3rd Annual Report
1993-94

INSTITUTE OF PESTICIDE FORMULATION TECHNOLOGY

Registered Under Societies Act XXI, (Registration No. S-21944/1991)

ANNUAL REPORT FOR 1993-94

INTRODUCTION

The Institute of Pesticide Formulation Technology is a non-profit making organisation, registered under the Societies Registration Act on May 31, 1991. The objective of the Institute is to promote and encourage the advancement of Pesticide Formulation Technology in India. The Institute aims to develop and promote safer, efficient, economic and environment friendly pesticide formulations utilising indigenously available raw materials including microbial and botanical products integrated with the development of relevant modern application technologies.

The Institute is implementing the ongoing United Nations Development Programme (UNDP) assisted project "Strengthening of Pesticide Development Centre-Phase II" on Pesticde Formulation Development and Research. The Institute has basic research, development as well as training facilities needed for development, manufacture, quality control of pesticide formulations.

The Institute is recognised as a Scientific and Industrial Research Organisation (SIRO) by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The Institute has given technical input to Bureau of Indian Standards (BIS) regarding development of product specifications in respect of pesticides besides new analytical methods.

The Institute has also been given the role of Technical Coordinator Unit of the Regional Network on Pesticides for Asia and the Pacific (RENPAP) of the UNDP/UNIDO on Pesticide Formulation and Quality Control.

MEMBERSHIP SCHEME

Under the rules and regulations of the Society, members consisted of the Governing Body and other members nominated by the Central Govt. With a view to broadbase the Institute and to make it self-sufficient, it has been decided, with the approval of the Govt. of India, to throw open membership of the Institute to industry, Universities/ Research Bodies, Students. The Governing Body has been empowered to admit life members on payment of entrance fee of Rs. 15 lacs, ordinary members on payment of Rs. 5 lacs as entrance fee and Rs. 1 lac as annual fees, Associate members on payment of Rs. 10,000 as entrance fee and Rs. 2000 as annual fee from individuals, firms/companies, Associations of Manufacturers and Rs. 100 annually from students and nil from Universities/Research Bodies/Individuals of repute. While other members will have voting rights and entitled to concessional services of the Institute, Associate members will not have these facilities. The scheme is being given wide circulation with a view to enrol members from the year 1994-95.

ACTIVITIES DURING THE YEAR UNDER REPORT

A) Services rendered to the pesticide industry

I) **Pesticide Formulation**

The Pesticide Formulation laboratory of the Institute is well equipped with many of the modern facilities required for the development of pesticide formulations especially the new generation ones. The major equipments available at the laboratory include Dynomil (KDL special), Eiger Mill, Fluid Bed Spray Granulator, Spray Drier, Turbula Mixer, Pan and Disc Granulator, Extruder, Micro Pulverisor, Silverson Mixer, Climatic Chamber, laser based particle size Analyser, Rheometer, Film Balance, Surface and Interfacial Tensiometers, Viscometers and Research Microscopes.

The major formulation development projects undertaken during the year and their status is as follows:

i) **Isoproturon 75 WG:** The fluid bed spray granulation process for the formulation of Isoproturon 75 WG was standardised and scaled up at the pilot plant level.

ii) **Monocrotophos 36 SL:** An alternate solvent system for improving the shelf life stability of Monocrotophos 36 SL formulation has been developed.

iii) **Endosulfan 50 SC:** The first phase of this project has been completed. Samples have been sent to the sponsorer. Scaling up studies are to be carried out.

iv) **Malathion 50 WP:** Process developed for the formulation of Malathion 50 WP meeting the WHO specifications for export purposes.

v) **Sulphur 52 SC:** Preliminary studies on the development of Sulphur 52% (w/w) SC formulation carried out. The quality needs further improvement since caking has been observed after about 9 months of storage.

Forty one projects/studies sponsored by the following pesticide industry firms were undertaken by the Institute during the year 1993-94:

S.No.	Sponsorer	Project
1.	Bhaskara Agro, Hyderabad.	Monocrotophos SL.
2.	Polyplex, New Delhi.	Particle size determination.
3.	20 Microns, Baroda.	Particle size determination.
4.	Sulphur Mills, Bombay.	Processing of formulations.
5.	Bhopal Pesticides.	Particle size determination.
6.	Excel Industries, Bombay.	Particle size determination.
7.	Septu, Gurgaon.	Particle size determination.
8.	Sulphur Mills, Bombay.	Particle size determination.
9.	Excel Industries, Bombay.	Endosulfan SC.
10.	Insilco, New Delhi.	Particle size determination.
11.	United Phosphorous, Bombay.	Malathion 50 WP
12.	Hindustan Mineral Products.	Particle size determination.
13.	United Phosphorous, Vapi.	Particle size determination.

