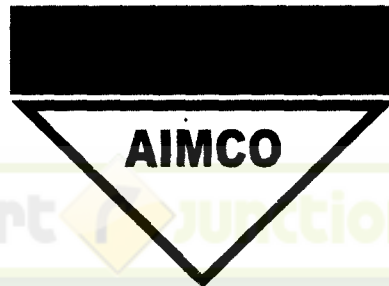


AIMCO PESTICIDES



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AIMCO PESTICIDES LIMITED

**18TH ANNUAL REPORT
2004-2005**

BOARD OF DIRECTORS

Shri. Pradeep P. Dave
Chairman & Managing Director

Smt. E.P. Shrivastava
Executive Director

Dr. Samir P. Dave
Executive Director

Shri. Ashit P. Dave
Executive Director

Shri. Mukesh D. Patel
Director

Shri. K. Ramgopal
Director

Dr. Mahesh B. Pandya
Director

COMPANY SECRETARY

Mr. Suresh D. Joshi

BANKERS

State Bank of India

AUDITORS

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

REGISTERED OFFICE :

B-1/1, MIDC Industrial Area, Lote Parshuram,
Village Awashi, Taluka Khed, District Ratnagiri,
Maharashtra 415 707

HEAD OFFICE :

Akhand Jyoti, 8th Road,
Santacruz (East), Mumbai - 400 055.
Tel. No. : 2616 3744/45/46
Fax No. 91-22-2611 6736 / 2611 7761
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 EIGHTEENTH 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 Friday, the 30th September 2005 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 2005 and the Profit & Loss Account for the year ended on that date together with report of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Dr. Samir P. Dave who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mukesh D. Patel who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company 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.

Registered office:

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

Place : Mumbai

Date : 3rd September 2005

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

PRADEEP P. DAVE

(Chairman & Managing Director)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxy forms duly completed must reach the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2005 to 30th September, 2005 (both days inclusive).
3. 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.
4. Members are requested to notify any change in their address to the Company's R & T Agents, 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).
5. Members / Proxies are requested to bring the copies of Annual Report and attendance slip duly filled while attending the Meeting.
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 management to keep the information ready.
7. 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 1997-98. The Company has already transferred the unclaimed dividend for the year ended 31st March, 1997 to the IEPF.

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of the Director	Dr. Samir P. Dave	Mr. Mukesh D. Patel
Date of Birth	15-01-1967	12-12-1949
Date of Appointment	30-05-1995	07-12-1991
Qualification	Ph. D in Organic Chemistry	B. S (Chemical Engineer)
Expertise in specific Functional areas	In charge of R & D and Process Development for New Product	Company Director
Name(s) of other Public companies in which Directorship held	Amisco Agro-Chem Limited	Universal Esters Limited Infinity Consultants Limited Transpek Finance Limited Punjab Chemicals & Crop Protection Limited Shilchar Electronics Limited Gujarat Automotive Gears Ltd. Transpek Industry Limited
Name(s) of Companies in which Committee Membership(s) / Chairmanship(s) held (as per Clause 49 of the Listing Agreement with the Stocks Exchanges)	NIL	Chairman of Audit Committee of Punjab Chemicals & Crop Protection Limited Chairman of Audit Committee of Aimco Pesticides Limited Chairman of Shareholder & Investor Grievances Committee of Aimco Pesticides Limited Chairman of Remuneration Committee of Aimco Pesticides Limited Chairman of Shareholder & Investor Grievances Committee of Transpek Finance Limited

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**

Pradeep P. Dave
Chairman & Managing Director

MUMBAI
3rd September, 2005

AIMCO PESTICIDES LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present the Eighteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2005.

FINANCIAL RESULTS

	2004-05 Rs. In lacs	2003-04 Rs. In lacs
Gross Sales and other Income	2379	2513
Gross Profit	267	373
Finance Charges	311	298
Depreciation	74	83
Loss before Tax	(118)	(8)
Add: Provision for deferred tax	80	55
Loss after Tax	(38)	47
Add: Short provision of expenses of earlier years	(31)	—
Add: Short provision of tax of earlier years	(6)	7
Balance Carried to Balance Sheet	(75)	40

OPERATIONS

During the year under review, the sales have gone down to Rs.2230 Lacs as against Rs.2320 Lacs in the previous year. This is mainly due to the labour unrest at our main production unit at Lote-Parshuram, which has resumed full operation from October 2004.

The Company has suffered loss of Rs.38 Lacs after tax and prior period adjustment for taxation as compared to profit of Rs.47 Lacs in the previous year.

CURRENT YEAR OUTLOOK

Your Directors are optimistic that in the current year due to good monsoons throughout the country, there would be increase in the domestic sales of agro chemicals.

In respect of export also management is confident that with various registration, the export will go up substantially. Your Directors expect that barring unforeseen circumstances the Company's performance for coming years will continue to remain better.

During the year your Company has made substantial improvement in processes of the existing products, this will improve the yield & quality of the products.

DIVIDEND

In view of the losses & prevailing situation in the pesticides Industry, the Board of Directors do not recommend payment of dividend on equity shares for the financial year ended March 31, 2005.

