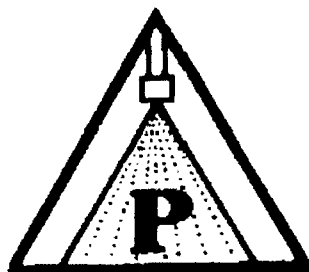


ANNUAL REPORT 2003 - 2004

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ADARSH

PLANT PROTECT LIMITED

12TH ANNUAL REPORT & ACCOUNTS
1ST APRIL 2003 TO 30TH JUNE 2004
(FOR 15 MONTHS)

BOARD OF DIRECTORS

SHRI RASIKBHAI A. PATEL	Chairman & Managing Director
SHRI HASMUKHBHAI A. PATEL	Technical Director
SMT. ARUNABEN R PATEL	Whole Time Director
SHRI NAISHADBHAI N. PATEL	Director

AUDITORS

M/S B.C. PATEL & CO.
Chartered Accountant

BANKERS

KARAMSAD URBAN CO-OPERATIVE BANK LTD.
CHAROTAR NAGRIK SAHAKARI BANK LTD.

REGISTERED OFFICE & WORKS

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

NOTICE

Notice be and is hereby given that the Twelfth Annual General Meeting of **ADARSH PLANT PROTECT LIMITED** will be held on Monday 20th December, 2004 at 11-00 A. M. at the Registered Office of the Company situated at 604, G.I.D.C., Vithal Udyognagar, Anand 388 121 to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet for 15th months period ended of 30th June 2004 and Profit and Loss Account of the Company as at that date together with reports of the Directors and Auditors.
2. To appoint a Director in place of Mr. Naishadbhai N. Patel who retire by rotation and is eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

Date: 08.11.2004

Place: Vithal Udyognagar

By order of the Board of Directors
ADARSH PLANT PROTECT LIMITED
(SHRI RASIKBHAI A. PATEL)

Chairman & Managing 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 the Meeting.
3. The Register of Members and the Share Transfer Books will remain closed from Thursday 9th December, 2004 to Saturday 11th December 2004 (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) 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.

By order of the Board of Directors
ADARSH PLANT PROTECT LIMITED

Date: 08.11.2004

Place: Vithal Udyognagar

(SHRI RASIKBHAI A. PATEL)

Chairman & Managing Director

DIRECTORS' REPORT

To,
The Shareholders,
Adarsh Plant Protect Limited

Your Directors have pleasure in presenting their Twelfth Annual Report for 15 months period together with Audited Statement of Accounts for 15th months period ended on 30th June 2004.

FINANCIAL RESULTS:

	(Rs. In lacs)	
	2003-2004	2002-2003
	(15 Months)	(Annual)
Turnover	71.06	61.35
Other Income	61.08	7.38
Profit before Interest, Depreciation & Tax	26.99	(12.72)
Interest	76.62	67.17
Depreciation	11.31	9.29
Provision for Tax	Nil	Nil
Profit/(Loss) after Tax	(60.84)	(89.18)
Add: Balance Brought Forward	(160.71)	(7.53)
Balance carried to Balance Sheet	(221.55)	(160.71)

CHANGE IN THE FINANCIAL YEAR:

The Board of Directors of your Company had Resolved in its Meeting held on 15th March, 2004 to extend the Financial Year by three months i. e. for 15 months ending on 30th June, 2004, instead of 12 months ending on 31st March, 2004 and accordingly the Company had intimated to all Stock Exchanges where the Shares of the Company are listed as per the provisions of the Companies Act, 1956.

The Board of Directors would like to bring to the notice of the Shareholders, that the Company has been enjoying Credit Facilities from Karamsad Urban Co-op. Bank Ltd (the Bankers) and the Company was not able to timely repay the loans together with interest due to adverse market conditions and delay in timely return of capital employed by the Company. Constraints of Working Capital funds was not only faced by your Company but also by the Bankers which resulted in to initiation of a legal action against the Company for delay in re-payment of its Credit Facilities enjoyed by the Company and instituted a suit.