During the year 1993-94 Pesticide Formulation Laboratory generated an income of about Rs. 4.40 lacs.

II) Analytical facilities

The analytical laboratory of the Institute has been recognised as an independent test laboratory by the Bureau of Indian Standards (BIS) for the analysis/testing of 93 pesticides and their formulations.

The analytical laboratory of the Institute is fully equipped with sophisticated analytical instruments with supporting infrastructural facilities.

The analytical methods for the Active Ingredient content of Malathion and Butachlor have been developed and estimation of Lindane by GC method has been adopted by the Bureau of Indian Standards. The Laboratory is also providing analytical reference standards for Carbaryl, Carbofuron, p'p-DDT, Lindane, Butachlor and Monocrotophos and is soon going to provide analytical reference standards of Cypermethrin, Anilophos, Carboxin, Fenvalerate, Quinalophos, p'p-DDT, Dicofol, Malathion, Chloropyriphos and MMA, Endosulfan, Cypermethrin (Secondary Standard) CIS and Trans, -Fenvalerate, BHC Isomer, Beeta, and Alpha, Endosulfan.

Collaborative Studies

CIPAC (Collaborative International Pesticides Analytical Council).

Participating as an International Collaborative Laboratory for Ediphenphos, Methamidophos, Fenvalerate, Dimethomarph and Pyridate.

FAO, IAEA/GTZ

Dichlorvos, Mancozeb, Bromophos and mixed pesticides are being studied under this programme.

RENPAC

Carbofuran and Isoproturon are the two pesticides selected for this study.

CIL/RC

CIL/RC collaborative studies of shelf-life of Monocrotophos of 36 SL is also being conducted alongwith Central Insecticides Laboratory of Ministry of Agriculture based at Faridabad. Work has been initiated for the development of methods for the determination of the a.i. content in *Neem* formulation with CIL Faridabad under the Ministry of Agriculture.

Analytical services are being offered to the Indian pesticide industry and the Bureau of Indian Standards (BIS) for the analysis and testing of 93 pesticides and their formulations.

The analytical services provided by Institute are being utilised by:

i) Pesticide industry in the form of analytical services.

ii) Bureau of Indian Standards a) Method development. b) Analytical services c) Standard making.

iii) CIL/RC: Verification of Shelf life of pesticides and their formulations.

iv) CIPAC: Method validation and verification.

v) RENPAC: Method validation and verification.

vi) FAO/IAEA/GTZ: Method validation and verification.

Preparation of reference standards

The primary reference standards of Quinalphos, Anilophos, Isoproturon and Carbofuron have been prepared and tested.

The Analytical Chemist of the Institute is on the Committees of Experts set up by BIS on Pesticides Sectional Committee, Pesticides Residue, Revision of BIS specifications, Formulation of pesticides containing *neem* and its derivatives, chemical standards.

The Analytical Chemist was nominated as expert by Govt. of India on Expert Group on Equipment of Preparatory Commission for the Organisation for the Prohibition of Chemical Weapon at The Hague during November 15-19, 1993 and January 24-28, 1994.

A revenue of about Rs. 2.0 lacs has been generated through analytical services and training programmes during the period under report.

III) **Bio-Sciences Laboratory**

The Bio Sciences Laboratory is responsible for evaluating pesticides and its formulation under laboratory and field conditions. The laboratory is fully equipped with the latest equipment viz. Quantimet + Image Analyser, Knock-down chamber, Potter's Tower, AIMS Droplet measurement system, Microdoser, plot seed driller, plot thresher, newer application equipments like CDA, ULV, etc. to undertake evaluation of pesticides and their formulations including bio-efficacy, phytotoxicity, compatibility and insect resistance to insecticides. The biological services have been offered to the pesticide industry in the country for some data generation needed for the registration of pesticides. Tariff for these services has been finalised during the year under report and the same has been circulated to the industry for sponsoring the projects.

