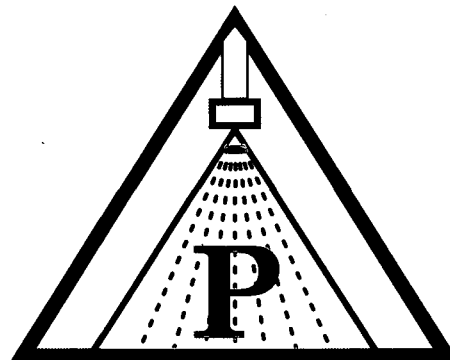


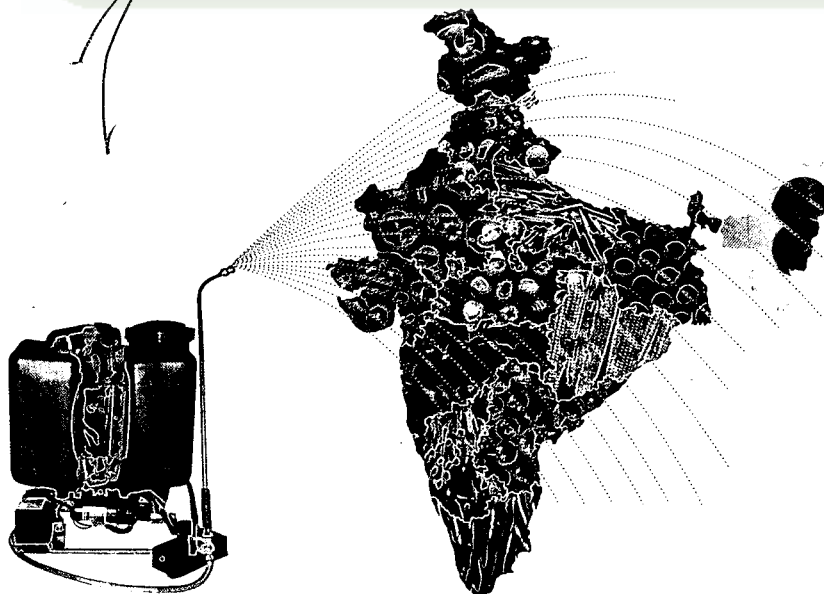
17<sup>th</sup> Annual Report : 1st April 2008 to 31 March 2009

# ANNUAL REPORT

2008-2009



**ADARSH**  
PLANT PROTECT LIMITED



[www.adarshplant.com](http://www.adarshplant.com)

**ADARSH PLANT PROTECT LIMITED**

604, G.I.D.C., VITTHAL UDYOGNAGAR - 388 121. GUJARAT (INDIA)

PH. : (02692) 236705 / 06, 645585, FAX : (02692) 236704 • Email : [adarshplant@hotmail.com](mailto:adarshplant@hotmail.com)

## **ADARSH PLANT PROTECT LIMITED**

### **17TH ANNUAL REPORT & ACCOUNTS 2008 - 2009**

#### **BOARD OF DIRECTORS**

SHRI NAISHADBHAI PATEL	Chairman & Managing Director
SHRI ATISH PATEL	Executive Director
SHRI KIRITBHAI PATEL	Non-executive Director
SHRI DIKULBHAI PATEL	Non-executive Director
SHRI KIRANBHAI PATEL	Non-executive Director
SHRI ARVINDBHAI SHAH	Non-executive Director
MS. JYOTIBEN PATEL	Non-executive Director
SHRI HARIHARBHAI PATEL	Non-executive Director

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#### **AUDITORS**

M/S MUKUND & ROHIT  
CHARTERED ACCOUNTANTS, VADODARA

#### **BANKERS**

BANK OF BARODA  
VALLABH VIDYANAGAR BRANCH

#### **COMPANY LAW CONSULTANTS**

D. G. BHIMANI & ASSOCIATES

#### **REGISTERED OFFICE & WORKS**

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

## **NOTICE**

Notice is hereby given that the **17<sup>th</sup> Annual General Meeting** of the Shareholders of **ADARSH PLANT PROTECT LIMITED**, will be held at Plot No. 604, G.I.D.C. Estate, Vithal Udyognagar on Friday, 25<sup>th</sup> September, 2009 at 11:00 A. M. to transact the following business:

