

ADARSH PLANT PROTECT LIMITED

19th Annual Report & Accounts 2010-2011

BOARD OF DIRECTORS

Shri Naishadbhai Patel	Chairman & Managing Director
Shri Atish Patel	Executive Director
Shri Kiritbhai Patel	Director
Shri Hariharbhai Patel	Director
Ms. Jyotiben Patel	Director
Shri Kiranbhai Patel	Director
Shri Arvindbhai Shah	Director
Shri Dikulbhai Patel	Director

Resigned W.E.F. 15-06-2011

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 19th 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 Saturday, 24th September, 2011 at 11:00 A. M. to transact the following ordinary and special 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, 2011 together with Director's Report and Auditors' Report thereon.
- 2] To appoint a Director in place of Mr. Kiritbhai Patei 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

SPECIAL BUSINESS :

- 5] To pass with or without modification, following Resolution as Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 311 and 314 read with Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956 and further subject to such other consents as may be required (including any statutory modifications or re-enactment thereof for the time being in force) the Company hereby accords its approval to the appointment of Shri Naishadbhai Patel as Managing Director of the Company liable not to retire by rotation for a further period of 3 years effective from 1st July 2011 with liberty to either party to terminate the appointment on three months' notice in writing to the other party."

"RESOLVED FURTHER THAT pursuant to section 198 (4) of the Companies Act 1956 read with Schedule XIII, as amended, and subject to such approvals as are set out in the Explanatory Statement annexed to Notice convening the General Meeting as may be necessary, the salary and the perquisites may be paid as the minimum remuneration to Shri Naishadbhai Patel in the absence of or inadequacy of profits in any financial year."

"RESOLVED FURTHER THAT the Board of Directors and / or Remuneration and / or Audit Committee of Directors be and is hereby authorized without any reference / approval of the Company in General Meeting to alter and vary the terms and conditions of the said appointment and terms of remuneration from time to time in such manner as may be agreed upon between the Board of Directors and Shri Naishadbhai Patel within the limits prescribed under Schedule XIII of the Act or such other regulations thereto as may be prescribed by the Government in that behalf from time to time."

- 6] To pass with or without modification, following Resolution as Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 311 and 314 read with Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956 and further subject to such other consents as may be required (including any statutory modifications or re-enactment thereof for the time being in force) the Company hereby accords its approval to the appointment of Shri Atish Patel as Executive Director of the Company liable not to retire by rotation for a further period of 3 years effective from 15th April, 2011 with liberty to either party to terminate the appointment on three months' notice in writing to the other party."

"RESOLVED FURTHER THAT pursuant to section 198 (4) of the Companies Act 1956 read with Schedule XIII, as amended, and subject to such approvals as are set out in the Explanatory Statement annexed to Notice convening the General Meeting as may be necessary, the salary and the perquisites may be paid as the minimum remuneration to Shri Atish Patel in the absence of or inadequacy of profits in any financial year."

"RESOLVED FURTHER THAT the Board of Directors and / or Remuneration and / or Audit Committee of Directors be and is hereby authorized without any reference / approval of the Company in General Meeting to alter and vary the terms and conditions of the said appointment and terms of remuneration from time to time in such manner as may be agreed upon between the Board of Directors and Shri Atish Patel within the limits prescribed under Schedule XIII of the Act or such other regulations thereto as may be prescribed by the Government in that behalf from time to time."

By order of the Board of Directors
ADARSH PLANT PROTECT LIMITED

(NAISHADBHAI PATEL)
Chairman & Mg. Director

Date: 25th August, 2011
Place: Vithal Udyognagar

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) AND 192 A OF THE COMPANIES ACT, 1956

Item No. 5

The Board of Directors at its Meeting held on 14th April, 2011 approved re-appointment of Shri Naishadbhai Patel as Managing Director of the Company for a further period of 3 years effective from 1st July, 2011. The resolution was put up for your approval at the extra ordinary general meeting of the company held on 23rd May, 2011. However, due to typographical error, type of resolution was not mentioned in the Notice. Therefore, the said resolution is put again for your approval.