Being environmentally friendly, botanical pesticides are the need of the day. Therefore, the Institute has taken initiative and two scientists were trained at Rothamsted Experimental Station, UK on botanical pesticides developed under the guidance of an UNIDO Consultant who visited the Institute as a Consultant on Botanical Pesticides. Eight different Indian plant species, *Annona squamosa, Vitext negundo, Ipomea carnea, Datura stramonium, Chreysanthemum Cinerarioiefolium, Prosopis sulifslora, Mimusops elengi, Argenone maxicana* have been identified for their insecticidal value. Research work on extraction, fractionation identification and performance evaluation as insecticide has been initiated. Standard of bio-essay with reference material has been made against different groups of insects. A UNIDO Consultant on botanical pesticides has worked out the protocols and possible collaboration with Indian Agricultural Research Institute, New Delhi and Rothamsted Experimental Station, UK for further studies on Botanical Studies.

In the area of biocides, a self-spreading oil flowable formulation based on *Bacillus thuringiensis & Bacillus sphaericus* has already been developed for the surface feeding mosquito larvae for malaria. Other formulations like floating dust (FD), Water Dispersible Powder (WP), Suspension Concentrate (SC) and Coated Granules (GR) are in different stages of development and performance evaluation for the control of mosquito larvae are in progress.

Two scientists of Bio Sciences Division got training as UNIDO fellows on Botanical Pesticides at Rothamsted Experimental Station, UK for a period of three months each. Another scientist attended 3-month training programme on pesticide application method at Imperial College, UK.

One of the scientists of Bio Sciences Division had been deputed by Govt. of India to attend the Experts Group Meeting on Data Systems of Preparatory Commission for the Organisation for the Prohibition of Chemical Weapons at the Hague. Netherlands from 8-12 November, 1993.

An income of Rs. 0.70 lakhs was generated through the training programme on Pesticide Registration and Regulations conducted by this Division.

Adaptation of Efficient Application Technologies

As per the recommendations of UNIDO Consultant, a modern application technology laboratory is being set up wherein, in addition to the existing research work for improving the application technology, training can also be imparted to the applicators for efficient and economical use of pesticides.

One scientist has been trained at Pesticide Application Research Centre, UK for three months and at present is conducting studies on new methods of applications like Control Droplets Application (CDA), Ultra Low Volume (ULV) spray in comparison to conventional methods for efficacy.

Work has also been initiated in collaboration with leading pesticide application equipment industry, namely, American Springs and Pressing Works, Bombay.

IV) **Pilot Plant**

The pilot plant is equipped for scaling up of the processes from bench scale to semi commercial level and forms the bridge between the laboratory and commercial scale production.

The pilot plant equipments are being utilised for inhouse and contractual work on technology development. The equipments are also being used for live demonstration for the training programmes.

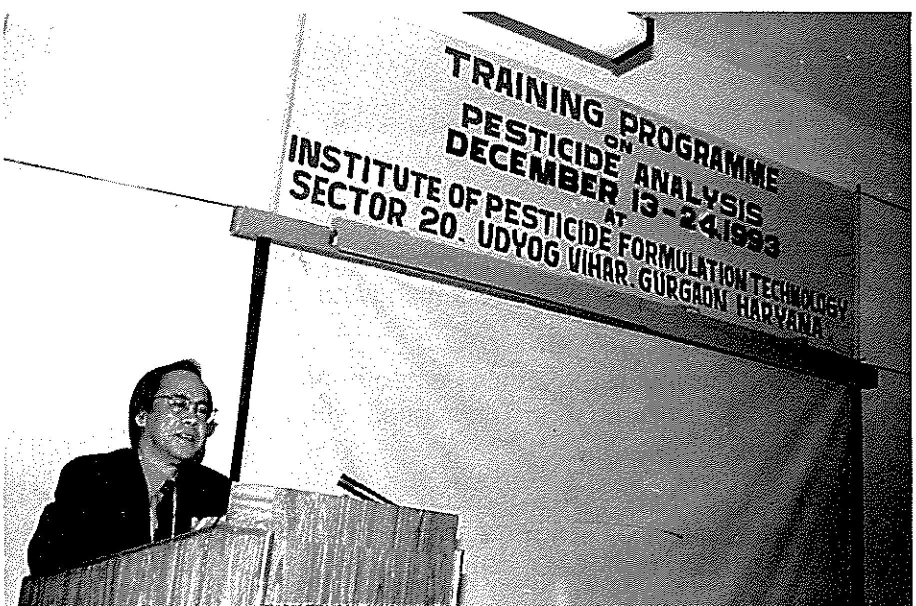
It has a Dyno Mill for the production of flowable formulations and a specially designed spray granulator for production of Water Dispersible Granules. The Dyno Mill has been used for processing test marketing samples for Endosulfan SC formulation. Bulk production activity would be carried out depending upon the approval of product by the contractor. Other equipments including Fluid Energy Mill, Lodgie Mixer, Ribbon Blender, Hammer Mill for undertaking semi-commercial production activity are also available. Spray bed granulator has been modified to suit the wider requirements and commercial production techniques of Isoproturon WG has been standardised. The pilot plant group is also equipped to render consultancy services in the field of feasibility studies and trouble shooting needs of the pesticide industry.

