

AIMCO PESTICIDES



AIMCO PESTICIDES LIMITED

14 TH ANNUAL REPORT

2000-2001

AIMCO PESTICIDES LIMITED

Regd. Office: B-1/1, MIDC Industrial Area, Lote Parshuram, Village: Awashi, Taluka - Khed, Dist- Ratnagiri, Maharashtra 415 707

DIRECTORS

MR. PRADEEP P. DAVE
Chairman & Managing Director

MRS. E.P. SHRIVASTAVA
Executive Director

DR. SAMIR P. DAVE
Executive Director

MR. ASHIT P. DAVE
Executive Director

MR. MUKESH D. PATEL
Director

MR. BHUPENDRA C. PATEL
Director

MR. ROHIT S. PATEL
Director

BANKERS

State Bank of India

AUDITORS

R. B. Patel & Co.
Chartered Accountants,
66A, Podar Chambers,
S. A. Brelvi Road,
Fort, Mumbai 400 001.

REGISTERED OFFICE :

B-1/1, MIDC Indl. Area, Lote Parshuram,
Vill-Awashi, Tal-Khed, Dist-Ratnagiri,
Maharashtra 415 707.

HEAD OFFICE :

Akhand Jyoti, 8th Road,
Santacruz (East), Mumbai 400 055.
Tel. No: 6163744/45/46
Fax no.: 91-22-611 6736/6117761
Internet : www.aimcopesticides.com
Email : aimco@vsnl.com

FACTORIES :

- 1) MUMBAI
- 2) LOTE PARSHURAM
- 3) AHMEDABAD
- 4) HYDERABAD
- 5) AURANGABAD

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AIMCO PESTICIDES LIMITED

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of AIMCO PESTICIDES LIMITED, will be held at the Registered Office of the company at B-1/1, MIDC Industrial Area, Lote Parshuram, Village Awashi, Taluka Khed, District Ratnagiri, Maharashtra 415 707 on Saturday, the 29th September, 2001 at 10:00 a.m. to transact the following ordinary business.

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and the Profit & Loss Account for the year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Bhupendra C. Patel who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Rohit S. Patel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors 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.

Registered Office:
B1/1, MIDC Indl. Area,
Lote Parshuram, Vill: Awashi
Taluka: Khed, Dist: Ratnagiri,
Maharashtra 415 707.

BY ORDER OF THE BOARD OF DIRECTORS
For AIMCO PESTICIDES LIMITED

MUMBAI
30th August, 2001.

PRADEEP P. DAVE
Chairman & Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective, should reach duly completed, stamped and must be deposited at the registered office of the Company not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 24th September, 2001 to Saturday, 29th September, 2001 (both days inclusive) for the purpose of the 14th Annual General Meeting.
4. Members / Proxies are requested to bring their copies of Annual Report and attendance slip duly filled in while attending the Meeting.
5. Members are requested to notify changes, if any, in their registered addresses immediately to the company's registered office address.
6. Members desiring any information at the Annual General Meeting of the Company are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.



7. Members who wish to hold the shares in the dematerialised form are requested to take an early step.
8. Pursuant to the provisions of Section 205A of the Companies (Amendment) Act, 1999, the amount of dividend which remains unclaimed for a period of 7 years from the date of declaration would be transferred to the Investor Education and Protection Fund and the shareholders would not be able to make any claims as to the amount of dividend so transferred to the Fund. As such, shareholders who have not encashed their dividend warrants are requested in their own interest to write to the company immediately for claiming outstanding dividends declared by the company during the year 1995 onwards.

Note : The Shareholders of erstwhile Savitri Pesticides & Agrochem Limited are requested to send their Equity Share Certificates to head office of the Company in order to receive the Equity Share Certificates of Aimco Pesticides Limited in exchange as per Scheme of Amalgamation.



AIMCO PESTICIDES LIMITED***DIRECTORS' REPORT***

Dear Members,

Your Directors have great pleasure in presenting the Fourteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2001.

