

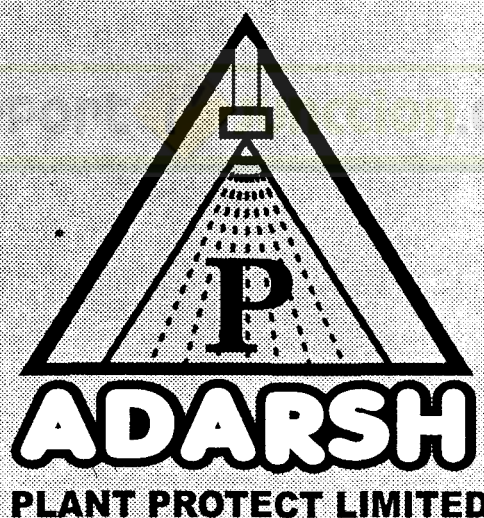


# ANNUAL REPORT

## 2005-2006

14<sup>th</sup> Annual Report

1st April 2005 to 31st March 2006



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**ADARSH PLANT PROTECT LIMITED**

604, G.I.D.C., VITTHAL UDYOGNAGAR - 388 121. GUJARAT (INDIA)

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**ADARSH PLANT PROTECT LIMITED**  
**14<sup>TH</sup> ANNUAL REPORT & ACCOUNTS**  
**2005 - 2006**

**BOARD OF DIRECTORS**

SHRI NAISHADBHAI PATEL	CHAIRMAN & MANAGING DIRECTOR
SHRI ATISH PATEL	EXECUTIVE DIRECTOR
SHRI KIRITBHAI PATEL	NON-EXECUTIVE DIRECTOR
SHRI DIKULBHAI PATEL	NON-EXECUTIVE DIRECTOR
SHRI KIRANBHAI PATEL	NON-EXECUTIVE DIRECTOR
SHRI ARVINDBHAI SHAH	NON-EXECUTIVE DIRECTOR
MS. JYOTIBEN PATEL	NON-EXECUTIVE DIRECTOR
SHRI HARIHARBHAI PATEL (FROM 29.04.2006)	NON-EXECUTIVE DIRECTOR

**AUDITORS**

M/S MUKUND & ROHIT  
CHARTERED ACCOUNTANTS, VADODARA

**BANKERS**

VALLABH VIDYANAGAR COMMERCIAL CO-OPERATIVE BANK LTD.

**REGISTERED OFFICE & WORKS**

604, G.I.D.C., VITHAL UDYOGNAGAR  
ANAND - 388 121 (GUJARAT), INDIA

## **NOTICE**

Notice is hereby given that the **14<sup>th</sup> Annual General Meeting** of the Shareholders of **ADARSH PLANT PROTECT LIMITED**, will be held at Plot No. 604, G.I.D.C. Estate, Vithal Udyognagar on Saturday, the 16<sup>th</sup> day of September, 2006 at 11:00 A. M. to transact the following business:

### **ORDINARY BUSINESS:**

- 1] To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended on 31st March, 2006 together with Directors' Report and Auditors' Report thereon.
- 2] To appoint a Director in place of Mr. Kiritbhai Patel who retire by rotation and being eligible, offers himself for re-appointment.
- 3] To appoint a Director in place of Mr. Dikulbhai Patel who retire by rotation and being eligible, offers himself for re-appointment.
- 4] To appoint a Director in place of Mrs. Jyotiben Patel who retire by rotation and being eligible, offers herself for re-appointment.
- 5] To appoint M/s Mukund & Rohit, Chartered Accountants, the retiring Auditors, as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### **SPECIAL BUSINESS**

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

**"RESOLVED THAT** Mr. Hariharbhai Patel who was appointed as an Additional Director of the Company by the Board of Directors and who hold office up to the date of the Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under section 257 of the said Act, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

**"RSEOLVED THAT** pursuant to the provisions of Section 31, 192A and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), the following Article be inserted as Article 115(a) with the heading **"PASSING OF THE RESOLUTION BY POSTAL BALLOT"** as set out herein below:

#### **"115 (a) PASSING OF THE RESOLUTION BY POSTAL BALLOT"**

Notwithstanding any thing contained in the Articles of Association of the Company, the Company do adopt the mode of passing of Resolution by the Members of the Company by means of a Postal Ballot and/or other ways as may be prescribed by the Central Government in this behalf in respect of any business that can be transacted by the Company in the



General Meeting and particularly resolutions relating to such business as the Central Government may by notification declare to be conducted only by Postal Ballot.