EXPORT

Export sale during the year was Rs.896.72 Lacs, as compared to Rs.1,138.65 Lacs during the previous year. Your Company expects reasonable growth in the overall export sales in the current year as well.

NEW PROJECTS/ PRODUCTS

Your Company has joined the Task force for development & registration of New Insecticides under PMFAI, the registration for which will be applied in October 2005. The process for expansion for current product capacity has started.



CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Reports on Management Discussion and Analysis and on Corporate Governance are annexed herewith and forms a part of this report.

DIRECTORATE

In accordance with the provisions of the Companies Act, 1956 and the Article of Association of the Company Dr. Samir P. Dave and Mr. Mukesh D. Patel Directors of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that

- i I 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, 2005 and of the Profit & Loss Account of the company for the year under review;
- 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

The amount of Fixed Deposit held as on 31st March, 2005 was Rs. 4,12,99,000. There were no overdue deposits except deposits of Rs. 30,10,000 that fell due for repayment before the close of the financial year, remained unclaimed by the depositors at the close of the accounting year.

AUDITORS

The Auditors, M/S. Contractor, Nayak and Kishnadwala retire at the ensuing Annual General Meeting and offer themselves for reappointment. They have confirmed that they are eligible under Section 224(1B) of the Companies Act, 1956, for re-appointment.

QUALIFICATION OF AUDITOR'S

- a) The Auditor's has qualified in his report regarding non receipt of confirmation for the balances from Sundry Debtors and Sundry Creditors, the reason for this is mainly due to non receipt of confirmation from them before signing of Accounts despite of best of efforts made by the Company to get the same. Management of the Company confirm that Balance shown in the books is correct as per their knowledge.
- b) With regard re-appointment of Mrs. E. P. Shrivastava, the Company has applied for re-appointment and payment of remuneration of Mrs. E. P. Shrivastava, and the same is pending with Central Government.
- c) With regard non appointment of full-time Company Secretary, the Company has appointed Mr. Suresh Joshi, full-time Company Secretary with effect from 20th May 2005.
- d) With regard transaction entered into with relative of Director, the Company has paid Rs. 38,000/- as Brokerage on Fixed Deposits received, which commensurate with the percentage of brokerage paid to the other brokers and 1,80,000/- as fees for professional services rendered for looking after sales of the Company product in the State of Gujarat.
- e) With regard delay of transfer of unclaimed dividend of Rs. 2,03,560/- to the Investor Protection Fund by 9 days is self explanatory.

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. The Company has taken various initiatives to achieve continuous improvement in the areas of Safety, Energy conservation and Environment; which is reflected in the rich dividend earned by company by way of reduction in energy conservation.

AIMCO PESTICIDES LIMITED

HUMAN RESOURCES

The relationship with the employees and workers at all levels continued to be cordial throughout the year, except at one unit at Lote-Parshuram due to labour unrest which have been amicably settled and production has come to normal from October 2004. Your Directors would like to place on record their sincere appreciation for the contribution made by the employees at all levels for their substantial support and contribution received towards 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.

Registered Office:

B1/1, MIDC Indl. Area,
Lote Parshuram, Vill:Awashi
Taluka:Khed, Dist: Ratnagiri,
Maharashtra 415 707.
MUMBAI
Dated: 3rd September 2005

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

PRADEEP P. DAVE

(Chairman & Managing Director)

ANNEXURE TO THE DIRECTORS' REPORT:

Particulars as required under Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ending 31st March 2005.

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****I) Power & Fuel Consumption**

	2004-2005	2003-2004
1) Electricity		
a) Purchase		
Units	4.79 lacs	7.32 lacs
Total Amount	Rs.21.13 lacs	Rs. 28.33 lacs
Rate / Unit	Rs.4.41	Rs. 3.87
b) Own Generation		
Diesel	9.60 KL	20.04 KL
Unit KWH	2.91 lacs	4.97 lacs
Cost / Unit	Rs.30.29	Rs. 24.79
2) Furnace Oil		
Quantity	325KL	537 KL
Total Amount	Rs.43.63 lacs	Rs. 63.95 lacs
Average Rate	Rs.13.43	Rs. 11.89

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 neo-nicotinoide pesticide formulations was commercialized.

Production yield & quality of current product are improved substantially

3) Future Plan of Action:

Contract R & D & Toll manufacturing for Large companies is actively pursued.

4) Expenditure on R&D:

a) Capital	Rs. NIL
b) Recurring	Rs. 11,78,294.73
c) Total	Rs. 11,78,294.73
d) Total R&D expenditure as a percentage of total turnover	0.51%

3. FOREIGN EXCHANGE EARNING & OUTGO

A) Your company is Government registered Export House & has been taking keen interest for developing new export markets for its products.

B) Total Foreign Exchange used & earned.

During the year foreign exchange outgo was Rs 185.73 lacs. The foreign exchange earned on export was Rs. 896.72 lacs.

