Taluka Khalapur, Dist. Raigad	12.30 p.m.

None of the items transacted at the aforesaid meetings were passed by postal Ballot.

5. DISCLOSURES

Related party transactions to be disclosed as per Accounting Standard -18 (AS-18) issued by the Institute of Chartered Accountants of India have been given in Annexure to Note No. 14 of Schedule 14 on notes to the Accounts in the Annual Report.

There have been no instances of any penalties imposed on the Company on any matter relating to the capital market and listing either by Stock Exchanges, SEBI or any statutory authority during the year.

6. MEANS OF COMMUNICATIONS

Financial Results :

The quarterly financial results of the Company are sent to The Stock Exchanges at Mumbai and Ahmedabad. The said results were normally published in newspapers Asian Age (English) and Dainik Sagar (Marathi).

Other Information :

There were no representations made to institutional investors or to the analyst. The Management Discussion and Analysis Report forms part of this Annual Report.

7. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date, time and venue : 29th September, 2004 at 11.00 a.m.at 146, Takai Adoshi Road, Village Dheku, Taluka Khalapur, Dist. Raigad

Financial Calender : 1st April to 31st March
1st Unaudited Quarterly Results - by end of July
2nd Unaudited Quarterly Results - by end of October
3rd Unaudited Quarterly Results - by end of January
4th Unaudited Quarterly Results - by end of April

Book Closure Date : 27th September, 2004 to 29th September, 2004 (both days inclusive)

Listing on Stock Exchanges	: The Stock Exchange, Mumbai The Stock Exchange, Ahmedabad (During the year under review the Company got its equity shares delisted from The Stock Exchange, Ahmedabad w.e.f. 21st January, 2004)
Scrip Code	: The Stock Exchange, Mumbai - 531240
ISIN for NSDL/CDSL	: INE022F01015
Market Information	: As there was no trading of the Company's Equity Shares on the Stock Exchange, Mumbai since November, 1999 the information required to be furnished under this head is not applicable.
Registrar and Share Transfer Agent	: The Company has a common outside R & T Agent Viz. Computronics Financial Services (India) Limited situated at 53-56, Electronic Sadan No. 1, Shil Mahape Road, M.I.D.C., T.T.C., Mahape, Navi Mumbai 400 709 to deal with physical share transfer work as well as to deal with dematerialisation and rematerialisation of shares.
Share Transfer System	: Presently the share transfers which are received in the physical form are processed within the prescribe time. The share transfers are approved by the share transfer committee.

Distribution Of Shareholding As At 31st March, 2004

Share of Nominal value of Rs.	Shares holders		Shares	
	Number	% to total nos.	No.of shares	% to shares
Upto 5000	1085	54.250	274009	5.048
5001 to 10000	651	32.550	513300	9.456
10001 to 20000	148	7.400	228920	4.217
20001 to 30000	17	0.850	43000	0.792
30001 to 40000	20	1.000	68400	1.260
40001 to 50000	4	0.200	18300	0.337
50001 to 100000	26	1.300	178460	3.287
100001 and above	49	2.450	4104025	75.603
Total	2000	100.000	5428414	100.000

Shareholding Pattern As At 31st March, 2004

CATEGORY	NO. OF SHARES	% SHAREHOLDING
A. PROMOTERS	30,63,311	56.431
B. INSTITUTIONAL INVESTORS/ MUTUAL FUNDS/BANKS	-	-
C. CORPORATE BODIES	5,50,800	10.147
D. NRI/OBC	2,06,500	3.804
E. INDIAN PUBLIC	16,07,803	29.618
Total	54,28,414	100.000

Dematerialisation Of Shares	: 218300 equity shares being 4.02 % of total share capital are held in dematerialisation form with NSDL and CDSL as on 31st March, 2004
Outstanding ADRs/GDRs/Warrants Or Any Other Convertible Instruments, Conversion Date And Likely Impact On Equity	: The Company has not issued any ADRs/GDRs/Warrants or any other convertible instruments
Address For Investors Correspondence	: Company's Registrar and Transfer Agent Viz. Computronics Financial Services (India) Limited 53-56, Electronic Sadan No. 1, Shil Mahape Road, M.I.D.C., T.T.C., Mahape, Navi Mumbai 400 709
Non-mandatory Requirements	: The Company at present has not adopted the non- mandatory requirement in regard to maintenance of non-executive Chairman's office and sending of half-yearly financial performance to the shareholders at their residence.



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The members of **Shamrock Industrial Co. Ltd.**

We have examined the compliance of conditions of corporate governance by Shamrock Industrial Company Limited for the year ended 31st March, 2004 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clauses. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by guidelines notes issued by the Institute of Chartered Accountants of India, we have to state that according to the statements placed before the Board of Directors, there were no investor grievance remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to future viability of the Company nor the effectiveness with which the management has conducted the affairs of the Company.