The Company shall comply with the procedures for such postal ballot and/or other ways prescribed by the Central Government in this regard.

8] To consider and if thought fit to pass, with or without modification, the following resolution as Special Resolution :

**"RESOLVED THAT** in accordance with the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), and in accordance with the existing Guidelines for Preferential Issue contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection Guidelines), 2000 as amended ("Guidelines") and other applicable guidelines / regulations issued by the Securities and Exchange Board of India ("SEBI") and subject to all necessary approvals, consents, permissions and / or sanctions of the Government of India and other statutory or regulatory authorities and other applicable laws, and the provisions of the Memorandum and Articles of Association of the Company, and Listing Agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed, and subject to such terms and conditions as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed by the Board of Directors of the Company (hereinafter referred to as 'the Board' which expression shall include any committee constituted for the time being, thereof) and subject to such terms, conditions and modifications as the Board may in its discretion impose or agree to, the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized, to offer, issue and allot in one or more lot (s) on a preferential basis Warrants and/or Equity Shares not exceeding 14,75,000 of the face value of Rs.10/- each aggregating to Rs. 1,47,50,000/- Rupees One Crore forty seven lacs fifty thousand only) to Mr. Hariharbhai Purushottam Patel (Non-resident Individual – Non-repatriable). Each Warrant entitles to the said allottee, to subscribe for 1 Equity Share of the Company of the Face Value of Rs. 10/- each at par on or before January, 2008 from the date of issue of the Warrants in terms of SEBI Guidelines on Preferential Issue.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution under Section 81 of the Companies Act, 1956, the Board of the Company be and is hereby authorized to take such steps and to do and perform all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) as it may fit and appropriate and give such directions/instructions as may be necessary to settle any question, difficulty or doubt that may arise with regard to offer, issue, allotment of the said Equity Shares, and also to seek the Listing of such securities in the Stock Exchanges where the Equity Shares of the Company are listed."

**"RESOLVED FURTHER THAT** the proposed Equity Shares to be issued and allotted on preferential basis shall rank pari-passu with the existing Equity Shares of the Company."

**"RESOLVED FURTHER THAT** the offer, issue and allotment of Equity Shares and / or Equity Shares resulting from the exercise of the entitlement of the Warrant holder to subscribe to the Equity Shares shall be made at such time or times as the Board in its absolute

discretion decide, subject however to applicable guidelines, notifications, rules and regulations and the terms and conditions given herein below:

**“RESOLVED FURTHER THAT** the terms and conditions of the aforesaid Warrants shall be as under:

1. The Warrant holder be entitled to exercise the Warrants in full or in part or may decline to exercise the option to convert the Warrant, in which case the un-exercised Warrants shall be deemed to have lapsed at the end of their term.
2. In consideration of the Warrants being subscribed by the aforesaid allottee shall pay to the Company a sum of Re. 1/- per Warrant subscribed by him ( being the amount representing 10% of the issue price of the Equity Shares arising upon exercise / conversion of the Warrants) , which amount shall be adjusted against the issue price of Equity Shares at the time of allotment of the Equity Shares pursuant to the exercise / conversion of the Warrants. The Board shall forfeit such 10% amount in respect of any such Warrants in respect of which the allottee does not exercise his right to convert in to Equity Shares.
3. The Warrants shall be subject to lock - in period pursuant to the SEBI ( Disclosure and Investor Protection) Guidelines, 2000 as amended up to the date and would continue to be locked in till the exercise of option for conversion / exchange by the Warrant holder for Equity Shares. The lock-in period on Equity Shares acquired on conversion of the Warrants shall be reduced to the extent the Warrants have been locked in.
4. The issue of the Warrants as well as the Equity Shares arising from the exercise of the option given under the Warrants shall be governed by the guidelines issued by SEBI or any other statutory authority as the case may be or any modification thereof.
5. The Equity Shares to be offered, issued and allotted as aforesaid upon surrender of the said Warrant upon exercise of the option by the holder of such part of the Warrant shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
6. The Warrant by itself shall not give to the holder thereof any rights of the Shareholders or debenture holders of the Company. Further these Warrants are not transferable and shall not be listed on the Stock Exchanges.

