

AIMCO PESTICIDES



AIMCO PESTICIDES LIMITED

16TH ANNUAL REPORT

2002-2003

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 (upto 23.08.03)
Director

MR. K. RAMGOPAL (from 24.03.03)
Director

BANKERS

State Bank of India

AUDITORS

M/s Contractor Nayak & Kishnadwala
1B, Pushpam,
K.D. Road, Vile Parle (West),
Mumbai - 400 056.

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 Sixteenth 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, and Maharashtra 415 707 on Saturday, the 20th December 2003 at 10:00 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2003 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 Dr. Samir P Dave who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Mukesh D Patel who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Auditors for to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and subject to approval of the central Government the consent of the Company be and is hereby accorded for re-appointment of Mrs. E. P. Shrivastava as Executive Director of the company with effect from 29th July, 2003 for a period of 5 years on such terms and conditions including the payment of remuneration of Rs.24, 000/- p.m. (in the range of Rs.24, 000/- p.m. to Rs.48, 000/- p.m. to be increased at the discretion of the Board of Directors) and perquisites as set out in the draft agreement, placed before the meeting and initialed by the chairman for identification and as set out in the Explanatory Statement annexed hereto and approved by the Central Government, with liberty to the Board of Directors of the Company to alter and vary the terms and conditions of the said re-appointment within the limits specified in Schedule XIII to the Companies Act, 1956, as existing from time to time by the Government of India and as may be agreed to between the Board of Directors and Mrs. E P Shrivastava.

FURTHER RESOLVED THAT in case of loss or inadequacy of profit, the remuneration payable to Mrs. E.P. Shrivastava, Executive Director of the company either by way of salary or perquisites, will be restricted to the ceiling as prescribed in section II of Part II of the Schedule XIII of the Companies, Act, 1956 unless otherwise approved by the Central Government."

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution.

RESOLVED THAT Mr. K Ramgopal who was appointed as an Additional Director of the Company with effect from 24th March 2003 and who holds office up to the date of this Annual General Meeting and be is hereby appointed as a Director of the Company.

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

10th October, 2003

PRADEEP P. DAVE
Chairman & Managing Director

AIMCO PESTICIDES LIMITED

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. An explanatory statement to section 173 (2) of the Companies Act 1956 relating to the special business to be transacted at the meeting is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday 22nd November 2003 to Friday 28th November 2003(both days inclusive) for the purpose of the 16th Annual General Meeting.
5. Members / Proxies are requested to bring the copies of Annual Report and attendance slip duly filled while attending the Meeting.
6. Members are requested to notify their Depository Participate (DP) / Company's Registrars vise: Intime Spectrum Registry Limited, C-13, Pannalal Silk mills Compound, lbs Road, Bhandup (W), Mumbai-400078. (Tel. Nos. 25923837, Fax No 25672693, Email- isrl@intimespectrum.com) immediately about changes of address, if any and also write to them immediately about correction, if any, in name, address and pin code.
7. 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.
8. The Equity Shares of the Company are mandated for trading in the compulsory demat mode. The ISIN No. Allotted for the Company's shares is INE008B01013.
9. 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 1996 onwards.



ANNEXURE TO THE NOTICE

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

ITEM NO. 5

Considering the prospects in the activities of the company under able guidance and supervision of Mrs. E. P Shrivastava, the Board of Directors decided to re-appoint her as Executive Director of the company for a period of 5 years and accordingly the Board passed necessary Resolution on 28th July 2003.

The re-appointment of Mrs. E P Shrivastava as Executive Director is subject to the approval of central government and subject to the following terms and conditions:

Salary: Rs.24, 000/- per month. (In the range of Rs.24000/- to Rs.48000/- to be increased at the discretion of the Board)

Perquisites: In addition to monthly salary, Mrs. E P Shrivastava shall be entitled to the perquisites and allowances which shall be restricted to an amount equal to the annual salary and the same shall be as hereinafter provided;

Category A:

1. Housing:

House Rent Allowance @ Rs.12000/- per month.

2. Medical Reimbursement:

Medical Reimbursement for self and family, subject to a ceiling of one month's Basic Salary in a year.

3. Leave Travel Concession:

Leave travel concession for self and family, subject to a ceiling of Rs.15000/- once in a year. Family means the spouse, the dependant children and dependant parents.