The material terms and conditions of the appointment relating to the remuneration as embodied in the Agreement between the Company and Mr. Naishadbhai Patel are given below:

I Remuneration Salary: Rs. 1,00,000/- (Rupees One lac) per month from 1st July 2011, with annual increment as the Board of Directors may decide.

II Perquisites

i) Housing:

(a) A fully maintained rent-free furnished residential accommodation or house rent allowance along with reimbursement of expenses on furnishing and maintenance.

(b) Reimbursement of actual of gas, electricity and water charges.

ii) Medical Reimbursement

Reimbursement of expenses incurred by Shri Naishadbhai Patel for himself and his family subject to a ceiling of one month's salary in a year or three month's basic salary over a period of three years and hospitalization expenses as per rules of the Company.

(iii) Leave Travel

Leave Travel Allowance for himself and his family once in a year in accordance with the rules of the Company.

(iv) Insurance: In accordance with the rules of the Company

(v) Club Fees: Fees and subscription of clubs, however, not to include admission and life Membership.

(vi) Provision of Car with all running and maintenance expenses be borne by the Company and a Driver or reimbursement of expenses incurred on Driver.

(vii) Provision of telecommunication facility.

(viii) Contribution to Provident Fund, Superannuation or Annuity Fund in accordance with the rules of the Company.

(ix) Gratuity – not exceeding half month's salary for each completed year of service.

(x) Leave, leave accumulation and encashment of accumulated leave as per rules of the Company.

The aforesaid Perquisites shall be valued as per the Income Tax Rules, 1962 as amended from time to time.

Except Shri Naishadbhai Patel himself and Shri Atish Patel and Mrs. Jyotiben Patel, Directors of the Company, none of the other Director is in any way concerned or interested in the Resolution.

The Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

Shri Naishadbhai Patel shall not be subject to retirement by rotation during the tenure of office as Managing Director of the Company, in accordance with the provisions of the Articles of Association of the Company.

The particulars set out above may be treated as an abstract of the Agreement, proposed to be entered into between the Company and Shri Naishadbhai Patel under the provisions of Section 302(2) of the Companies Act, 1956.

The Board of Directors recommends the resolution for Approval of the members

Item No. 6

The Board of Directors at its Meeting held on 14th April 2011 approved re-appointment of Shri Atish Patel as Executive Director of the Company for a further period of 3 years effective from 15th April, 2011. The resolution was put up for your approval at the extra ordinary general meeting of the company held on 23rd May, 2011. However, due to typographical error, type of resolution was not mentioned in the Notice. Therefore, the said resolution is put again for your approval.

The material terms and conditions of the appointment relating to the remuneration as embodied in the Agreement between the Company and Shri Atish Patel are given below:

I Remuneration Salary: Rs. 1,00,000/- (Rupees One lac) per month from 1st April 2011, with annual increment as the Board of Directors may decide.

II Perquisites

- (i) Housing:
- (a) A fully maintained rent-free furnished residential accommodation or house rent allowance along with reimbursement of expenses on furnishing and maintenance.
 - (b) Reimbursement of actual, of gas, electricity and water charges.
- (ii) Medical Reimbursement
- Reimbursement of expenses incurred by Mr. Atish Patel for himself and his family subject to a ceiling of one month's salary in a year or three month's basic salary over a period of three years and hospitalization expenses as per rules of the Company.
- (iii) Leave Travel
- Leave Travel Allowance for himself and his family once in a year in accordance with the rules of the Company.
- (iv) Insurance: In accordance with the rules of the Company
- (v) Club Fees: Fees and subscription of clubs, however, not to include admission and life Membership.
- (vi) Provision of Car with all running and maintenance expenses be borne by the Company and a Driver or reimbursement of expenses incurred on Driver.
- (vii) Provision of telecommunication facility.
- (viii) Contribution to Provident Fund, Superannuation or Annuity Fund in accordance with the rules of the Company.
- (ix) Gratuity – not exceeding half month's salary for each completed year of service.
- (x) Leave, leave accumulation and encashment of accumulated leave as per rules of the Company.