**“RESOLVED FURTHER THAT** the pricing of the Equity Share for allotment on preferential basis including the issue price of Warrants to be allotted on exchange / surrender of each part of the said warrant shall not be lower than the minimum price specified as per SEBI Guidelines for Preferential Issues (Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000), considering 30 days prior to the date of this General Meeting as the Relevant Date and that the relevant date for the Preferential issue as per SEBI (Disclosure and Investor Protection) Guidelines, 2000), as amended up to date for determination of applicable price for issue of Equity Shares and Share Warrants is 16<sup>th</sup> August, 2006 which is 30 days prior to this General Meeting, i. e. 16<sup>th</sup> September, 2006.”

**"RESOLVED FURTHER THAT** subject to applicable statutory provisions, guidelines, notifications, rules and regulations, the terms of issue, offer and allotment of the aforesaid warrants and the Equity Shares resulting from the exercise of the entitlement of the said Warrant holder may be decided, modified, altered and amended by the Board of Directors up on receipt of necessary approvals: **PROVIDED THAT** the aforesaid Warrants and the Equity Shares resulting from the exercise of the entitlement of each part of the said Warrant under this Resolution shall be made fully paid-up at the time of their allotment".

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this Resolution to any Director or Directors or to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolution."

By order of the Board of Directors  
ADARSH PLANT PROTECT LIMITED

Date: 5<sup>th</sup> August 2006  
Place: Vithal Udyog Nagar

NAISHADBHAI PATEL  
Chairman & Mg. Director

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. An instrument appointing a proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
3. The Register of Members and the Share Transfer Books will remain closed from Wednesday, the 13<sup>th</sup> September 2006 to Friday the 15<sup>th</sup> September 2006 ( both days inclusive) .
4. Members are requested to:
  - a) Intimate to the Company change, if any, in their address immediately.
  - b) Quote their Registered Folio No. in all correspondence with the Company.
  - c) Members who hold Shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
  - d) In view of the high cost of the paper and printing, the practice of handing out copies of Annual Report has been discontinued. Shareholders are therefore requested to bring their copies of the Report to the Meeting.
  - e) The documents referred to in the forgoing proposed Resolutions pertaining to the Special Business are available for inspection at the Registered Office of the Company from 11.00 a. m. to 1.00 p. m. on any working days.

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

### Item No. 6

The Board of Directors of the Company at its Meeting held on 29<sup>th</sup> April, 2006 appointed Mr. Hariharbhai Patel, as Additional Director and he hold office as Director up to the date of the ensuing Annual General Meeting. Notices under Section 257 of the Companies Act, 1956

has been received from Member proposing Mr. Hariharbhai Patel as a candidate for the office of Director, liable to retire by rotation.

Mr. Hariharbhai Patel is a businessman having a rich and vast experience of business administration both in India and abroad. The Board of Directors is of the view that the services of Hariharbhai Patel will be of immense value to the Company. Your Directors, therefore recommend his appointment as Director of the Company.

None of the Directors of the Company except Mr. Hariharbhai Patel is concerned or interested in the resolution under Item No.6.