### **ORDINARY BUSINESS:**

- 1] To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended on 31st March, 2009 together with Director's Report and Auditors' Report thereon.
- 2] To appoint a Director in place of Mr. Kiranbhai Patel who retire by rotation and being eligible, offers himself for re-appointment.
- 3] To appoint a Director in place of Mr. Arvindbhai Shah who retire by rotation and being eligible, offers himself for re-appointment.
- 4] To appoint Auditors and fix their Remuneration

**By order of the Board of Directors  
ADARSH PLANT PROTECT LIMITED**

**Date: 29<sup>th</sup> July, 2009**  
**Place: Vithal Udyognagar**

**(NAISHADBHAI PATEL)**  
**Chairman & Mg. 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 of the Meeting.
3. The Register of Members and the Share Transfer Books will remain closed from Monday, 21<sup>st</sup> September, 2009 to Friday, 25<sup>th</sup> September, 2009 (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. or Demat Account No. on all correspondence with the Company.
  - (c) Members who are holding physical Shares in more than one Folio are requested to intimate to the Company / Registrar & Share Transfer Agents, the details of all their Folio Numbers for consolidation in to a single Folio.
  - (d) Members who hold Shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
  - (e) 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.

**DIRECTOR'S REPORT**

Dear Members,

Your Directors have pleasure in presenting this **17<sup>th</sup> ANNUAL REPORT** together with the Audited Accounts of the Company for the year ended on 31<sup>st</sup> March 2009.

**FINANCIAL RESULTS**

(Rs.in Lacs)

	<b><u>2008-2009</u></b>	<b><u>2007-2008</u></b>
1 Turnover	<b>446.88</b>	415.20
2 Other Income	<b>02.36</b>	02.17
3 Total Income	<b>449.24</b>	417.37
4 Profit/(Loss) Before Depreciation, Interest and Tax	<b>01.48</b>	(09.27)
Less/Add : Interest	<b>44.84</b>	27.61
Depreciation	<b>17.70</b>	17.04
5 Profit/(Loss) Before Taxation	<b>(61.06)</b>	(53.92)
6 Income Tax & F. B. T.	<b>00.50</b>	00.48
7 Profit /(Loss) After Taxation	<b>(61.56)</b>	(54.40)
8 Prior year's Expenses	<b>0.00</b>	01.12
9 Profit/(Loss) for the year	<b>(61.56)</b>	(55.52)

Your Directors consider the working results stated here above as a result of non finalization of orders from company's customers who are mainly various state governments and subsidies given to farmers in the respective states leading to marginal increase in turnover to Rs. 446.88 lacs from Rs.415.20 lacs in the preceding year. Other income has increased marginally to Rs. 02.36 lacs from Rs.2.17 lacs in the preceding year.

**DIVIDEND**

In view of the loss incurred during the year, your Directors regret their inability to recommend payment of any dividend to the Shareholders.

**CURRENT PERFORMANCE**

Your Directors are please to inform the Shareholders that, the Company has obtained bulk order of 1000 Nos. of Dusters from Haryana State Government and have successfully supplied the total quantity substantially and collected the payment also.

Your Directors are also pleased to inform the Shareholders that, once again the Company got the opportunity to supply Knapsack Sprayers to Punjab State Government under Rate Contract for current year 2009-10 and have obtained valued order of 19,830 Nos. worth Rs. 119.19 lacs. The quantity will increase from more than 75,000 Nos., to not less than 1, 10,000 Nos., up to March, 2010 which would be worth Rs.450 lacs to Rs.665 lacs.

As you are aware that, the Company has introduced a new Agriculture Equipment namely "ADARSH" Seed Dressing Drum. The Company has supplied 3000 Numbers in Annual Lot to Gujarat Government in last Financial Year worth Rs.79 lacs. The Company has also introduced the same to all State Governments and expects good orders from Haryana, Rajasthan, Himachal Pradesh and Punjab in current year.

The Company has also achieved in obtaining CIAE Certificate i. e. Performance Certificate issued by Central Government Laboratory, Central Institute of Agriculture Engineers, Bhopal and the Company is first and the only Company in India to get this Certificate with 99% efficiency of this Equipment.

**NEW AND RENEWABLE ENERGY**

The Shareholders are aware that atmospheric global warning is picking up very fast and every body need to be eco friendly for survival. The Company also felt that it would be advisable to venture in to renewable energy sector and become most efficient eco friendly by dealing in Solar based LED lights and Home products. The Company has developed infrastructure to produce components of Wind Mills and non-renewable Energy Equipments and continuously trying to obtain orders in competitive Market.