The aforesaid Perquisites shall be valued as per the Income Tax Rules, 1962 as amended from time to time.

Except Shri Atish Patel himself and Shri Naishadbhai Patel and Mrs. Jyotiben Patel, Directors of the Company, none of the other Director is in any way concerned or interested in the Resolution.

The Executive Director shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

Shri Atish Patel shall not be subject to retirement by rotation during the tenure of office as Executive Director of the Company, in accordance with the provisions of the Articles of Association of the Company.

The particulars set out above may be treated as an abstract of the Agreement, proposed to be entered into between the Company and Shri Atish Patel under the provisions of Section 302(2) of the Companies Act, 1956.

The Board of Directors recommends the resolution for Approval of the members

Date: 25th August, 2011

Place: Vithal Udyognagar

By Order of the Board
NAISHADBHAI PATEL
CHAIRMAN

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. A PROXY IN ORDER TO BE EFFECTIVE, MUST BE LOGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.**
2. The Register of Members and the Share Transfer Books will remain closed from Thursday, 22nd September, 2011 to Saturday, 24th September, 2011 (both days inclusive).
3. 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 and 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.
 - (f) The relative explanatory statements pursuant to Section 173(2) of the Companies Act, 1956 attached herewith and form part of this Notice.

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting this 13th ANNUAL REPORT together with the Audited Accounts of the Company for the year ended on 31st March 2011.

FINANCIAL RESULTS

The Summary of the financial performance of the Company for the year ended 31st March, 2011 compared to the previous year is as below:

(Rs. in Lacs)

		2010-2011	2009-2010
1	Turnover	607.98	596.19
2	Other Income	3.55	3.21
3	Total Income	611.53	599.40
4	Profit/(Loss) Before Depreciation, Interest and Tax	(37.53)	63.58
	Less/Add : Interest	48.84	44.09
	Depreciation	18.56	18.05
5	Profit/(Loss) Before Taxation	(105.03)	1.44
6	Income Tax	0.00	0.00
7	Profit/(Loss) After Taxation	(105.03)	1.44
8	Prior year's Expenses	00.47	0.22
9	Profit/(Loss) for the year	(105.50)	1.22

During the year under review there is a marginal increase in the turnover to Rs.607.98 lacs from Rs. 596.19 lacs in the previous year and it is mainly because of non finalization of orders from Company's customers who are mainly various State Governments and subsidies given to farmers in the respective States. Other income has increased marginally to Rs. 3.55 lacs from Rs. 3.21 lacs in the previous year.

CURRENT YEAR PERFORMANCE

During the year under review the Company has obtained repeat order quantity of 9216 Manually Operated Seed Dressing Drums worth Rs.299.98 lacs from Department of Agriculture, Punjab State and the same has been supplied as per schedule of delivery and the payment has been received against the supply.

DEVELOPMENT OF NEW BUSINESS - GEAR

Based on the proposed business opportunity in the engineering area, your company has altered the object clause by passing necessary resolution by postal ballots. The company has also entered into preliminary agreement with authorized agent of Befared S. A. Poland, M/S Befared Gears Motors & Controls India Pvt., Ltd., to carry out the engineering works. However, since then, there was no response to perform the work as described in the agreement and consequently, the company has not carried out any engineering activity. Whenever, the same will be actually confirmed, necessary resolution will be passed to commence the new business and declaration will be filed with the Registrar of Companies.