The tariff structure for rendering the service of the various equipments has been finalised and approved. Efforts are being made to publicise the activities of pilot plant alongwith the rates to be charged for rendering services so that the equipments could be fully utilised and generate income for the Institute.

B) **Training programme, preparation of compendium on equipment and safety manual.**

1. **Training programme**

The following training programmes were organised during the year under review:



Shri Bayani S. Aguirre, Senior Deputy Resident Representative, United Nations Development Programme inaugurating one of the Training Programmes.

a) A ten-day training Programme on Industrial Investment Project Preparation, Appraisal and Financing in collaboration with UNIDO and the Management Development Institute, Gurgaon. Eight trainees participated in the programme.

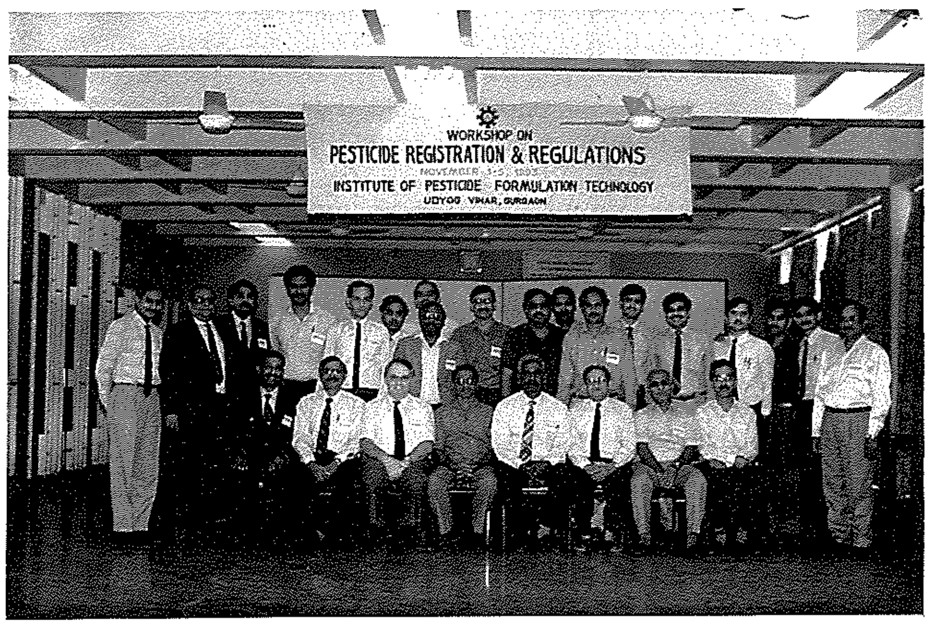
b) Five-day Workshop on Pesticide Registration and Regulations was organised. Twenty four senior and middle level nominees received training under the programme.

c) Training on Pesticide Analysis for BIS: Eleven officers both at senior and middle level including two Directors participated in the programme.

d) Training in Pesticide Formulation. Twenty eight nominees from the industry participated in the programme.

e) Two days Training Programme-cum-Meet on Effluent Treatment and Industrial Safety in Pesticides Industry held at Ankleshwar, Gujarat. Thirty six representatives from industry participated in the training programme.

f) Two officer from China were given practical training in pesticide formulation technology in the Institute for one man month through RENPAP.



Workshop on Pesticide Registration and Regulations.

IPFT was the co-organiser of the International Symposium on Industrial Application of Micro Emulsion Technology conducted from December 9-11, 1993.

An officer of the Institute has also acted during 1993-94 as UNDP National Expert on Cleaner Production Techniques with regard to safety and effluent treatment.

Three scientists from IPFT alongwith 12 nominees from pesticide industry attended a training programme organised by the UNIDO during March 28-April 30, 1994.