For **R. Vijayan & Company**
Chartered Accountants

Place : Mumbai
Date : 1st September, 2004

R. Vijayan
(Proprietor)

AUDITOR'S REPORT

TO THE MEMBERS OF SHAMROCK INDUSTRIAL CO. LIMITED

01. We have audited the attached Balance Sheet of **SHAMROCK INDUSTRIAL CO. LIMITED** as at **31st MARCH, 2004**, the profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed there to. 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.
02. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.
03. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956. We annex hereto a statement on the matters specified in paragraph 4 & 5 of the said order,
- 04 Further to our comments in the Annexure referred to in paragraph 1 above:
- (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, Profit & Loss Account and cash flow statement dealt with this report are in agreement with the books of accounts of the Company.
 - (d) **The accounts of the company has been prepared on the basis of the going concern. However in view of long suspension of the Bulk Drug Project of the company and huge liabilities of the financial institutions and bank, we are unable to express our opinion on its ability to continue as a going concern. In event of the same not being held to be a going concern and various assets and liabilities required to be re-adjusted with respect to their realizable value, the impact whereof has not been ascertained and therefore cannot be commented upon by us.**
 - (e) In our opinion the Balance Sheet, Profit & Loss Account and cash flow statement except as mentioned in the notes in the schedule 14, **note no.5 regarding non provision of interest payable on loan taken from the banks**, comply with the mandatory accounting standards to the extent applicable referred to in sub-section (3c) of the section 211 of the Companies Act, 1956.
 - (f) On the basis of written representations received from the directors, and taken on record by the Board of Director, we report that, none of the directors are disqualified as on **31st March, 2004** from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (g) Subject to our comments in para 4(d) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with "**NOTES**" on accounts give the information required by the Companies Act, 1956 in the manner so required **subject to notes in schedule 14 relating to non provision of bank interest payable on outstanding dues to the banks** give true and fair view in conformity with the accounting principle generally accepted in India:
 - (i) In the case of Balance Sheet of the state of affairs of the company as at **31st MARCH, 2004**.
 - (ii) In the case of the Profit & Loss Account of the **Loss** of the company for the year ended on that date.
 - (iii) In the case of Cash Flow Statement of the Cash flow for the year ended on that date.

For **R. VIJAYAN & CO.**
CHARTERED ACCOUNTANT

Place : MUMBAI
Date : 01.09.2004

[**R. VIJAYAN**]
Proprietor

ANNEXURE TO THE REPORT OF THE AUDITORS TO THE MEMBERS OF SHAMROCK INDUSTRIAL CO. LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2004

- 1] a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b) All the fixed assets of the company have been physically verified by the Management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the company and nature of its assets. we are informed that no material discrepancies were noticed by the management on such verification.
- c) The company has not disposed off substantial part of fixed assets during the year.



- 2] a) The company has not granted any loans to companies firms or other parties covered in the Register, maintained u/s.301 of the Companies Act, 1956. There is one party covered in the registered maintained u/s.301 of the companies Act, 1956 from whom the company has taken loan. Maximum amount involved during the year was Rs.9,55,142/-. And the year end balance of such parties was Rs.9,55,142/-.
- b) The rate of interest and other terms and conditions on which loans have been taken by the company are not, prima facie, prejudicial to the interest of the company.
- c) In respect of such loans taken by the Company, where stipulations have been made, they have generally repaid the principal amount as stipulated and have been regular in payment of interest.
- d) During the year, the company has not given any loans, hence question of having overdue amount of more than Rs.1 Lac does not arise.
- 3] In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 4] a) In our opinion and according to the information and explanations given to us, transactions that need to be entered into the Register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
- b) According to the information and explanation given to us, there are no transactions exceeding Rs.5 Lacs each have been made in pursuance of contracts or arrangements entered in the registered maintained u/s.301 of the Companies Act, 1956.
- 5] The Company has not accepted any deposit from the public and as such the provision of section 58-A & 58-AB of the Companies Act, 1956 and the rules framed there under Have no application to the Company.
- 6] In our opinion the company has internal audit system commensurate with the size and nature of the business.
- 7] The maintenance of cost records has not been prescribed in the case of the Company for the period under Section 209(1)(d) of the Companies Act,1956.
- 8] (a) According to the records of the company provident fund dues have been regularly deposited during the year with the appropriate authorities. As regards to other statutory dues applicable, it have been generally regularly deposited during the year with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty and excise duty were outstanding, at the year end for a period of more than six months from the date they became payable.
- (c) According to the records of the company and the information and explanation given to us upon our inquiries in this regards disputed dues in respect of Income Tax unpaid as at the last day of the financial year is as follows.