1. FINANCIAL RESULTS

	2000-2001	1999-2000
	Rs. In lacs	Rs. In lacs
Gross Sales and other Income	3319	4273
Gross Profit	325	590
Finance Charges	311	298
Depreciation	90	86
Profit before Tax	(76)	206
Profit after Tax	(76)	152

2. OPERATIONS

Operations of your company during the year were depressed mainly due to very scanty rains in Northern & Western India, excess production of Paddy & Cotton, which consumes maximum of your company's products, delay by Government in procuring & paying farmers for the crops due to overflowing Government storages, excess pesticide manufacturing capacities, price-cutting, dumping by Industry majors and increase in Excise duty from 8% to 16% on pesticides formulations. These resulted in downturn in the Company's performance for the financial year ended 31st March 2001 compared to the previous year. The newly introduced Chlorpyrifos & α - Cypermethrin combination product **Twister™** in the domestic market has fared well. During the end of the year, the Chlorpyrifos technical prices have started firming up due to closing down of plant by many of the competitors. Export volume of Herbicides & Pyrethroids were remarkably high. Your company remains focused on Branded products, Exports & New Products.

3. CURRENT YEAR OUTLOOK

The Current Year has started with timely & normal rains. Due to the focus on Branded products & Exports of new Herbicides, prospects for the current year are promising. The Company is introducing new Fungicide, thus having equal presence in all classes of Pesticides.

4. DIVIDEND

In view of losses sustained and the prevailing situation in the pesticides Industry, your Directors have decided to conserve all the available resources and plough back the same in the business to use them in quick introduction of new products and sustain the competitive pressures in the market. Hence nil dividend was recommended for the financial year ended March 31, 2001.

5. EXPORTS

Export sales during the year have increased to Rs. 1289.03 Lacs, as compared to Rs. 926.28 Lacs during the previous year. The increase is mainly due to the introduction of new Herbicides. This trend is expected to continue & Exports for current year is expected to be substantially higher.



6. NEW PROJECTS/PRODUCTS

During the year 2001-2002, your company is introducing a new Fungicide and a new Herbicide for export market, the process for which are being developed by the Company's Research & Development Centre, which is recognized by the Government of India since 1996. Your Company entered into a memorandum with Hibiscus Net Private Limited (HNPL) according to which the company is to be allotted the Equity Shares of HNPL based on the performance of HNPL. HNPL is an independent company managed by dedicated staff of software professionals having rich experience in this field.

7. ISO – 9002

Your Company is certified for ISO – 9002 standards for the Lote – Parshuram site & Mumbai office. This quality system endorsement to the manufacturing activities of your company will have long-term positive effect on the company. Your company is pursuing 5-S & Kaizen Quality systems at Lote-Parshuram plant. The preliminary work on the new ISO-9002-2000 standards have started & the current certification will be upgraded next year.

8. DIRECTORATE

Shri Bhupendra C. Patel & Shri Rohit S. Patel, Directors of the company retire by rotation and being eligible offer themselves for re-appointment.

9. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to an amendment to Section 217 of the Companies Act, 1956, your Directors give hereunder the Director's Responsibility Statement pertaining to the accounts of the Company:-

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanatory statement relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31st March, 2001 and of the Profit & Loss Account of the company for the year ended on that date.
- iii) The Directors have taken proper and sufficient care 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) These accounts have been prepared on a going concern basis.

10. CORPORATE GOVERNANCE

Pursuant to the directives issued by the Securities and Exchange Board of India, the Stock Exchange – Mumbai has introduced Clause 49, on Corporate Governance, in the Listing Agreement and accordingly every listed Company has to follow a uniform code of Corporate Governance which also includes disclosures in the Annual Report and the said regulation is applicable to the company w.e.f. the financial year 2002-2003, but not later than 31st March, 2003.

However, your company has already started complying with the major requirements of these Corporate Governance norms.

One of the important requirement of the Corporate Governance is formation of the Audit Committee which mainly performs the functions like:

AIMCO PESTICIDES LIMITED

- Strengthening the Company's financial Reporting process,
- Disclosure of financial information to the Board,
- To review and discuss with Auditors about internal control systems, scope of audit including observations of Auditors,
- To find out adequacy of internal audit functions,
- To ensure compliance with Accounting Standards,
- To review quarterly, half yearly and annual financial statement before submission to the Board of Directors,

The Audit Committee was constituted on Thursday, 1st March, 2001 comprising three non executive Directors and one Chairman.