Training Programme of the officials of the Bureau of Indian Standards in progress.

2. **Compendium preparation**

Information from various equipment manufacturers of India and abroad on various process equipments needed for formulation has been collected and the preparation of the compendium on the state of art equipments for use by the pesticide industry is in progress.

3. **Safety manual**

A safety manual containing pollution prevention measures with particular reference to pesticides is planned to be published by the Institute by November-December, 1994. The manuscript is being prepared jointly with a UNIDO Consultant.

C) **Regional Network on Safe Pesticides Production and Information for Asia and the Pacific (RENPAP)**

Besides acting as the Technical Coordinator Unit on Pesticide Formulation Technology Development and Quality Control, the Institute on behalf of the Govt. of India continued to provide the secretarial assistance facilities and logistical support to the Regional Network on Safe Pesticides Production and Information for Asia and the Pacific (RENPAP).

D) **Management**

The Governing Body of the Institute has been reconstituted by the Govt. of India in July, 1994. The composition of the Governing Body is given in Annexure I.

E) **Financial status**

In the third year of its operation, the Institute has received grants from Govt. of India of Rs. 64 lacs and contribution of Rs. 4 lakhs from the pesticide industry.

The Institute generated a net income of Rs. 8.83 lakhs from its various services rendered to the industry and from other sources.

The Annual Audited accounts of the Society for the year 1993-94 audited Balance Sheet, Auditor's Report and the comments of the Society on the Audit Report are placed at Annexure II.

Training Programme on Pesticide Formulation Technology.

Annexure I

COMPOSITION OF THE GOVERNING BODY

1. Dr. S.P. Dhua, Part-time Chairman.
2. Shri Vinay Kohli, Joint Secretary, Deptt. of Chemicals & Petrochemicals.
3. Shri I.S. Malhi, Joint Secretary, Ministry of Agriculture.
4. Shri N. Gopalan, Joint Secretary & Financial Adviser, Ministry of Chemicals & Fertilizers.
5. Dr. A.V. Ramarao, Director, Indian Institute of Chemical Technology, Hyderabad.
6. Smt. Shailja Chandra, Joint Secretary, Ministry of Health.
7. Shri D. Ja~~i~~yaprakash, Chairman & Managing Director, M/s Hindustan Insecticides Ltd.
8. Director of Agriculture, Govt. of Bihar, Patna.
9. Secretary Industries, Govt. of Haryana, Chandigarh.
10. Dr. Kawal Dhari, General Manager (R&T), Hindustan Insecticides Ltd., Member Secretary, IPFT.

ANNEXURE II

INCOME & EXPENDITURE A/C FOR THE YEAR ENDING ON 31.3.1994

Last Year Figures Rs.	Head of Account	IPFT Rs.	RENPAP Rs.	TOTAL Rs.
Expenditure				
2587203.25	Salaries & wages	2446989.73	349261.88	2796251.61
192305.00	Institute's Contribution to P.F.	196526.50	12570.00	209096.50
12485.00	Administration Charges on P.F.	12320.75	590.00	12910.75
9213.50	DLI Charges on P.F.	9258.75	345.00	9603.75
160.00	Institute's Contribution to Welfare Fund	152.50	—	152.50
30398.70	Bonus	22066.67	4400.00	26466.67
2831765.45		2687314.90	367166.88	3054481.78
68153.80	Staff Welfare Fund	78239.85	2409.00	80648.85
28986.30	Transport Subsidy	57383.00	10330.00	67713.00
50023.00	LTC	36730.25	6364.20	43094.45
155791.16	Medical Expenditure	202103.62	10716.75	212820.37
80914.50	Gratuity	88319.00	12778.95	101097.95
72157.74	Leave Encashment	50168.79	13594.34	63763.13
101064.45	Canteen Subsidy	95164.35	10974.35	106138.70
—	Washing Allowance	2697.00	—	2697.00
557090.95		610805.86	67167.59	677973.45
75288.10	Exp. on PMC Meeting	—	52578.25	52578.25
136458.91	Travelling Expenses	124431.54	28042.50	152474.04
5328.14	Entertainment Expenses	6855.50	898.75	7754.25
20481.07	Misc. Expenses	14966.76	6438.90	21405.66
86832.82	Repair & Maintenance	75248.90	1248.00	76496.90
22236.51	Laboratory Expenses	55119.93	—	55119.93
41229.06	Chemicals	36969.71	—	36969.71
94622.40	Postage, Telegram & Telephone	63683.37	17976.00	81659.37
—	Expenses on Bio-sciences	485.00	—	485.00
2158.50	Rent, Rates & Taxes	6985.00	174286.50	181271.50
9277.45	Insurance	11511.60	257.00	11768.60
107876.50	Elect. Charges incl. diesel	119881.17	—	119881.17
77980.30	Printing & Stationary	47015.25	26047.25	73062.50
73899.84	Vehicle Maintenance	14306.79	65531.19	79837.98
102840.48	Security Charges	102123.35	—	102123.35
3600.00	Staff Training Expenses	50.00	—	50.00
200.00	Subscription & Membership Fee	—	—	—
4364.33	Newspaper & Periodicals	8903.33	1343.10	10246.43
3078.00	Bank Charges	1174.75	25.00	1199.75
233.00	Cartage & Coolies	410.00	—	410.00
—	Legal Charges	—	—	—
5000.00	Audit Fee	5000.00	—	5000.00
1900.00	Remu. to Auditors (other jobs)	2750.00	—	2750.00
2412.00	TA To Auditors	5020.00	—	5020.00
—	Administration Charges	—	—	—
8511.00	Depreciation	15034.00	1031.00	16065.00
—	PLI	—	287.00	287.00
—	Expenses on CWC	317761.20	—	317761.20
4274664.81		4333807.91	810324.91	5144132.82
600345.84	Excess of income over expenditure transferred to balance sheet	709372.39	113520.62	822893.01
4875010.65		5043180.30	923845.53	5967025.83