Statutes	Forums Before whom pending	Amount
a. Block Assessment	Tribunal	1,57,59,845/-
b. A.Y.1998-99	Tribunal	8,12,215/-
c. A.Y. 2001-02	CIT (A)	31,45,337/-

- 9] The Company has accumulated losses of Rs.6,77,40,403/- (Rupees Six Crores Seventy Seven Lacs Forty Thousand Four Hundred Three Only) at the end of the financial year and has incurred cash losses in the current financial year and in the immediately preceding financial year.
- 10] On the basis of records examined by us and the information and explanation given to us, the company has defaulted in repayment of dues to the Dena Bank Rs.6,07,12,450/- and Rs.2,61,44,596/- to Bombay Mercantile Co.op. Bank since 31st March, 2001
- 11] Based on our examination of records and informations and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- 12] According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- 13] According to the informations and explanations given to us and on an overall examination of the Balance Sheet of the Company,we report that no funds raised on short term basis have been used for long term investments. No long term funds have been used to finance short term assets.
- 14] On the basis of our examination and according to the information and explanations given to us, no fraud, on or by the Company has been noticed or reported during the year.
- 15] Looking to the nature of activities being carried on by the company and also considering the nature of matters referred to in various clauses of the Companies (Auditor's Report) Order, 2003, clauses (2), (13), (14) and (16) of paragraph of aforesaid order are in our opinion, not applicable to the company.

For R. VIJAYAN & CO.
CHARTERED ACCOUNTANT

Place : MUMBAI
Date : 01.09.2004

[R. VIJAYAN]
Proprietor

BALANCE SHEET AS AT MARCH 31, 2004

PARTICULARS	Sch No.	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	1	54,284,140.00	54,284,140.00
Reserves & Surplus	2	23,531,400.00	23,531,400.00
DEFERRED TAX ADJUSTMENT			
A. Deferred Tax Liabilities		327,261.00	327,261.00
B. Deferred Tax		—	327,261.00
LOANS			
Secured Loans	3	86,857,044.74	86,924,926.82
Unsecured Loans		955,142.00	190,777.87
TOTAL		165,954,987.74	165,258,505.69
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	11,922,241.95	12,336,161.95
Less: Depreciation		883,418.84	906,613.52
Net Block		11,038,823.11	11,429,548.43
Capital Work in Progress		34,235,645.21	36,747,040.09
INVESTMENTS	5	19,085,990.00	19,085,990.00
CURRENT ASSETS, LOANS & ADVANCES			
Inventories		—	—
Sundry Debtors	6	35,065,223.50	35,065,223.50
Cash & Bank Balances	7	940,654.98	2,106,335.84
Loans, Advances & Deposits	8	5,298,518.48	5,316,117.08
		41,304,396.96	42,487,676.42
Less: Current Liabilities & Provisions	9	8,026,484.77	11,599,624.58
		33,277,912.19	30,888,051.84
MISCELLANEOUS EXPENDITURE (To the extent not written off)	10	576,214.48	1,147,613.48
PROFIT & LOSS ACCOUNT		67,740,402.75	65,960,261.85
TOTAL		165,954,987.74	165,258,505.69

NOTES FORMING PART OF THE ACCOUNTS 14

AS PER OUR REPORT OF EVEN DATE
FOR R. VIJAYAN & COMPANY
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

sd/-
R. VIJAYAN
(PROPRIETOR)

sd/-
KALPESH R. KHOKHANI
MANAGING DIRECTOR

sd/-
KAMLESH R. KHOKHANI
DIRECTOR

sd/-
PAWAN AGARWAL
SECRETARY

PLACE : MUMBAI
DATE : 1.9.2004

PLACE : MUMBAI
DATE : 1.9.2004



R. VIJAYAN & COMPANY

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2004

PARTICULARS	Sch No.	CURRENT YEAR		PREVIOUS YEAR	
		(RS.)	AMOUNT (RS.)	(RS.)	AMOUNT (RS.)
INCOME					
Sales			—		175,000.00
Other Income	11		75,825.00		596,133.64
Increase in stock	12		—		(29,662,390.98)
Total (A)			75,825.00		(28,891,257.34)
EXPENDITURE					
Cost of Goods Purchased			—		241,093.50
Administrative & Selling Overheads	13		1,704,041.76		52,534,781.55
Finance Charges			7,165.32		33,930.69
Depreciation			144,758.82		169,538.00
Total (B)			1,855,965.90		52,979,343.74
PROFIT BEFORE TAXATION (A-B)			(1,780,140.90)		(81,870,601.08)
Less: Taxes :					
Current Tax			—		—
Deferred Tax			—		—
NET PROFIT AFTER TAXATION			(1,780,140.90)		(81,870,601.08)
Less: Adjustment of Previous Year			—		—
			(1,780,140.90)		(81,870,601.08)
Add : Surplus of Previous Year					
Brought Forward			(65,960,261.85)		15,910,339.23
BALANCE CARRIED FORWARD					
TO BALANCE SHEET			(67,740,402.75)		(65,960,261.85)
NOTES FORMING PART OF THE ACCOUNTS 14			—		—