The Directors of the Company negotiated with the Bankers and a Deed of Composition was executed for One Time Settlement (OTS) for payment of outstanding dues. Under OTS, dues were to be re-paid on or before 30th September, 2004 and the Directors of your Company with timely finance arranged by Mr. Naishadbhai Patel, Non-Executive Director of the Company and the Personal Guarantor to the Bankers managed to re-pay to the Bankers and also saved the Company from major monetary crisis.

The Directors of the Company with the funds managed and to give positive effect on the Net Worth of the Company resolved to extend the Financial Year up to 30th June, 2004 and thus pull the Company out of red.

With constant negotiations by Mr. Naishadbhai Patel, Non-Executive Director of your Company, the time limit for re-payment of OTS fixed up to 30th September, 2004 by Karamsad Urban Co-operative Bank has been extended up to 31st January, 2005 and up to 21st August, 2004, out of total dues to the Bank for Rs.326 lacs, the re-payment was to the tune of Rs.252.25 lacs leaving Rs.73.75 lacs as outstanding loan together with overdue interest.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Your Directors wish to state that no doubt, the financial performance with Operational performance cannot be compared against the previous year income, due to change in the Financial Year under review for a period of 15 months ending on 30th June, 2004. However, Operating income increased from Rs.60.84 lacs to Rs. 89.18 lacs mainly due to decrease in interest burden since out standing loan and interest to the Company's Bankers was re-paid.

DIVIDEND:

In view of the loss during the year under review, your Directors do not recommend any Dividend.

DIRECTORS:

In terms of Articles of Association of the Company Mr. Naishadbhai N. Patel, Non-Executive Director retires by rotation and being eligible offers himself for re-appointment.

AUDITORS:

M/S B. C. Patel & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

INDUSTRY STRUCTURE AND DEVELOPMENT :

The Budget presented by the Government is towards boosting of agriculture growth through diversification and development of Agro-processing. Special focus is given towards farming in dry lands and un-irrigated areas and thereby the Company's market for Agriculture and Irrigation Equipments will expand and will reflect in the working of your Company in very near future.

OPPORTUNITIES AND THREATS:

Your Company is manufacturing Agriculture Plant Protection Equipments, which are used for spraying and dusting of various plant protection chemicals. The growth of demand for these equipments is dependent on production and consumption of these chemicals. Any increase in input cost, higher levies, failure of monsoon may affect demand of Company's products.

OUTLOOK, RISK AND CONCERNS:

With repayment of outstanding loan together with overdue interest to the Company's Bankers by 30th September, 2004 under One Time Settlement (OTS) agreed upon, the financial constraints will ease out and the Board of Directors is hopeful of turning the Company into a profitable Company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate internal control systems commensurate with its size.

1. In the preparation of the Accounts for 15 months period, all applicable accounting standards has been followed.
2. appropriate 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 for the 15 months period ended on 30th June, 2004 and its losses for that period.
3. proper and sufficient care has been taken 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.
4. the accounts for 15 months period have been prepared on a "going concern" basis.

CORPORATE GOVERNANCE REPORT:

The Company conducts its affairs in a fair, transparent and professional manner and maintains high standards in dealing with Shareholders, customers, suppliers, employees and every person who comes into contact with the Company. The spirit of Corporate Governance has influenced its decisions and corporate policies.

The management has consistently observed good practice of Corporate Governance, including balancing of interest of Shareholders and the Public. Your Company has served notice of Annual General Meetings to all the Shareholders and also send Annual Report before Annual General Meeting. The Quarterly Results of the Company were published after approval for each quarter in the Financial Express.

BOARD MEETINGS :

Eighteen meetings of the Board of Directors were held during 15 months period ended on 30th June, 2004 on 14th May, 2003, 25th August, 2003, 15th September, 2003, 31st October, 2003, 15th November, 2003, 12th December, 2003, 15th December, 2003, 23rd December, 2003, 17th January, 2004, 28th January, 2004, 15th March, 2004, 15th April, 2004 and 26th April, 2004, 26th July 2004, 9th August 2004, 20th September 2004, 25th October 2004 and 8th November 2004. The maximum time gap between any two meetings was not more than four months.