The composition of Audit Committee is as follows:

- Chairman : Mr. Mukesh D. Patel – (Non-Executive & Independent Director)
 Members : Mr. Ashit P. Dave – (Executive Director)
 Mr. Bhupendra C. Patel – (Non-Executive & Independent Director)
 Mr. Rohit S. Patel – (Non-Executive & Independent Director)

11. DEMATERIALIZATION OF SHARES

The Shares of the Company are in the SEBI's list for compulsory trading in dematerialised form, for all investors with effect from 25th September, 2000. The shares of the Company are available in dematerialisation mode with both the depositories, i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) under ISIN No. INE008B01013. 1594690 Equity shares which constitutes 22.99% of the paid-up capital has been dematerialized till 24th August, 2001.

12. FIXED DEPOSITS

During the year under review the company has accepted Fixed Deposits from Public/Shareholders pursuant to the provisions of Section 58A of the Companies Act, 1956 and the Rules as amended from time to time. Your company has made necessary compliance of Reserve Bank of India to accept Fixed Deposits from NRI's/OCB's on repatriation basis and has also started accepting the same from NRI's/OCB's. The details and forms are available for download from Internet at www.aimcopesticides.com and from the Head Office of the Company.

13. AUDITORS

M/s R. B. Patel & Co., Chartered Accountants, the auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The auditors have confirmed that, if reappointed the same would be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

14. ENVIRONMENT

It is the Company's policy to give top priority to the environment and is committed to conserve it by using the best available technology for effluent treatment and pollution control. During the year, your Company has commissioned 25 KL Sand & Carbon bed filters with modern technology. This has resulted in substantial reduction in TSS of the effluent after treatment.

15. PERSONNEL

Your Company continues to invest in HRD functions and provide motivating and satisfying work



environment coupled with significant growth potential to all its employees. Your Directors wish to place on record their appreciation of the sincere and devoted efforts of the employees and the management, at all levels, for managing and contributing in a difficult period.

16. PARTICULARS OF EMPLOYEES

During the year under review, the company has no employee who was in receipt of remuneration higher than the sum prescribed under the Section 217(2A) of the Companies Act, 1956 read together with the Companies (Particulars of Employees) Rules, 1975.

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

The information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed hereto and forms part of this Report. To conserve energy, an energy saving team had been constituted, which routinely checks all energy intensive operations and implements suitable measures wherever necessary.

18. ACKNOWLEDGEMENT

The Board is also grateful to Financial Institutions, Banks, Shareholders and Fixed Deposit Holders for their co-operation and assistance.

Your Directors take this opportunity to thank IDBI Ltd, State Bank of India and Department of Agriculture, Government of Maharashtra for their continued assistance and co-operation. We would also like to acknowledge with gratitude the co-operation extended by our Suppliers, Customers, Distributors and Investors.



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MUMBAI
30th August, 2001

PRADEEP P. DAVE
Chairman & Managing Director

AIMCO PESTICIDES LIMITED**ANNEXURE TO THE DIRECTORS' REPORT**

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report.

1. CONSERVATION OF ENERGY**A) Energy Conservation Measures taken:**

By continuous monitoring all power consuming activities, the power factor of 0.95 & above was ensured. Some reactor shaft designs were altered & smaller HP motors were used. Applied to MSEB for T.O.D.(Time of Day) meter & to cover us under T.O.D. electricity tariff.

B) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy:

As per the recommendation of company's energy saving team, effective steps are being taken to use Fuel additives to increase Boiler efficiency. This would result in substantial reduction of Furnace Oil consumption. Replacement of insulation of Brine & chilled water lines are proposed to reduce cooling loss. Minimizing the use of Brine is planned.

C) Measures at (A) above have proved useful in reducing power & fuel consumption. Measures at (B) above will also bring down the electric consumption.**D) Total Energy Consumption and Energy Consumption per unit of production as per prescribed Form A:****I) Power and Fuel Consumption**

	2000-2001	1999-2000
1 Electricity		
a) Purchase		
Units	13.83 lacs	13.98 lacs
Total Amount	Rs. 56.76 lacs	Rs. 57.09 lacs
Rate/Unit	Rs. 4.10	Rs.. 4.08
b) Own Generation		
Diesel	19 KL	21 KL
Unit KWH	0.43 lacs	0.58 lacs
Cost/Unit	Rs. 8.73	Rs. 5.00
2 Furnace Oil		
Quantity	865 KL	851 KL
Total Amount	Rs. 96.99 lacs	Rs. 82.96 lacs
Average Rate	Rs. 11.22	Rs. 9.75