AS PER OUR REPORT OF EVEN DATE
FOR R. VIJAYAN & COMPANY
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

sd/-
R. VIJAYAN
(PROPRIETOR)

sd/-
KALPESH R.KHOKHANI
MANAGING DIRECTOR

sd/-
KAMLESH R.KHOKHANI
DIRECTOR

sd/-
PAWAN AGARWAL
SECRETARY

PLACE : MUMBAI
DATE : 1.9.2004

PLACE : MUMBAI
DATE : 1.9.2004

SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
SCHEDULE : 1		
SHARE CAPITAL		
AUTHORISED CAPITAL		
8000000 Equity Shares of Rs. 10/- each	80,000,000.00	80,000,000.00
ISSUED & SUBSCRIBED CAPITAL		
7443244 Equity Shares of Rs. 10/- each	74,432,140.00	74,432,140.00
PAID-UP CAPITAL		
5428414 Equity Shares of Rs. 10/- each	54,284,140.00	54,284,140.00
(Previous year : 5428414 Equity Shares of Rs.10/- each)	54,284,140.00	54,284,140.00
SCHEDULE : 2		
RESERVES & SURPLUS		
Share Premium	10,435,200.00	10,435,200.00
Share Forefeiture	13,096,200.00	13,096,200.00
	23,531,400.00	23,531,400.00
SCHEDULE : 3		
SECURED LOANS		
1. LONG TERM LOANS		
Car Loan With Citibank	—	67,882.08
		67,882.08
2. SHORT TERM LOANS		
a. Foreign Bill Crystallised		
With Dena Bank	5,471,430.00	5,471,430.00
	5,471,430.00	5,471,430.00
b. Packing Credit Loan		
With Bombay Mercantile Co. Op. Bank	12,641,679.00	12,641,679.00
	12,641,679.00	12,641,679.00
c. Bank Overdraft		
With Dena Bank (IFB) 516	55,241,018.86	55,241,018.86
	55,241,018.86	55,241,018.86
d. Letter of credit with Bombay Mercantile Co-op. Bank		
(a) Local	13,502,916.88	13,502,916.88
	13,502,916.88	13,502,916.88
	86,857,044.74	86,924,926.82

NOTES :

- LONG TERM LOANS FROM BANKS ARE SECURED BY WAY OF MORTGAGE AND CHARGE ON COMPANY'S IMMOVABLE PROPERTIES ,BOTH PRESENT AND FUTURE AND HYPOTHECATION OF THE COMPANY'S INVENTORY AND BOOK DEBTS PRESENT AND FUTURE WHEREVER SITUATED AND GUARANTEED BY DIRECTORS.



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE : 4 DETAILS OF FIXED ASSETS FOR THE PERIOD 2003-2004

SRI NO.	NAME OF THE ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		AS ON 1.4.2003	ADDITION	DEDUCTION	AS ON 31.3.2004	UP TO 31.3.2002	FOR THE YEAR	DEDUCTION	UP TO 31.3.2004	AS ON 31.3.2004	AS ON 31.3.2003
1	LAND	7,729,298.00	—	—	7,729,298.00	—	—	—	—	7,729,298.00	7,729,298.00
2	FURNITURE & FIXTURE	632,310.00	—	—	632,310.00	317,122.88	40,026.00	—	357,148.88	275,161.12	315,187.12
3	OFFICE EQUIPMENT	391,237.00	—	—	391,237.00	170,055.24	24,765.82	—	194,821.06	196,415.94	221,181.76
4	VEHICLE	413,920.00	—	413,920.00	—	153,410.50	14,543.00	167,953.50	—	—	280,508.50
5	FAX MACHINE	15,500.00	—	—	15,500.00	3,300.83	982.00	—	4,282.83	11,217.17	12,199.17
6	PRE-OPERATING EXP.	2,756,346.95	—	—	2,756,346.95	—	—	—	—	2,756,346.95	2,756,346.95
7	COMPUTER	397,550.00	—	—	397,550.00	282,724.07	64,442.00	—	327,166.07	70,383.93	134,825.93
	TOTAL	12,336,161.95	—	413,920.00	11,922,241.95	906,613.52	144,758.82	167,953.50	883,418.84	11,038,823.11	11,429,548.43
	PREVIOUS YEAR	13,520,033.56	80,920.00	1,264,791.91	12,336,161.95	737,075.52	168,538.00	—	906,613.52	11,429,548.43	—

**31.3.2004
(RS.)**

**31.3.2003
(RS.)**

SCHEDULE "5"