4. Club Fees:

Annual membership Fees, subject to a ceiling of one month's Basic salary.

5. Personal Accident Insurance:

Annual Premium not to exceed Rs.15000/- per annum.

Category B:

The following perquisites shall also be paid to the Whole Time Director and they will not be included in the computation of the ceiling on perquisites mentioned above.

1. Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
3. Encashment of Leave at the rate of basic salary at the end of each Calendar Year.

Category C:

1. Free use of Company's car with driver for Company's business and free telephone facility at the residence. These will not be considered as perquisites.

And all other benefits, perquisites and amenities in accordance with rules of the Company and as agreed by the Board of Directors subject to overall ceiling for the perquisites prescribed herein above.

The company shall pay or reimburse the appointee for all the cost, charges and expenses that may be incurred by him for the purpose of the business of the company.

AIMCO PESTICIDES LIMITED

For the purpose of computing ceiling on perquisites the same will be valued as per the Income Tax Rules, 1962 as amended wherever applicable.

The amount payable to the appointee are within the limits as laid down in Schedule XIII to the Companies Act, 1956.

Where during the tenure of the Whole Time Director, if the Company has no profits or its profits are inadequate then the remuneration payable to Mrs. E P Shrivatava, Executive Director of the company by way of salary and perquisites will be subject to the ceilings as set out in Section II of Part II of Schedule XIII of the Companies Act, 1956.

The Board recommends that the Resolutions at Item No. 5 be passed.

The Draft Agreement between the Company and the Executive Director is available for inspection by the Members of the Company at the Registered Office of the Company during business hours on any working day.

No other Directors of the Company except Mrs. E P Shrivastava is interested or concerned in these Resolutions.

The above may be treated as an abstract of the draft Agreements between Mrs. E P Shrivastava and the Company. The same may also be treated as the Memorandum of Interest under Section 302 of the Companies Act, 1956.

ITEM. NO. 6

Mr. K Ramgopal was appointed as Additional Director of the Company effective from 24th March 2003 under Article 113. (a) Of the Article of Association of the Company read with section 260 of the Companies Act, 1956.

Mr. K Ramgopal holds office as an Additional Director up to the date of Annual General Meeting. The Company has received notice in writing from a member satisfying his intention to propose the appointment of Mr. K Ramgopal as Director of the Company.

Mr. K Ramgopal 38 years, qualified Chartered Accountant and has vast knowledge and expertise of various matters, particular related to finance sector. The Directors commend the resolution set out as item no.6 of the accompanying notice for your approval.

None of the Directors of the Company except Mr. K Ramgopal is concerned or interested in the resolution.

Registered Office:

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Taluka: Khed, Dist: Ratnagiri,
Maharashtra 415 707.

BY ORDER OF THE BOARD OF DIRECTORS
For **AIMCO PESTICIDES LIMITED**

MUMBAI

10th October, 2003.

PRADEEP P. DAVE

Chairman & Managing Director



DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the Sixteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2003.

FINANCIAL RESULTS

	2002-03 Rs. In lacs	2001-02 Rs. In lacs
Gross Sales and other Income	2032	2866
Gross Profit	195	258
Finance Charges	347	345
Depreciation	88	90
Loss before Tax	(241)	(177)
Loss after Tax	(192)	(193)

OPERATIONS

Due to the severe draught in many parts of the country during the year, your Company's local operations were depressed & resulted in lower turnover for the financial year ended 31st March 2003 compared to the previous year. Your company remains focused on Exports, local sale of Branded products & focus on improving manufacturing efficiencies & Quality of the products.

CURRENT YEAR OUTLOOK

The Current Year has started with good rainfall all around the country. One of the strategies adopted by the company is to reduce the volume of commodity products, which are high volume, and low contribution products. In the changing environment of the business, it has become imperative that the company keeps up in competition with large multinationals by introducing new molecules. Introducing new molecules is a task, which will test the company with all its resources such as R&D facilities, registration expertise and financial strength. Your company has taken this decision to work on introduction of new molecules every year and your company has succeeded in all departments to ensure the same. Your company has started production of Imidacloprid (One of the worlds largest selling latest generation Insecticide). The product was launched in local market last year and the full impact of the same on the results of the company will be visible in the current year. In the current year your company has developed two new molecules, which are undergoing registration as of now, and the company expects to launch both the new products by December 2003. These two new products are also latest generation Insecticides and introduction of these new molecules will strengthen your company's position in local market further. For Exports market, one new Herbicide will be launched from January-2004. All the new products launched are low volume & high contributing products.