SALE OF ASSETS

To reduce the interest burden of inter corporate loan taken by the company, your Board recommended to pay the ICD by way of sale of assets and accordingly, after your approval by approving the resolution by way of postal ballot, the Company has set off the outstanding ICD against transfer of the immovable properties of the Company.

DIVIDEND

In view of the continued accumulated losses incurred by the Company in previous years your Directors do not recommend dividend on Equity Shares for the year ended on 31st March, 2011.

DELISTING FROM AHMEDABAD STOCK EXCHANGE

The Directors are pleased to inform the Shareholders that the Equity Shares of the Company are delisted from Ahmedabad Stock Exchange with effect from 31st March, 2011. Delisting approval from Jaipur Stock Exchange is awaited.

DIRECTORS

Shri Kiribhai Patel and Shri 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.

During the year Shri Dikubhai Patel, Director of the Company tendered his resignation from Directorship of the Company and the Board accepted the same. The Board deeply appreciated the services rendered by Shri Dikubhai Patel as Director of the Company.

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 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: 25th August, 2011

Place: VITHAL UDYOGNAGAR

ATISH PATEL
EXECUTIVE DIRECTOR

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 the farmers 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 the ultimate users of the Company's Products. The Company continues to face competition from un-organized sector and the challenge before your Company is to accelerate market growth, maintaining margins, which are under pressure in the current year due to increase in input cost of the materials used for manufacturing of Sprayer Pumps.

(c) Segment wise performance

The operations of the Company are in manufacturing of Plant Protection Equipments and also in the business of Windmill Frames and trading in Solar Energy Items.

(d) Material development in Human Resources

There has not been any major material development in 12 months period under review than those reported last year.

(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 and has developed Seed Dressing Drums and this new product has received good response. Overall slow down of the performance is to some extent due to late receipt of payment and thereby and reapeat order is received from Punjab State Government. Company's working capital is affected and it becomes difficult to timely rotate the fund, however, rigorous efforts to collect over due payment continue through field officers and the distributors and thereby improve liquidity of funds and manage the business successfully.
- ii) Your Directors are now rigourously looking for measures to pursue all available infrastructural, manufacturing and financial resources to the fullest extent and in the best interest of the Shareholders of the Company.
- iii) Your Directors have developed, created and coordinated an efficient organizational system that could deliver high growth and progressive profit building 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 of 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 and Audit Committee 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 statues 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 and crucial 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 Professional Directors, and all Members possess strong knowledge of accounting and financial management 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)
2	Non-Executive Independent Professional Directors
1	Non-Executive Independent Director
1	Non-Executive Director

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

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

None of the Directors holds memberships of more than 10 Committees of Board or as any Director / Chairman of more than 5 Committee of Board.

Category and Attendance of Directors

Name of Directors	Category of Directorship	No. of Meetings Attended	Attended at Last AGM	Other Company		
				Directorship held	Members in Committee	Chairman in Committee
Naishadbhai Patel	Promoter & Managing Director	4	Yes	4	0	0
Atish Patel	Promoter & Executive Director	4	Yes	4	0	0
Kiritbhai Patel	Promoter & Non Executive Director	2	Yes	3	0	0
Jyotiben Patel	Non executive Director	4	No	1	0	0
* Dikulbhai Patel	Non executive Professional Director	3	Yes	3	1	0
Kiranbhai Patel	Non executive Professional Director	3	No	0	1	1
Arvindbhai Shah	Non-executive Professional Director	4	No	0	1	0
Hariharbhai Patel	Non executive Director	2	No	0	0	0

Shri Atish Patel and Mrs. Jyotiben Patel are related to Shri 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., Shri Kiranbhai M. Patel, as Chairman, Shri Arvindbhai V. Shah and * Shri Dikulbhai Patel as Director Members of the Committee.

* Resigned with effect from 15th June, 2011

BOARD MEETINGS

During the year 4 Meetings of the Board of Directors were held on 28th May, 2010, 27th July, 2010, 27th October, 2010

