

**DIRECTORS**

MR. RAMGOPAL KAJA
Non Executive Chairman

MR. PRADEEP P. DAVE
Managing Director

MR. ASHIT P. DAVE
Executive Director

DR. SAMIR P. DAVE
Executive Director

REGISTERED OFFICE

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. 91-22-67604000
Fax No. 91-22-67604060/4070
Internet: www.aimcopesticides.com
Email : aimco@vsnl.com.

FACTORY

LOTE PARSHURAM

COMPLIANCE OFFICER
PRIYA SURATI

BANKERS
State Bank of India

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

CONTENTS	Pages	
	From	To
Notice	2	3
Director's Report	8	11
Management Discussion & Analysis Report	13	14
Corporate Governance Report	15	21
Auditor's Report	22	25
Balance Sheet	26	26
Profit & Loss A/c	27	27
Schedules	28	34
Cash Flow Statement	43	43
Proxy Form	45	45

AIMCO PESTICIDES LIMITED

NOTICE

NOTICE is hereby given that the 23rd 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, 31st DECEMBER, 2010, at 12.00 Noon to transact the following business.

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit & loss Account for the Year ended on that date together with report of Board of Directors and Auditor's thereon.
- 2 To appoint a Director in place of Mr. Ashit P. Dave who retires by rotation and being eligible offers himself for re-appointment.
- 3 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.

SPECIAL BUSINESS:

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

"**RESOLVED THAT** pursuant to the provision of section 198, 269, 309,310,349 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in partial modifications to the Special Resolution passed by the Members at the Annual General Meeting of the Company held on 28th August 2006, and subject to the approval of Central Government, financial institution / Banks, in any, approval of members be and is hereby accorded for increasing the remuneration payable to Mr. Pradeep P. Dave, Managing Director, with effect from 1st April, 2010 from present Rs. 71,200/- per month to Rs. 86,200/- per month as under:

Salary and other Allowances: Rs. 86,200/- Per month

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to make such changes /modifications in the above mentioned remuneration structure as it may deem necessary or expedient provided that the remuneration payable to Mr. Pradeep P. Dave, Managing Director, does not, at any time, exceed Rs. 125,000/- per month.

RESOLVED FURTHER THAT all other terms and conditions of remuneration/ appointment of Mr. Pradeep P. Dave, Managing Director, except as revised hereinabove and as approved by the members at the Annual General Meeting held on 28th August 2006, shall remain unchanged."

- 5 **To Consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to the provision of section 198, 269, 309,310,349 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in partial modifications to the Special Resolution passed by the Members at the Annual General Meeting of the Company held on 28th August 2006, and subject to the approval of Central Government, financial institution / Banks, in any, approval of members be and is hereby accorded for increasing the remuneration payable to Mr. Samir P. Dave, Executive Director, with effect from 1st April, 2010 from present Rs. 66,000/- per month to Rs. 81,000/- per month as under:

Salary and other Allowances: Rs. 81,000/- Per month.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to make such changes /modifications in the above mentioned remuneration structure as it may deem necessary or expedient provided that the remuneration payable to Dr. Samir P. Dave, Executive Director, does not, at any time, exceed Rs. 125,000/- per month.

RESOLVED FURTHER THAT all other terms and conditions of remuneration/ appointment of Dr. Samir P. Dave, Executive Director, except as revised hereinabove and as approved by the members at the Annual General Meeting held on 28th August, 2006, shall remain unchanged."

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

"**RESOLVED THAT** pursuant to the provision of section 198, 269, 309,310,349 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in partial modifications to the Special Resolution passed by the Members at the Annual General Meeting of the Company held on 28th August 2006, subject to the approval of Central Government, financial institution / Banks, in any, approval of members be and is hereby accorded for increasing the remuneration payable to Mr. Ashit P. Dave, Executive Director, with effect from 1st April, 2010 from present Rs. 66,000/- per month to Rs. 81,000/- per month as under:

Salary and other Allowances: Rs. 81,000/- Per month

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to make such changes /modifications in the above mentioned remuneration structure as it may deem necessary or expedient provided that the remuneration payable to Mr. Ashit P. Dave, Executive Director, does not, at any time, exceed Rs. 125,000/- per month.

RESOLVED FURTHER THAT all other terms and conditions of remuneration/ appointment of Dr. Samir P. Dave, Executive Director except as revised hereinabove and as approved by the members at the Annual General Meeting held on 28th August, 2006, shall remain unchanged."

7 Increase in Authorized Share Capital and Alteration of Memorandum of Association

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

"**RESOLVED THAT** pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be increased from Rs. 10,00,00,000/- (Rupees Ten crores only) divided into 100,00,000 (One Hundred Lakhs) Equity shares of Rs.10/- (Rupees ten only) each to Rs. 15,00,00,000 (Rupees Fifteen crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees ten only) each.

RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be altered by substituting the following new Clause V in place of existing Clause V:

V The Authorized Share Capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees ten only) each."

8 Increase in Authorized Share Capital and Alteration of Articles of Association

To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 31, 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be increased from Rs. 10,00,00,000/- (Rupees Ten crores only) divided into 100,00,000 (One Hundred Lakhs) Equity shares of Rs.10/- (Rupees ten only) each to Rs. 15,00,00,000 (Rupees Fifteen crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each.

RESOLVED FURTHER THAT Clause 3 of the Articles of Association of the Company be altered by substituting the following new Clause 3 in place of existing Clause 3

3 The Authorized Share Capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees ten only) each."

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

Place : MUMBAI
Date : 03.12.2010

RAMGOPAL KAJA
(CHAIRMAN)

AIMCO PESTICIDES LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be lodged with the Company not less than 48 hours before the time of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th December, 2010 to 31st December, 2010(both days inclusive).
4. 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.
5. Members are requested to notify any change in their address to the Company's R & T Agents, Link Intime India Pvt. Ltd. (formerly known as Intime Spectrum Registry Limited), C-13, Pannalal Silk mills Compound, LBS Road, Bhandup (W), Mumbai-400078. Tel. no: +91-22-5963838 Fax no: +91-22-25946969 E-mail-rnt.helpdesk@linkintime.co.in
6. Members / Proxies are requested to bring the copies of Annual Report and attendance slip duly filled while attending the Meeting.
7. Queries and information on the accounts and operations of the company, if any, may be sent by the members to the Head Office of the Company at Mumbai at least 10 days in advance so as to enable the management to keep the information ready.
8. Members holding shares in physical form are requested to advise any change of address immediately to the Secretarial Department at the Head Office of the Company.
9. Reappointment of Director

At the ensuing Annual General Meeting, Mr. Ashit P. Dave Executive Director of the Company retires by rotation and being eligible offers themselves for re-appointment. The details pertaining to the Director required to be provided pursuant to clause 49 of listing agreement is furnished in the statement on Corporate Governance published elsewhere in the Annual Report.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

The Company is poised for accelerated growth through expansion of its activities in the near future. This would evolve added responsibilities on the top management in managing the business affairs of the Company. Mr. Pradeep P. Dave, who was appointed as the Managing Director by the Members at the Annual General Meeting held on 28th August 2006, has always dedicated his skill and time and played significant role in the growth of the Company. Considering the future expansion plans and added responsibility, the Remuneration Committee has accorded its approval to increase the remuneration of Mr. Pradeep P Dave, Managing Director, as enumerated in the text of the resolution.

In terms of Section 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, approval of shareholders is required to be obtained for any increase in the remuneration payable to Managerial Personnel.

The variation in the terms of remuneration as embodied in the resolution may be considered as an abstract pursuant to section 302 of the Companies Act, 1956.

The revised terms of remuneration of Mr. Pradeep P. Dave for the remaining period are as follows:

Salary

The Managing Director shall be paid a salary of Rs. 86,200/- per month and not exceeding Rs. 125,000 per month as and when decided by the Board.

Category B:-

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

Contribution to Provident Fund, Super annuation Fund or annuity fund to the extent these are singly or put together are not taxable under the Income Tax Act 1961.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

Encashment of Leave at the rate of basic salary at the end of each calendar year.

Category C:-

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.

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 Proposed Resolutions are within the limits as laid down in schedule XIII to the Companies Act, 1956.

MINIMUM REMUNERATION

In the event of inadequacy or absence of profits in any financial year during his tenure the appointee will be entitled to above remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration taking into consideration the limits specified in Schedule XIII of the companies Act, 1956.

MAXIMUM REMUNERATION

Mr. Pradeep P. Dave Managing Director shall be entitled to remuneration in aggregate taking into consideration the limits specified in Schedule XIII read with section 269 of the Companies Act, 1956.

The above shall also be treated as an abstract and memorandum of interest under Section 302 of Companies Act 1956.

NOTICE OF INTEREST

Mr. Ashit P. Dave and Dr. Samir P. Dave being relatives of Mr. Pradeep P. Dave are in anyway deemed to be interested in the proposed resolution.

Item No: 5

The Company is passing through accelerated phase of business and would continue in near future. This would evolve added responsibilities on the top management in managing the business affairs of the Company. Dr. Samir P. Dave, who was appointed as the Whole Time Director by the Members at the Annual General Meeting held on 28th August 2006, has always dedicated his skill and time and played significant role in the growth of the Company. Considering the future expansion plans and added responsibility, it is proposed to increase the remuneration of Dr. Samir P. Dave, Whole Time Director, for the remaining tenure as enumerated in the text of the resolution.