INVESTMENT AT COST

IN GOVT. SECURITIES

UN-QUOTED

KISAN VIKAS PATRA

IN FULLY PAID EQUITY SHARES

1,000.00

1,000.00

OTHERS

333 SHARES OF RS.10/- EACH IN BMC BANK LIMITED.

9,990.00

9,990.00

47750 EQUITY SHARES OF RS. 100 EACH IN
SHAMROCK FINLEASE LIMITED

4,775,000.00

4,775,000.00

77000 EQUITY SHARES OF RS. 100 EACH IN
SHAMROCK PHARMACEUTICALS P. LIMITED

7,700,000.00

7,700,000.00

130000 EQUITY SHARES OF RS. 10 EACH IN
SHAMROCK ADVTG.& PUBLISHING CO.PVT.LTD.

1,300,000.00

1,300,000.00

31000 EQUITY SHARES OF RS. 100 EACH IN
SHAMROCK EXPORTS PVT. LIMITED

3,100,000.00

3,100,000.00

220000 EQUITY SHARES OF RS. 10 EACH IN
SHAMROCK TEXFYAB LIMITED

2,200,000.00

2,200,000.00

BOOK VALUE AS AT 31.3.2004

19,085,990.00

19,085,990.00

UN-QUOTED

BMC BANK LIMITED.

9,990.00

9,990.00

KISAN VIKAS PATRA

1,000.00

1,000.00

MARKET VALUE AS AT 31.3.2004

10,990.00

10,990.00

SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	CURRENT YEAR AMOUNT		PREVIOUS YEAR AMOUNT	
	(RS.)	(RS.)	(RS.)	(RS.)
SCHEDULE : 6				
SUNDRY DEBTORS				
(Unsecured considered good)				
Debts over six months		35,267,929.75		35,267,929.75
Debts less than six months		—		—
		35,267,929.75		35,267,929.75
Less advance from customers		202,706.25		202,706.25
		35,065,223.50		35,065,223.50
SCHEDULE : 7				
CASH & BANK BALANCES				
Cash on hand		806,493.80		1,899,826.30
BALANCES IN BANK				
With Schedule Banks	21,418.77		131,509.54	
With other Banks	24,692.81		—	
Margin with banks	88,049.60		75,000.00	
		134,161.18		206,509.54
		940,654.98		2,106,335.84
SCHEDULE : 8				
LOANS & ADVANCES				
a. Advances recoverable in Cash or Kind		4,676,878.02		4,690,817.62
b. Deposits		189,320.46		192,979.46
c. Others		432,320.00		432,320.00
		5,298,518.48		5,316,117.08
SCHEDULE : 9				
CURRENT LIABILITIES & PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors		8,026,484.77		11,599,624.58
		8,026,484.77		11,599,624.58
SCHEDULE : 10				
MISCELLANEOUS EXPENDITURE				
(To the Extent Not Written Off)				
a. Preliminary Expenses	129,849.35		192,368.35	
Less: Written off During the Year	62,519.00		62,519.00	
		67,330.35		129,849.35
b. Public Issue Expenses	1,017,764.13		1,526,644.13	
Less: Written off During the Year	508,880.00		508,880.00	
		508,884.13		1,017,764.13
		576,214.48		1,147,613.48



SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

PARTICULARS	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
SCHEDULE : 11		
OTHER INCOME		
Sundry Balance W/off	—	588,133.84
Excise Refund	75,825.00	—
	75,825.00	588,133.84
SCHEDULE : 12		
INCREASE /DECREASE) IN STOCK		
Closing Stock	—	—
Less: Opening Stock	—	29,882,380.88
	—	(29,882,380.88)
SCHEDULE : 13		
ADMINISTRATIVE & SELLING OVERHEADS		
Staff Cost	295,939.00	241,882.00
Public Issue Expenses W/off.	508,880.00	508,880.00
Preliminary Expenses W/off.	62,519.00	62,519.00
Advertisement	15,450.00	17,707.00
AGM Expenses	9,230.00	4,824.00
Annual Listing Fees- BSE	25,000.00	59,500.00
Income Tax Fees	—	11,000.00
Conveyance	7,423.00	3,888.00
E.S.I.S. Contribution Paid	2,204.00	10,884.00
Employers Contribution to PF	2,480.00	5,000.00
Excise Duty Assessment Fees	—	5,000.00
Filing Fees	5,050.00	2,500.00
Govt. Tax (Land)	20,783.00	4,000.00
Depository Charges	5,000.00	—
Office Expenses	11,220.00	—
Postage & Telegram	1,899.00	11,919.00
Printing & Stationary	44,607.25	18,958.54
Legal & Professional Fees	508,590.00	410,275.00
Loss on Investments	—	23,500,000.00
Loss on Sale of Shares	—	27,458,847.05
Loss on Sale of Assets	61,967.00	—
Membership & Subscription	3,000.00	—
Motor Car Expenses	19,802.41	—
Miscellaneous Expenses	7,854.29	9,522.00
Rent, Rates & Taxes	5,045.00	111,700.00
Repairs & Renovation	15,410.00	26,231.00
Sales Tax	950.00	—
Telephone, Pager & Fax	13,322.50	10,659.00
Transfer Agent Exp.	39,786.31	30,999.96
Travelling Exp	2,050.00	—
AUDITORS REMUNERATION		
Audit Fees	10,800.00	10,500.00
	1,704,041.76	52,534,781.55

SCHEDULE: 14

NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTS POLICIES :

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a) The Financial Statement have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted consistently by the company.
- b) The company generally follows mercantile system of accounting and recognizes significant item of income and expenditure on accrual basis.