DIVIDEND

In view of the loss & prevailing situation in the pesticides Industry, your Directors have recommended nil dividend for the financial year ended March 31, 2003.

AIMCO PESTICIDES LIMITED**EXPORTS**

Export sale during the year was Rs. 730.41 Lacs, as compared to Rs. 1058.23 Lacs during the previous year. The decrease is mainly due to stopping the manufacturing of commodity products. Due to this the total contribution from the export business has increased substantially as compared to last year.

NEWPROJECTS/PRODUCTS

Your Company is following the policy of concentration in low volume & high contributing products. Your company has joined the Task force for development & registration of New Insecticide & Herbicide under PMFAI & will benefit by being able to launch latest molecules for the next season. Due to this effort of joining the Task force, it will be possible for your company to manufacture & market these new molecules even after the Patent Protection comes in force from 2005.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report and a Report on Corporate Governance are annexed.

DIRECTORATE

Dr. Samir P Dave & Mr..Mukesh D. Patel Directors of the company retire by rotation and being eligible offer themselves for reappointment.

The tenure of Mrs. E P Shrivastava as Executive Director of the Company expires on 29th July 2003 and the Board of Directors propose to reappoint her for further period of 5 year. The reappointment of Mrs E P Shrivastava requires the approval of Central government in terms of provisions of section 269 read with schedule XIII of the Companies Act, 1956.

Mr. K Ramgopal was appointed as an Additional Director of the Company with effect from 24th Marcy 2003 and holds office till ensuing Annual General Meeting. The Company has received proposal under section 257 recommending for his appointment.

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 along with proper explanatory statement relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments 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, 2003 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.

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.

AUDITORS

M/S Contractor, Nayak and Kishnadwala have informed that they offer themselves for reappointment as Auditors of the Company, and to hold office as such from the conclusion of this meeting until the conclusion of the next AGM. The notice convening the AGM is self-explanatory. Members are requested to appoint M/S Contractor, Nayak and Kishnadwala as Auditors for the Current Year.

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.

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. The Board wishes to place on record their appreciation for substantial support and contribution received from the employees at all levels towards the growth of the Company.

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.

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.

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 State Bank of India, IDBI Ltd & Department of Agriculture, and 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
10th October, 2003

PRADEEP P. DAVE
Chairman & Managing Director

AIMCO PESTICIDES LIMITED**ANNEXURE TO THE DIRECTORS' REPORT****1. CONSERVATION OF ENERGY****A) Energy Conservation Measures taken:**

By continues monitoring all power consuming activities, the power factor of 1.00, which is the best possible, was ensured.

B) Additional Investments:

As per the recommendation of company's energy saving team, Effective steps are being taken.

C) Measures at (A) above have proved useful in reducing power & fuel consumption. Measures at (B) above will bring down the electric consumption.

D) Total energy Consumption**1) Power & Fuel Consumption****1) Electricity**

	2002-2003	2001-2002
a) Purchase		
Units	8.70 lacs	13.97 lacs
Total amount	Rs.35.65 lacs	Rs. 58.13 lacs
Rate / Unit	Rs. 4.10	Rs. 4.16
b) Own Generation		
Diesel	37.9 KL	20.6 KL
Unit KWH	7.28 lacs	0.48 lacs
Cost/Unit	Rs. 19.24	Rs. 9.37

2) Furnace Oil

Quantity	683 KL	857 KL
Total Amount	Rs. 78.66 lacs	Rs. 78.56 lacs
Average Rate	Rs. 11.52	Rs. 9.16

2. TECHNOLOGY ABSORPTION**A) R & D:****1] Specific areas in which R&D carried out by the company:**

It is mainly carried out in the field of process developments / modification for Agrochemical, Fine chemicals & Pharmaceutical intermediates.

2] Benefits derived as a result of the above R&D:

- New combination Herbicide formulation was commercialized.
- Production Efficiency are improved substantially