**DIRECTORS**

Mr. Kiranbhai Patel and Mr. Arvindbhai Shah, Directors of the Company, retire by rotation as per the Articles of Association of the Company and they are eligible for re-appointment. Resolutions seeking approval of

the Shareholders for their re-appointment have been incorporated in the Notice of the ensuing Annual General Meeting.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors of your Company State that:

1. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. 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 true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for that period;
3. the directors have taken proper and sufficient care of 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 directors have prepared the Annual Accounts on a going concern basis.

#### **INSURANCE**

The whole of the properties of the Company have been suitably insured and your Directors have taken care to take all necessary general insurances.

#### **FIXED DEPOSITS**

The Company has not accepted any deposits from the Public within the meaning of Section 58A of the Companies Act, 1956 and Rules made there under.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed review of the operations, performance and future outlook of the Company is given in the Management's Discussion and Analysis is appearing as Annexure-1 to this Report.

#### **PARTICULARS OF EMPLOYEES**

None of the employee is in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

#### **CORPORATE GOVERNANCE REPORT**

Your Company has always striven to incorporate standards for Good Corporate Governance. It has taken adequate steps to ensure that the provisions of Corporate Governance as prescribed pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges are complied with.

A detailed report on the Corporate Governance is appearing as Annexure – 2 to this report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 the relevant data pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure – 3 to this report.

#### **AUDITORS**

The Company's Auditors M/S Mukund & Rohit, Chartered Accountants, Vadodara retires at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The members are requested to appoint Statutory Auditors for the current year and fix their remuneration.

#### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation for the whole-hearted support and the cooperation extended to the Company by its Vendors, Traders, Customers, Bankers and Financial Institutions, Central and State Government Authorities, Advisors, Auditors, Shareholders and the society at large.

Your Directors also place on record their appreciation for the contribution and hard work of employees across all levels, including sub-vendors and sub-contractors entire teams, and their commitment, inspiration and hard work to put your Company in its present position.

**ON BEHALF OF THE BOARD OF DIRECTORS**

Date : 29<sup>th</sup> July, 2009  
Place: Vithal Udyognagar

**NAISHADBHAI PATEL**  
Chairman & Mg. Director

To be read together with Annexure 1 to 3 attached

### **ANNEXURES TO THE REPORT OF BOARD OF DIRECTORS**

#### **ANNEXURE – 1: MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

**(a) Industry structure and development.**

The Company is engaged in manufacturing of Plant Protection Equipments and future of the Company largely depends on Country's Agriculture growth. The Company is continuously upgrading competencies in its products and faster product development, improved quality of manufacturing. Special focus is always given to improve upon the quality of Sprayers manufactured and keeping the goal to the need and use of the ultimate users of the Products with BIS Mark.

**(b) Opportunities and Threats**

As the Members know that your Company is manufacturing Agriculture Plant Protection Equipments, which are used for Spraying and Dusting of various Plant Protection Chemicals. Any increase in input cost, failure of monsoon and higher levied components sourced from open market may affect demand of Company's products. The demand of the Products also depends upon the production and market scenario of pesticides being consumed by the Farmers of the Company's Products. The Company continues to face competition from un-organized sector and lack of adequate communication and infrastructure. The challenge before your Company in the next financial year is to accelerate market growth, maintaining margins, which are under pressure in the current year due to increase in input cost.

**(c) Segment wise performance**

The operations of the Company are in a single segment of Plant Protection Equipments.

**(d) Material development in Human Resources**

There has not been any material development in 12 months period under review than those reported last year except that the Company has appointed qualified Engineers to improve upon the quality of the Products and follow up after Sales Service to the Customers.

**(e) Outlook on threat, risks and concerns**

- i) With the single product – the Plant Protection Equipments and with the income from the sale of only these Products, the margins are always under pressure; however the management continues to put best efforts to improve the overall performance of the Company. Timely payment is not being received and thereby Company's working capital is blocked, however, rigorous efforts to collect the outstanding payment continue through field officers.
- ii) Your Directors are now looking for measures to pursue all available infrastructural, manufacturing and financial sources to its fullest capacity and in the best interest of the Shareholders.
- iii) Your Directors have developed, created and coordinated an efficient organizational system that could deliver high growth and profit building progressive business and all these initiatives have been put in to system which has been executed in the last quarter and will surely get reflected in the working in the current year.