B. FIXED ASSETS

Fixed Assets are recorded at cost. The company capitalizes all cost relating to Fixed Asset acquisitions and installations. Direct financing cost, if any, incurred during construction period in respect of major projects is also capitalized.

C. DEPRECIATION

- a) Depreciation on Fixed Asset is provided on straight-line method at rate and in the manner prescribed as per Schedule XIV to the Companies Act, 1956.
- b) Depreciation is charged on a pro-rata basis from the date of addition, or as the case may be, up to the date on which the asset has been sold, discarded, demolished or destroyed.
- c) Assets costing not more than Rs.5000/- each are depreciated in full in the year of addition.

D. INVESTMENTS

Investments are stated at cost of acquisition. Investment made by the company being of long-term nature. Diminutions in the value of quoted investment are not considered to be of permanent nature by the management.

E. INVENTORIES

- (i) Inventories are valued at lower of cost and net realizable value with the cost determination as specified herein.
- (ii) Goods traded by the company are valued at F.I.F.O Cost and some of the items are valued at specific identification cost wherever it is possible.
- (iii) Non-moving items are valued at the lower of net realizable value and cost.

F. FOREIGN CURRENCY TRANSACTION

- a) Transactions denominated in Foreign Currency are normally recorded at the exchange rate prevailing at the time they are purchased / negotiated with Bank.
- b) Bills in foreign Currency outstanding at the close of the financial year are expressed in Indian Currency at rates of exchange at which bills are purchased / negotiated with Bank.
- c) Income or expenses, if any, on account of exchange difference on settlement is recognized in Profit & Loss Account.

G. RECOGNITION OF INCOME AND EXPENDITURE

a) REVENUE

Sales are recorded net of trade discount, rebates and rates tax. Export sales are recorded on the basis of rate of exchange at which bills are purchased / negotiated with Banks. Interest on Investment / Fixed Deposits and at the applicable rate of interest

b) EXPENSES

Costs / Expenses are generally accounted on accrual basis as they are incurred.

H. TAXATION

- a) Provision for taxation is made on the basis of taxable profits computed for the current accounting year in accordance with IT Act 1961.
- b) Deferred tax resulting from timing difference are expected to crystallize in the case of deferred tax liability with reasonable certainty and in case of deferred tax assets with virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realized.



2. CONTINGENT LIABILITIES NOT PROVIDED FOR IN BOOKS OF ACCOUNTS

	<u>2003-04</u>	<u>2002-03</u>
(i) Estimated amount of Contracts remaining to be executed on Capital Accounts (Net of Advance) (As certified by the Management)	66700000/-	66700000/-
(ii) Claims against the company not acknowledged debts	6,62,67,042/-	6,62,67,042/-
(iii) Disputed Liabilities not provided		
a) Tax demand in respect of Block Assessments disputed in Appeals Filed	1,57,59,845/-	1,57,59,845
b) Tax demand in respect of A.Y. 1998 – 99 disputed in appeals filed	8,12,215/-	8,12,215/-
c) Tax demand in respect of A.Y. 2001-02 disputed in appeals filed	31,45,337/-	—

3. PREOPERATIVE EXPENSES :

Opening Balance	27,56,346/-	39,40,218/-
Add: Expenses incurred during the year		
Salary & Other Benefits	—	80,920/-
Other Expenses	Nil	Nil
Less: Credits during the year	—	12,64,792/-
Closing Balance	<u>27,56,346/-</u>	<u>27,56,346/-</u>

Preoperative expenses under the head of Fixed Assets are in the respect of expenditure incurred on project under construction which shall be allocated to the respective Fixed Assets on the completion of its construction.

4. AUDITORS' REMUNERATION:

	<u>2003 – 2004</u>	<u>2002 – 2003</u>
Audit Fees	10,800.00	10,500.00

5. In view of the legal advise received from the Company's Legal Advisor the company has not made following provisions :

- (a) In the case of Bombay Mercantile Co-op. Bank no provision has been made for interest on outstanding balance as Bank has considered these advances as under NPA in their books of accounts.
 - (b) Dena Bank has filed suit against the company for recovery of outstanding dues with the interest for Rs.6, 62,67,042/- in Debt Recovery Tribunal for outstanding dues and interest which the company has disputed. Since Dena Bank has classified the company's account as NPA, no interest was charged by them for the year and hence no provision has been made in the Books of A/c. The company has in turn filed suit against Dena Bank in Debt Recovery Tribunal for Rs. 21Cr. towards loss of damages for non-release of sanctioned funds.
6. Provision for gratuity is not made as none of the employee have completed requisite period of service.
 7. Balance with Debtors, Creditors and Loans & Advances are subject to confirmation & reconciliation.
 8. In the opinion of the Board of Directors, the aggregate value of Current Assets, Loans and Advances stated in the Balance Sheet are approximately of the value, if realised, in the ordinary course of business. The Provision of all known liabilities is adequate and not excess of amount reasonably required.

ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PART II OF THE SCHEDULE VI TO THE COMPANIES ACTS, 1956, AS CERTIFIED BY THE DIRECTORS.

	<u>2003 - 2004</u>	<u>2002 - 2003</u>
9. EXPENDITURE IN FOREIGN CURRENCY	Nil	Nil
10. EARNINGS IN FOREIGN CURRENCY	Nil	Nil
11. As the companies business activities fall within a single primary business segment i.e Pharmaceuticals and chemicals, the disclosure requirement of "AS 17" "Segment Reporting" issued by The Institute of Chartered Accountants of India is not applicable.		
12. Deferred Tax Assets / Liabilities are not recognized in the current year as there is virtual certainty and evidence that there will not be any future taxable income which will be available against which such Deferred Tax Assets / Liabilities could be realized or adjusted.		
13. Loans and Advances as shown in Schedule 8 includes Rs.42,52,360/- due from M/S Unico & Co. against which company has initiated steps for its recovery and is confident of its realization. In view of this, the above amount has been considered as good and no provision has been considered necessary.		
14. Disclosure of Transactions with Related Parties as required by the Accounting Standards-18.		

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of Transaction	Transaction Value (Rs)	Outstanding Amount carried in the Balance Sheet (Rs.)
1	Shamrock International Limited	Associate Company	Loan	10,57,051/-	9,55,142/-

15. Earning per share (EPS)	<u>2003-04</u>	<u>2002-03</u>
	<u>Rs.</u>	<u>Rs.</u>
(i) Loss as per Profit & Loss Account	(17,80,141)	(8,18,70,601)
Loss attributable to ordinary shareholders	(17,80,141)	(8,18,70,601)
(ii) Weighted Average No. of Ordinary Shares for Basic EPS	54,28,414	54,28,414
	54,28,414	54,28,414
(iii) Nominal Value of Ordinary Shares	Rs.10	Rs.10
(iv) Basic / Diluted Earnings per Ordinary Share	(0.33)	(15.08)

16. The previous year's figures have been reworked, regrouped, rearranged and / or reclassified wherever necessary.

AS PER OUR REPORT OF EVEN DATE

**FOR R. VIJAYAN & COMPANY
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF THE BOARD

sd/-
**R. VIJAYAN
(PROPRIETOR)**

sd/-
**KALPESH R.KHOKHANI
MANAGING DIRECTOR**

sd/-
**KAMLESH R.KHOKHANI
DIRECTOR**

sd/-
**PAWAN AGARWAL
SECRETARY**

PLACE: MUMBAI
DATE : 1.9.2004

PLACE: MUMBAI
DATE : 1.9.2004



Shamrock Industrial Co. Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

PARTICULARS	31.3.2004		31.3.2003	
	Amount		Amount	
I. CASH FLOW FROM OPERATIVE ACTIVITIES				
Net profit /-loss before tax		(1780140.90)		(81870601.00)
Add:				
Depreciation	144758.82		169538.00	
Interest paid	7165.32		33931.00	
Preliminary Expemnses W/off.	571399.00		571399.00	
Loss on sale of Investments	0		23500000.00	
Loss on sale of Shares	0		27446771.00	
Loss on Sale of Fix Asset	61967.00			
	785290.14		51721639.00	
Less:				
Sundry Balance W/off	---	596134.00		
Interest received	---			
Dividend	---			
Profit on sale of shares	---	785290.14	596134.00	51125505.00
		(994850.76)		(30745096.00)
Adjustment for:				
Inventories	---		29662391.00	
Trade receivables	---		21486498.00	
Trade payable and other liabilities	(3573139.81)		(4648038.00)	
Other Current Assets	17598.60	(3555541.21)	3712953.00	50213804.00
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		(4550391.97)		19468708.00
II. CASH FLOW FROM INVESTING ACTIVITIES				
Capital work in progress	---		(4152000.00)	
preoperative Expenses	---		(80920.00)	
Purchase of Investments	---		(19748400.00)	
Sale of Investment	---		3216340.00	
Purchase of Fixed Assets	---			
Interest Received	---			
sale of Fixed Asset	184000.00			
sale of Shares	---			
Dividend	---			
Profit on sale of shares	---			
Decrease in Capital work in Progress	2511394.98			
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		2695394.88		(20764980.00)
III. CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings	696482.05		(55298.27)	
Interest paid	(7165.32)		(33931)	
CASH FLOW FROM FINANCING ACTIVITIES (C)		689316.73		(89229.27)
INCREASE IN CASH AND CASH EQUIVALENTS A+B+C		(1165680.36)		(1385504.73)
CASH & CASH EQUIVALENT OPENING BALANCE		2106335.84		3491840.57
CASH & CASH EQUIVALENT CLOSING BALANCE		940654.98		2106335.84

AUDITORS' CERTIFICATE

The Board of Directors
Shamrock Industrial Company Limited
Mumbai.