FOR AND BEHALF OF THE BOARD OF DIRECTORS

PRADEEP P. DAVE
CHAIRMAN & MANAGING DIRECTOR

MUMBAI
3rd September 2005

AIMCO PESTICIDES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT :

The company is engaged in the business of agrochemicals. Agrochemicals include insecticides, Fungicides, Herbicides, Rodenticides. The performance of the Agrochemical Industry is largely dependent on Farming sector & Timely Rains.

The year under review saw the delayed but widespread rainfall all around the country & good sales of pesticides. The introduction of newer molecules by multinational companies along with co-marketing agreements with Indian companies has created reduced sales for some of the generic pesticides.

OPPORTUNITIES AND THREATS :

The consumption of Pesticides in India is still the one of the lowest in the world. The increased focus of the Indian farmers for the horticulture, possibility of contract farming, increased credit availability to farming sector, growth in food processing facilities are positive indicators for the long term potential of the Pesticides Industry. The Farmer oriented government at the center is a positive indicator for the pesticides industry.

The unfavorable climatic conditions, large inventory maintenance & extended credit due to seasonal nature of the agri-business, high raw material & energy costs due to high crude prices & cultivation of genetically modified crop remain major concerns for the Pesticides Business.

OUTLOOK :

The business outlook for the current year is very optimistic as the monsoon is delayed but wide spread & normal through out the country. Efforts in increasing efficiency & expansion of the current production capacities will help in increase sales & margin.

RISKS & CONCERNS :

The change in weather conditions with erratic monsoon remains the major Risk & concern of the pesticides Industry. The benefits of the genetically modified crops to the farmers are not proved convincingly, so its effect to the pesticides industry is yet to be fully studied & understood. The negative perception of pesticides due to endless campaigns by NGOs & environment groups remains prime concern.

INTERNAL CONTROL SYSTEM :

The Company maintains an adequate and effective internal control system commensurate with its size and nature of business. These internal policies ensure efficient use and protection of company's assets and resources, compliance with policies and statutes as well as promptness of financial and operational report.

ENVIRONMENT AND SAFETY :

The company's environment policy follows strict compliance with the environmental legislations for prevention of pollution of air and water and to make continuous efforts for improvement in such environmental friendly performance. The company believes that its resources are conserved by minimization of process wastes and also by having an efficient environmental management system for treatment and safe disposal of such wastes. The company provides safe work place within the organization and ensures that safety consciousness is spread amongst all the employees.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE DEVELOPMENT :

The Company considers that its relationship with its employees as vital and ensures that employees feel valued and is endeavoring to create an environment and culture within which every employees can put his best efforts and maximize his contribution

The company ensures that all its employees remain competent through education, skills, training and experience as necessary. The initiatives taken by the management in this direction will help in attaining professional and productive culture by a blend of technology and highly skilled manpower.

CAUTIONARY STATEMENT :

Statement in the "Management's Discussion & Analysis Report" section describes the Company's objectives, projections, estimates, expectations or prediction may be "forward looking statements " within the meaning of the applicable securities, laws and regulations. Annual results can differ materially from those expressed or implied, depending on the economic and climatic conditions, government policies and other incidental factors.



CORPORATE GOVERNANCE REPORT

(Pursuant to the Clause 49 of the Listing Agreement)

1. CORPORATE GOVERNANCE PHILOSOPHY :

Aimco Pesticides Limited, is committed to the highest standards of corporate governance in all its activities and processes. AIMCO looks at corporate governance as the cornerstone for practicing transparency in its operations and maintain professional approach and accountability in dealing with its stakeholders.

2. BOARD OF DIRECTORS :

a) Composition : (as on March 31, 2005)

The Board of Directors of your Company comprises of an Executive Chairman and Managing Director, 3 Whole-Time Executive Directors and 3 Non-Executive Independent Directors.

b) Board Meetings :

During the year 6 Board Meetings were held on April 29, 2004, July 30, 2004, August 30, 2004, September 30, 2004, October 28, 2004 and January 31, 2005.

Name	Category	No. of Board Meetings Attended during 2004-05	Whether attended last AGM	No. of directorships held in other Companies	No. of Committee* Positions held in other Public Companies	
						Chairman Member
Shri Pradeep P. Dave Chairman & Managing Director	Promoter Executive	6	Yes	3	1	NIL
Shri E. P. Shrivastava	Promoter Executive	6	Yes	NIL	NIL	1
Dr. Samir P. Dave	Promoter Executive	6	Yes	4	NIL	NIL
Shri Ashit P. Dave	Promoter Executive	6	Yes	4	NIL	2
Shri Mukesh D. Patel	Independent Non-Executive	5	Yes	10	4	1
Shri K. Ramgopal	Independent Non-Executive	4	Yes	NIL	NIL	NIL
Dr. Mahesh B. Pandya	Independent Non-Executive	5	Yes	NIL	NIL	NIL

* includes only Membership in Audit, Remuneration and Investor Grievances Committee.

Details of Directors seeking re-election

Dr. Samir P. Dave and Mr. Mukesh D. Patel retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-election. The additional information relating to these Directors as required under Clause 49VI (A) of the Listing Agreement with the Stock Exchange is furnished as part of the Notice convening the Annual General Meeting.