In terms of Section 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, approval of shareholders is required to be obtained for any increase in the remuneration payable to Managerial Personnel.

The variation in the terms of remuneration as embodied in the resolution may be considered as an abstract pursuant to section 302 of the Companies Act, 1956.

The revised terms of remuneration of Dr. Samir P. Dave for the remaining period are as follows:

Salary

The Whole Time Director shall be paid a salary of Rs. 81,000/- per month and not exceeding Rs. 125,000 per month as and when decided by the Board.

Category B:-

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

Contribution to Provident Fund, Super annuation Fund or annuity fund to the extent these are singly or put together are not taxable under the Income Tax Act 1961.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

Encashment of Leave at the rate of basic salary at the end of each calendar year.

AIMCO PESTICIDES LIMITED

Category C:-

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.

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 Proposed Resolutions are within the limits as laid down in schedule XIII to the Companies Act, 1956.

MINIMUM REMUNERATION

In the event of inadequacy or absence of profits in any financial year during his tenure the appointee will be entitled to above remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration taking into consideration the limits specified in Schedule XIII of the companies Act, 1956.

MAXIMUM REMUNERATION

Dr. Samir P. Dave Whole Time Director shall be entitled to remuneration in aggregate taking into consideration the limits specified in Schedule XIII read with section 269 of the Companies Act, 1956.

The above shall be also be treated as an abstract and memorandum of interest under Section 302 of Companies Act, 1956.

NOTICE OF INTEREST

Mr. Ashit P. Dave and Mr. Pradeep P. Dave being relatives of Dr. Samir P. Dave are in anyway deemed to be interested in the proposed resolution.

Item No: 6

The Company is poised for accelerated growth through expansion of its activities in the near future. This would evolve added responsibilities on the top management in managing the business affairs of the Company. Mr. Ashit P. Dave, who was appointed as the Whole Time Director by the Members at the Annual General Meeting held on 28th August, 2006, has always dedicated his skill and time and played significant role in the growth of the Company. Considering the future expansion plans and added responsibility and after taking into account the recommendations of the Remuneration Committee in this behalf, it is proposed to increase the remuneration of Mr. Ashit P. Dave, Whole Time Director, for the remaining tenure as enumerated in the text of the resolution.

In terms of Section 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, approval of shareholders is required to be obtained for any increase in the remuneration payable to Managerial Personnel.

The variation in the terms of remuneration as embodied in the resolution may be considered as an abstract pursuant to section 302 of the Companies Act, 1956.

The revised terms of remuneration of Mr. Ashit P. Dave for the remaining period are as follows:

Salary

The Whole Time Director shall be paid a salary of Rs. 81,000/- per month and not exceeding Rs. 125,000/- per month as and when decided by the Board.

Category B:-

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

Contribution to Provident Fund, Super Annuation Fund or annuity fund to the extent these are singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

Encashment of Leave at the rate of basic salary at the end of each calendar year.

Category C:-

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.

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 Proposed Resolutions are within the limits as laid down in schedule XIII to the Companies Act, 1956.

MINIMUM REMUNERATION

In the event of inadequacy or absence of profits in any financial year during his tenure the appointee will be entitled to above remuneration along with the perquisites/benefits mentioned above by way of minimum remuneration taking into consideration the limits specified in Schedule XIII of the companies Act, 1956.

MAXIMUM REMUNERATION

Mr. Ashit P. Dave Whole Time Director shall be entitled to remuneration in aggregate taking into consideration the limits specified in Schedule XIII read with section 269 of the Companies Act, 1956.

The above shall also be treated as an abstract and memorandum of interest under Section 302 of Companies Act ,1956.

NOTICE OF INTEREST

Mr. Pradeep P. Dave and Dr. Samir P. Dave being relatives of Mr. Ashit P. Dave are in anyway deemed to be interested in the proposed resolution.

Item No. 7 & 8

It is considered desirable to widen the capital base of the company in line with the growth of the company.

The authorized share capital be increased from Rs. 10,00,00,000/- (Rupees Ten crores only) divided into 100,00,000/- (One Hundred Lakhs) Equity shares of Rs.10/- (Rupees ten only) each to Rs. 15,00,00,000/- (Rupees Fifteen crores only) divided into 1,50,00,000/- (One Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees ten only) each.

Pursuant to the provisions of Section 16, 94 and other applicable provisions of the Companies Act, 1956, the increase in the Authorized Share Capital requires alteration of Clause V of the Memorandum of Association. The Resolution is proposed to be passed as a Ordinary Resolution.

Further, alteration in the Clause 3 of the Articles of Association needs to be amended. The Resolution is proposed to be passed as a Special Resolution.

None of the Directors are concerned or interested in the Resolution.