#### **Item No. 7**

Section 192A of the Companies Act, 1956, read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, requires a Public Limited Company to pass Resolutions through Postal Ballot in case of such business as the Central Government may by notification prescribe and in case of other business, the Company can get any Resolution passed by means of a Postal Ballot instead of transacting the business in the General Meeting of the Company.

Presently the Articles of Association of the Company do not have provisions relating to voting through Postal Ballot and in order to enable its Shareholders to avail this facility, the Articles of Association of the Company is propose to be amended by incorporating the said provisions. The Resolution in respect of this item is propose as a Special Resolution as per the provisions of Section 31 of the Companies Act, 1956.

**A copy of present Articles of Association of the Company as well as the Draft copy as it will appear after the proposed amendment will be open for inspection by the Shareholders at the Registered Office of the Company between 11.00 A. M. to 01.00 P. M. on any working day.**

The Directors recommends the Resolution for your approval.

None of the Directors are in any way concerned or interested in the Resolution under Item No.7.

#### **Item No. 8.**

With the ongoing reforms in India and the thrust of Government of India on the development in various sectors, and particularly thrust being given on agricultural sector and supporting industries, the business scenario for your Company has improved and future for the industry looks positive. In light of this your Company has business plans to expand its activities to take advantage of the favorable situation prevailing at present in Agriculture Sector. Your Company is trying its best to maximize the shareholders' value by accelerating the growth, in pace with available opportunities. Accordingly in order to augment and raise the financial resources to meet the requirements of the expansion plan, to meet financial long term capital needs the Company proposes to issue in one or more lot (s) Warrants and / or Preferential Equity Shares to Non-Resident Indian on Preferential basis as per details given in the Special Resolution under this item of business in this Notice.

The offer, issue and allotment of 14,75,000 Equity Shares of Rs.10/- each to Mr. Hariharbhai Purushottam Patel (Non-resident Individual – Non-repatriable) on preferential basis shall be completed within the period prescribed from the date of passing of the Special Resolution

under this head of item above, as required under the said Guidelines of SEBI.

The information as required under SEBI (Disclosure and Investor Protection) Guidelines, 2000, is as under for issue of Warrants.

i) **Object of the Issue:**

In order to generate long term resources.

To augment and raise the financial resources to meet the requirements of the expansion plan and broad base the business of the Company.

To increase market potentiality and long term planning of business of the Company.

To meet the pressing needs to complete the committed capital expenditure.

**Intention of Promoters to subscribe to the Offer:**

The Promoters do not intend to subscribe to the Offer.

- ii. Shareholding Pattern before and after issue ( of Equity Shares resulting from exercise of the options by the Warrant holder in respect of the Warrants covered under Resolution at Item No. 8 of the Notice) based on the Shareholding Pattern as on 31<sup>st</sup> July 2006 is as under:

Category	Pre-Issue		Post Issue	
	Shares held	% Stake	Shares held	% Stake
<b>A. Promoters' Holding</b>				
1. Promoter				
Indian Promoter	34,68,399	41.11	34,68,399	34.99
Foreign Promoter	Nil	Nil	Nil	Nil
2. Persons acting in Concert	Nil	Nil	Nil	Nil
<b>B. Non-Promoters Holding</b>				
3. Institutional Investors				
a. Mutual Funds & UTI	Nil	Nil	Nil	Nil
b. Banks, Financial Institutions, Insurance Companies, (Central / State Govt. Institutions / Non-Government Institutions)	Nil	Nil	Nil	Nil
c. FIs	34,68,399	41.11	34,68,399	34.99
<b>Sub-Total</b>				
4. Others	29,524	00.35	29,524	00.30
a. Private Corporate Bodies	28,49,475	33.78	28,49,475	28.75
b. Indian Public	20,89,102	24.76	35,64,102	35.96
c. NRIs / OCBs	---	---	---	---
d. Any other (Please specify)				

The proposed preferential allotment would not result in any change in the management control. Voting right shall change according to the change in shareholding pattern mentioned above.