Sd/-
(DAULAT KHEMANI)
Finance Officer

Auditors' Report
In terms of our separate repor of even date
for Gulshan Vineet & Associates
Chartered Accountants

Sd/-
(GULSHAN JHURANI)
Partner

Place: New Delhi
Date: 01.07.1994

Last Year Figures Rs.	Head of Account		IPFT Rs.	RENPAP Rs.	TOTAL Rs.
Income					
	Govt. Grant-in-Aid	6400000.00			
	Less: Trfd. to Corpus Fund	2700000.00			
3800000.00	Net:		3700000.00	500000.00	4200000.00
—	Contribution from Industries		400000.00		400000.00
636079.97	Receipts from UNDP		—	394920.03	394920.03
258375.00	Testing Charges received		231800.00	—	231800.00
	Seminar & Workshop				
	(Receipts)	339000.00			
	Less: Expenses	161192.95			
106518.28	Net:		177807.05	—	177807.05
61776.20	Interest on deposits		63481.00		63481.00
312.00	Misc. Income		250.00	70.00	320.00
9926.20	Hire charges for private use of staff car received		—	9444.50	9444.50
2023.00	Sale of Publication		—	19411.00	19411.00
	Training Fee Received				
	Indian		34975.25		34975.25
	Foreign		249600.00		249600.00
	Income from Project		125000.00		125000.00
	CWC Inspection fee received		60000.00		60000.00
	Excess/short pro. of Bonus		267.00		267.00
4875010.65			5043180.30	923845.53	5967025.83

Sd/-
(DR. KAWAL DHARI)
Secretary

BALANCE SHEET AS ON 31.3.1994

Last Year Figures Rs.	Head of Account		IPFT Rs.	RENPAP Rs.	TOTAL Rs.
Liabilities					
2547801.86	Reserves & Surplus				
	Balance as on 31.3.1993		2547801.86		2547801.86
	Add: Surplus for the year 93-94		709372.39	113520.62	822893.01
					3370694.87
600000.00	Corpus Fund A/c				
	Balance as on 31.3.1993	600000.00			
	Add: during 93-94	2700000.00	3300000.00		3300000.00
	Current Liabilities & Provisions				
80914.50	Provision for Gratuity				178804.50
30398.70	Provision for Bonus				28332.37
8511.00	Provision for Depreciation				24576.00
105559.18	Expenses Payable				6808.00
200.00	Staff Advances				26000.00
156.24	Lloyds Insulation Co.				—
—	T.D.S.				1331.00
—	Amount Payable to UNDP				140400.00
—	Amount Payable to HIL (H.O.)				26138.29
809182.55	Amount Payable to HIL (R&D)				708245.92
—	Advance Received from Parties				950.00
4182724.03					7812280.95