COMPOSITION OF BOARD :

Sr. No.	Name of the Director	Category	Attendance of Board	Attendance of last AGM	Remuneration (Rs. In lacs)
	1	2	3	4	5
1.	Mr. Rasikbhai Patel	Chairman & Mg. Director	18 Meetings	Yes	*
2.	Mrs. Arunaben Patel	Whole-time Director	9 Meetings	Yes	*
3.	Mr. Hasmukhbhai Patel	Technical Director	18 Meetings	Yes	*
4.	Mr. Naishadbhai Patel	irector	17 Meetings	Yes	

* As the Company has been incurring losses and has defaulted in re-payment of loan and interest thereon to the Bankers to the Company, no remuneration is paid to any of the Executive Directors.

Sr. No.	No. of outside Directorships Held	No. of Chairmanships/ Memberships of other Board Committee	
		Chairmanship	Membership
6	7		
1.	1	1	Nil
2.	1	Nil	1
3.	Nil	Nil	1
4.	2	Nil	Nil

AUDIT COMMITTEE, SHAREHOLDERS / INVESTOR'S GRIEVANCE COMMITTEE AND REMUNERATION COMMITTEE :

Under Clause 49 of the Listing Agreement Formation of any Committee requires certain percentage of Independent Directors and looking into the composition of the present Board of Directors it is not possible to form any Committees. This fact has been intimated to the Stock Exchange. The Company is planning to constitute the Committees by January, 2005 and will comply the requirements of Clause 49.

GENERAL BODY MEETING :

Details of the last three Annual General Meetings:

Year	Location	Day, Date & Time	Venue
2000-01	GIDC Vithal Udyognagar ANAND 388 121	Friday, 29.09.01 at 11.00 A. M.	Registered Office
2001-02	GIDC Vithal Udyognagar ANAND 388 121	Monday, 30.9.02 at 11.00 A.M.	Registered Office
2002-03	GIDC Vithal Udyognagar ANAND	Tuesday, 30.9.03 at 11.00 A.M.	Registered Office

DISCLOSURES :

The Company has complied with the requirement of statutory / regulatory authorities on capital market and no penalties / strictures have been imposed by SEBI or Stock Exchanges during the last three years.

Quarterly Results of 2003-2004

The Quarterly results of 2003-2004 are published as under:

Quarter ended on**Date of Publication**30th June 200318th September, 200330th September 200315th November, 200331st December 200331st January, 200431st March 200429th April, 200430th June 200430th July 200430th September 200427th October 2004**MEANS OF COMMUNICATION:**

The Quarterly results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors. The Stock Exchanges should be in a position to put it on its website. The Quarterly results are also published in Financial Express in vernacular language on approval of the Board of Directors.

GENERAL SHAREHOLDERS INFORMATION:

The 12th Annual General Meeting will be held on Monday 28th December, 2004 at 11.00 A.M. at the Registered Office of the Company at 604, G.I.D.C. Vithal Udyognagar, Anand 388 121. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday 9th December, 2004 to Saturday 11th December, 2004 (both days inclusive). Due to losses during the 15 months period ended on 30th June, 2004, no dividend has been recommended. The Company's Equity Shares are listed on the Stock Exchange, Ahmedabad (Regional Stock Exchange) Stock Code - 01013, The Stock Exchange, Mumbai Stock Code - 26711 and the Jaipur Stock Exchange Limited Stock Code - 485. The Company has not issued any GDRs/ADRs/Warrants.

MARKET PRICE DATA

The High and Low market prices of the Shares at the Stock Exchange, Mumbai are as under :

Month	Highest	Lowest	Sensex	
			Highest	Lowest
April 2003	—	—	3221.90	2904.44
May 2003	—	—	3200.48	2934.78
June 2003	0.40	0.40	3632.84	3170.38
July 2003	0.36	0.29	3835.75	3534.06
August 2003	0.48	0.34	4227.64	3722.08
September 2003	3.21	0.57	4473.57	4097.55
October 2003	4.00	2.13	4951.11	4432.93
November 2003	—	—	5135.00	4736.70
December 2004	2.31	2.00	5920.76	5082.82
January 2004	2.00	2.00	6249.60	5567.68
February 2004	2.00	1.95	6082.80	5550.17
March 2004	2.10	2.00	5951.03	5324.78
April 2004	—	—	5979.25	5599.12
May 2004	—	—	5772.64	4227.50
June 2004	—	—	5012.52	4613.94