**(f) Internal control systems and their adequacy**

The Company has adequate internal control systems commensurate with its size. Internal Auditors of the Company is entrusted the work of reviewing adequacy of internal control system and frequency of Audit compliance with the existing Accounting Standards. The duty of the Internal Auditors is to report to the Board of Directors and Audit Committee and place its report at every Board Meeting and also remain present to interact with Board for any suggestion of improvement in the Internal Control / Audit Systems and steps to be taken thereon to improve the internal control system.

**(g) Cautionary Statement**

The report of the Board of Directors, Management Discussions and Analysis Report are forward looking and affirmative statements within the meaning of the applicable securities and regulations. The actual performance in the coming years could differ from what is expressed or implied. The factors that could affect the Company's performance are the economic and other factors that affect the demand-supply balance in the domestic market, changes in governmental regulations, policies, and tax laws and other statutes and host of other incidental factors.



**ANNEXURE – 2: CORPORATE GOVERNANCE REPORT****Company's Philosophy on Code of Governance**

Your Company has been practicing the principles of good corporate governance, disclosure and transparency in all its activities. The Company believes that sound Corporate Governance is critical to enhance and retain investor confidence and trust and the management believes that it is the trustee of the Shareholders' capital and not the owner. Your Company has been greatly benefiting from the invaluable inputs provided by the Non-Executive Independent Directors, who are persons with vast experience, expertise and wisdom.

**Board of Directors**

The Board has optimum combination of Executive and Non-Executive Directors and is in conformity with Clause 49 of the Listing Agreement entered in to with the Stock Exchanges, in which the Equity Shares of the Company are listed. The composition of the Board is as under:

- 3 Promoters (2 Executive Directors)
- 3 Non-Executive Independent Professional Directors
- 1 Non-Executive Independent Director
- 1 Non-Executive Director

None of the Directors holds Directorships in more than 15 Public Limited Companies.

None of the Directors received any loans and advances from the Company during the year.

No Director holds memberships of more than 10 Committees of Board nor is any Director / Chairman of more than 5 Committee of Board.

**Category and Attendance of Directors**

Name	Category	No. of Board Meetings Attended during 2008-2009	Attendance of the previous AGM	No. of Directorships in other Companies
Mr. Naishadbhai Patel	Promoter & Managing Director	5	Yes	4
Mr. Atish Patel	Promoter & Executive Director	5	Yes	4
Mr. Kiritbhai Patel	Promoter & Non-Executive Director	3	Yes	3
Mrs. Jyotiben Patel	Non-Executive Director	5	No	1
Mr. Dikulbhai Patel	Non-Executive Professional Director	5	Yes	3
Mr. Kiranbhai Patel	Non-Executive Professional Director	4	No	—
Mr. Arvindbhai Shah	Non-Executive Professional Director	5	No	—
Mr. Hariharbhai Patel	Non-Executive Director	1	No	—

Mr. Atish Patel and Mrs. Jyotiben Patel are related to Mr. Naishadbhai Patel, the Chairman & Mg. Director of the Company and none of the other Directors are related to any other Director.

The Audit Committee of the Company comprises of Non-Executive Professional Independent Directors viz., Mr. Kiranbhai M. Patel, as Chairman, Mr. Arvindbhai V. Shah and Mr. Dikulbhai Patel as Director Members of the Committee.

**BOARD MEETINGS**

5 Meetings of the Board of Directors were held on 27<sup>th</sup> April, 2008, 27<sup>th</sup> May, 2008, 30<sup>th</sup> July, 2008, 19<sup>th</sup> October, 2008 and 30<sup>th</sup> January, 2009. Sufficient notice is given to all the Directors before the Board Meeting and an Agenda of the subject matter is being circulated to all the Directors with the notice convening the Meeting.

**Sitting Fees**

The Company pays Rs.2500/- as sitting fees to Non-Executive Directors for attending Board Meetings.

**SHAREHOLDERS'/INVESTORS' COMMITTEE**

The Shareholders' / Investors' Grievance Committee comprises of 3 Directors and Mr. Naishadbhai Patel, Chairman & Mg. Director has been appointed as the Compliance Officer overseeing the investors' grievances and strengthening of investor relation. Shareholders' / Investors' Grievance Committee headed by the Chairman of the Company was formed to review the status of investors' grievances and redressal mechanism and to suggest measures to improve the level of investor services.