Registered Office

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

PLACE: MUMBAI

Date :03.12.2010

BY ORDER OF THE BOARD OF DIRECTORS

FOR AIMCO PESTICIDES LIMITED

RAMGOPAL KAJA
(CHAIRMAN)

AIMCO PESTICIDES LIMITED

DETAILS OF DIRECTOR ELIGIBLE FOR APPOINTMENT AT THE A.G.M (DETAILS OF MR. ASHIT DAVE)

Name of the Director	Mr. Ashit P. Dave
Date of Birth	6.01.1971
Date of Appointment	20.08.1996
Qualification	B.Com, IIM, Ahmadabad
Expertise in specific Functional areas	Business Executive with wide expertise in chemicals and Agrochemicals Industry
Name(s) of other Public companies in which Directorship held	Amisco Agro- Chem Limited
Name(s) of Companies in which Committee Membership(s) / Chairmanship(s) held (as per Clause 49 of the Listing Agreement with the Stock Exchange)	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty Third Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

	Rs. In lacs	
	2009-10	2008-09
Gross Sales and other Income	2798	1539
Gross Profit	52	(105)
Finance Charges	273	250
Depreciation	68	71
Loss before Tax	(289)	(426)
Add: Provision for deferred tax	54	60
Less: Provision for Fringe benefit Tax	Nil	3
Loss after Tax	(235)	(369)
Add: Short Provision of Expenses of Earlier Years	(8)	(6)
Add: Short provision of tax of earlier years	Nil	Nil
Add: Transfer from General Reserve	Nil	Nil
Balance	(243)	(375)
Balance Brought Forward	(806)	(431)
Balance carried to Balance Sheet	(1049)	(806)

OPERATIONS

Your company remains focused on Exports, local sale of Branded products and Registering new products in the Export & Local markets. The Company has reduced the loss in the year 2009-2010. The new products developed for Exports & Local markets fared well & holds huge potential for the future business of the company.

CURRENT YEAR OUTLOOK

The Excellent monsoon & adequate rain for the Current Year in India will increase the local sale of agro chemicals & improve the profit margins.

Your Company is now focusing more on registering more products in its own Brand name in Exports business & to develop new markets like USA & South America with the help of right partners.

DIVIDEND

In view of the inadequate profit & 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 31,2010

EXPORT

Export sale during the year was Rs. 2047.34 Lacs, as compared to Rs. 878.63 Lacs during the previous year. Due to new export registrations obtained, your Company expects huge growth in the export sales in the current year .

NEW PROJECTS/PRODUCTS

Your company is working on new Pesticide Actives & its new Eco friendly formulations are expected to be commercialized this year.

CORPORATE GOVERNANCE

As per Listing Agreement with the Stock Exchange, the Company has complied with the requirements of Corporate Governance. A report on Corporate Governance is attached to this report.

AIMCO PESTICIDES LIMITED

DIRECTORATE

Mr. Ashit P. Dave retires by rotation at the ensuing Annual General Meeting and being eligible, offer them for re-appointment. The Board recommends their re-appointment.

Audit Committee comprises of three Directors out of which one Independent Director. The Company has required at least two independent directors in pursuant to Clause 49 of Listing Agreement. The Company is in process to appoint a suitable candidate as an independent Director.

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) 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, 2010 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, 2010 was Rs. 207.75 Lacs. There were no overdue deposits except deposits of Rs. 38.81 Lacs that fell due for repayment before the close of the financial year, remained unclaimed by the depositors at the close of the accounting year.

GENERAL

The Management Discussion and analysis Report discusses the operations of the Company in detail and forms part of this Annual Report.

AUDITORS

M/s. Contractor, Nayak and Kishnadwala, Chartered Accountants, Mumbai, the Statutory Auditors, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made will be within the limits as stipulated under section 224(1B) of the Companies Act, 1956. The members are requested to consider appointment of M/S. Contractor, Nayak and Kishnadwala, as statutory Auditors at the ensuing Annual General Meeting.

The comments made by the Auditors in their report are self-explanatory and do not call for further explanation.

QUALIFICATION OF AUDITORS

1. As pointed out by the Statutory Auditors that the company has not obtained confirmation of balances from its Sundry Debtors, Sundry Creditors and advances. The Company has made best of its efforts, before signing of Accounts, to obtain the same. Further the management of the company confirms that Balance shown in the books are true and correct as per their knowledge.
2. Although the Company has not made any provisions for debtors outstanding for more than 3 years, which are in view of auditors are doubtful of recovery. The management of the company is optimistic in recovering those dues. The Company is expecting the recovery of some of the dues in the current year.
3. As far as auditors comment on Loans and Advances which include Rs.122.30 Lacs being value of Export Benefits receivable by the company. The Management hereby states that necessary processes of renewal of licenses are under consideration and shall be renewed by concerned authorities over a period of time.