We have examined the attaches cash Flow Statement of **Shamrock Industrial Company Limited**, for the year ended 31st March, 2004. The statement have been prepared by the company in accordance with the requirements of the listing agreement with the stock exchange and is based on the agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For R. Vijayan & Co.
Chartered Accountants

R. Vijayan
(Proprietor)

Date : 1.9.2004
Place : Mumbai

SHAMROCK INDUSTRIAL CO. LTD.

Regd. Office : 146, Takai Adoshi Road, Village Dheku, Tal. Khalapur, Dist. Raigad

ATTENTANCE SLIP

Folio No. _____ No. of shares _____

DP. ID.* _____ Client ID.* _____

I/We hereby record my /our presence at the **THIRTEENTH ANNUAL GENERAL MEETING** of the Company at 146, Takai Adoshi Road, Village Dheku, Taluka Khalapur, Dist. Raigad on Wednesday, 29th September, 2004 at 11.00 a.m.

Name in full : _____ Signature _____
First Holder/Joint Holder/Proxy
(Strike out whichever is not applicable)

Note :

1. Members attending the meeting in person or persons attending the meeting by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting place.
2. Members/Proxy are requested to bring the Copy of the Annual Report with them at the meeting

* Applicable for investors holding shares in electronic form.

----- TEAR HERE -----

SHAMROCK INDUSTRIAL CO. LTD.

Regd. Office : 146, Takai Adoshi Road, Village Dheku, Tal. Khalapur, Dist. Raigad

PROXY FORM

I/We _____ of _____

Being the member(s) of the Company hereby appoint Shri _____

_____ of _____ or failing him

_____ of _____ as my/our

proxy to vote for me/us and on my/our behalf at the **THIRTEENTH ANNUAL GENERAL MEETING** of the Company to be held at 146, Takai Adoshi Road, Village Dheku, Taluka Khalapur, Dist. Raigad on Wednesday, 29th September, 2004 at 11.00 a.m.

Signed this _____ day of _____ 2004.

Affix
Re. 1/-
Revenue
Stamp here

Regd. Folio No. _____ No. of shares _____

DP. ID.* _____ Client ID.* _____

Notes :

1. Proxy, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting. A proxy need not be a member.
2. The form should be signed across the stamp as per the specimen signature registered with the Company.

* Applicable for investors holding shares in electronic form.

TEAR HERE

ADDITIONAL INFORMATION AS REQUIRED UNDER PART VI OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION DETAILS

Registration No.	62298	State code	11
Balance Sheet Date	31.03.2004		

CAPITAL RAISED DURING THE YEAR

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. Lacs)

Total Liabilities	1739.81	Total Assets	1739.81
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SOURCES OF FUNDS

Paid up Capital	542.84	Reserves And Surplus	235.31
Secured Loans	868.57	Unsecured Loans	9.55

APPLICATION OF FUNDS

Net Fixed Assets	452.74	Investments	190.85
Net Current Assets	332.77	Miscellaneous Expenditure	5.76
Accumulated Loss	677.40		

PERFORMANCE OF THE COMPANY (AMOUNT IN RS. LACS)

Turnover (Gross Income)	0.76	Total Expenditure	18.55
Profit Before tax	(17.80)	Profit After Tax	(17.80)

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICE OF THE COMPANY (AS PER MONETARY TERMS)

Item code No.(ITC Code)	Production Description	Dyes Chemicals
Item code No.(ITC Code)	Production Description	Pharmaceuticals Raw Material
Item code No.(ITC Code)	Production Description	Intermediates

AS PER OUR REPORT OF EVEN DATE

**FOR R. VIJAYAN & COMPANY
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF THE BOARD

sd/-
R. VIJAYAN
(PROPRIETOR)
PLACE: MUMBAI
DATE : 1.9.2004

sd/-
KALPESH R.KHOKHANI
MANAGING DIRECTOR
PLACE: MUMBAI
DATE : 1.9.2004

sd/-
KAMLESH R.KHOKHANI
DIRECTOR

sd/-
PAWAN AGARWAL
SECRETARY

BOOK - POST

If undelivered, please return to :
SHAMROCK INDUSTRIAL CO. LTD.
1008, MAKER CHAMBERS - V,
221, NARIMAN POINT,
MUMBAI - 400 021.

Crystal Forms Ltd., Ph. : 2382 3151 / 52