**Propose time within which allotment will be completed.**

In case of allotment of 14,75,000 Equity Shares resulting from exercise of the option attached to the Warrants shall be completed on or before January, 2008 from the date of issue of the Warrants in terms of SEBI Guidelines on Preferential Issue.



The allotment of 14,75,000 Preferential Equity Shares of Rs. 10/- per Share as proposed under Special Resolution at Item no. 8 of the notice will be completed within 15 days period from the date of this meeting, or such other time as may be prescribed under the SEBI's Guidelines on Preferential Issues.

Identity of proposed allottee and the percentage of post Preferential Issue expanded Capital to be held by him.

**The Proposed Allottee is**

Name of the Proposed allottee	No. of Equity Shares	% of the Post Preferential Issue Capital
Mr. Hariharbhai Purushottambhai Patel (Non-Resident Individual - Non-repatriable)	14,75,000	14.88

**Lock in period:**

The Warrants and / or Equity Shares to be allotted under the proposed offering shall be subject to lock-in period of 1 year from the date of allotment of Warrants and Equity Shares as prescribed under the Guidelines. In terms of the provisions of 13.3.1(d) of the Guidelines, the lock in period on Shares acquired by exercise of Warrants, shall be reduced to the extent the Warrants have already been locked-in.

**Pricing of the Issue:**

Attention of the members of the Company is specially invited to the fact that the resultant Equity Shares on exercise of options / entitlement attached to the Warrants will be issued at a price to be determined in accordance with the pricing formulae prescribed under the SEBI's guidelines for Preferential Issues, i.e. Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000. The above Equity Shares and warrants will be issued and allotted at a price not less than the higher of the following in terms of the Guidelines;

- The average of the weekly high and low of the closing prices of the related Shares quoted on the Stock Exchange during the six months preceding the relevant date;  
or
- The average of the weekly high and low of the closing prices of the related Shares quoted on the Stock Exchange during the two weeks preceding the relevant date.

The Price of Rs.10/- per Share is in accordance with the Guidelines.

**Explanation:**

- The relevant date for the purpose of this clause means the date thirty days prior to the date on which the meeting of the general body of Shareholders is held in terms of Section 81 (1A) of the Companies Act, 1956 (including any amendment to or re-enactment thereof) to consider the proposed issue, which relevant date, in the present case is 16<sup>th</sup> August, 2006.
- Stock Exchange for the purpose of this clause means any recognized Stock Exchanges in which the Shares are listed and in which the highest trading volume in respect of Shares of the Company has been recorded during preceding six months prior to the relevant date being the present case, the Bombay Stock Exchange Limited.

Section 81 of the Companies Act, 1956 provides inter alia, that when it is proposed to increase the Subscribed Capital of a Company by allotment of further shares, etc., such further shares shall be offered to the existing Shareholders of the Company in the manner laid down in Section 81, unless the Shareholders in General Meeting decide otherwise by passing a Special Resolution.

The Guidelines require that a listed Company proposes to make a Preferential allotment of Equity Shares and / or Issue Warrant convertible into Equity Shares of the Listed Company, the notice of the Meeting, including explanatory statement must make the disclosure mentioned above.

Accordingly, consent of the Shareholders by way of a Special Resolution is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956, Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and in terms of the provisions of the Listing Agreement to issue and allot Warrants and/or Equity Shares as stated in the Special Resolution.

Your Directors, recommend the above Resolution for your approval.

None of the Directors of the Company except Mr. Hariharbhai Purushottambhai Patel is interested in the Special Resolution under Item No. 8 to the extent of the Warrants and the Equity Shares resulting from exercise of options attached to the warrants that may be offered, issued and allotted to him.

Besides the above, none of other Directors of the Company is in any way concerned or interested in the Resolution proposed under this Item.

By order of the Board of Directors

ADARSH PLANT PROTECT LIMITED

Date: 5<sup>th</sup> August 2006

NAISHADBHAI PATEL

Place: Vithal Udyognagar

Chairman & Mg. Director