Sd/-
(DAULAT KHEMANI)
Finance Officer

Auditors' Report
In terms of our separate repor of even date
for Gulshan Vineet & Associates
Chartered Accountants

Sd/-
(GULSHAN JHURANI)
Partner

Place: New Delhi
Date: 01.07.1994

Last Year Figures Rs.	Head of Account	IPFT Rs.	RENPAP Rs.	TOTAL Rs.
Assets				
2032726.62	Capital Work-in-progress			
	Balance as on 31.3.93	2032726.62		
	Additions during 93-94	1021779.50		
	Total as on 31.3.1994			3054506.12
75475.12	Plant & Machinery			
	Balance as on 31.3.1993	75475.12		
	Additions during 93-94	33717.50		
	Total as on 31.3.1994			109192.62
—	Typewriters	5472.30	5472.30	10944.60
—	Furniture & Fixtures	47247.66	42691.00	89938.66
—	Office Equipments	5200.00		5200.00
	Investments			
700000.00	SBI Term Deposit A/C	—		—
—	Corpus Fund Investment A/C	3300000.00		3300000.00
	NTPC 16 LAKHS			
	SAIL 17 LAKHS			
	Current Assets			
379757.10	SBI, New Delhi Current A/C	991466.36		
763114.52	SBI, Dundahera Current A/C	57651.81		
—	Cash	14766.78		1063884.95
	Advances			
2500.50	Kendriya Bhandar	—		
—	To Staff	17430.00		
—	Festival advance to staff	16700.00		34130.00
	Amount Recoverable			
76079.97	From UNDP	—		
152725.00	Testing charges recoverable	141500.00		
—	Interest receivable	690.00		
345.20	Prepaid expenses	1694.00		
—	Amount advanced for Books	600.00		144484.00
4182724.03				7812280.95

Sd/-
(DR. KAWAL DHARI)
Secretary

SCHEDULE OF FIXED ASSETS AS ON 31.3.1994

		GROSS BLOCK			
No.	Particulars	Cost as on 1.4.93	Addition transfer during the year	Sales transfer written off during the year	Total cost as on 31.3.94
IPFT					
1.	Hostel Building Under Constn.	2032726.62	1021779.50	—	3054506.12
2.	Plant & Machinery	75475.12	33717.50	—	109192.62
3.	Furniture & fixture	—	47247.66	—	47247.66
4.	Office Equipments	—	5200.00	—	5200.00
5.	Typewriters & Duplicators	—	5472.30	—	5472.30
	Total	2108201.74	1113416.96	—	3221618.70
RENPAP					
1.	Furniture & fixture	—	42691.00	—	42691.00
2.	Typewriters & Duplicators	—	5472.30	—	5472.30
	Total	—	48163.30	—	48163.30

Sd/-
(DAULAT KHEMANI)
Finance Officer

Place: New Delhi
Date: 01.07.1994

	DEPRECIATION				NET BLOCK	
Sl. No.	Upto 31.3.93	During the year	Written back adjusted during the year	Upto 31.3.94	As at 31.3.94	As at 31.3.93
1.	—	—	—	—	3054506.12	2032726.62
2.	8511.00	13451.00	—	21962.00	87230.62	66964.12
3.	—	932.00	—	932.00	46315.66	—
4.	—	280.00	—	280.00	4920.00	—
5.	—	371.00	—	371.00	5101.30	—
	8511.00	15034.00	—	23545.00	3198073.70	2099690.74
1.	—	660.00	—	660.00	42031.00	—
2.	—	371.00	—	371.00	5101.30	—
	—	1031.00	—	1031.00	47132.30	—

Sd/-
(DR. KAWAL DHARI)
Secretary

NOTES TO ACCOUNTS

1. Amount of Rs. 3,54,567/- apportioned to IPFT by HIL as its share of interest on unsecured loan for the year 1993-94 has not been taken into account of IPFT because assets corresponding to the loan amount has not been apportioned to IPFT as on the Balance Sheet date i.e. 31st March, 1994.

2. A provision amounting to Rs. 1,37,828/- wrt amount deducted from the bills of M/S Jeet Enterprises by way of security deposit and subsequently refundable to the party (subject to satisfactory completion of work) has not been transferred by HIL to IPFT and hence the same is not reflected in the Accounts of IPFT for the Year 1993-94.

3. As per prevailing practices in the previous years, during the last year also expenses apportioned by HIL have been incorporated in the accounts of Institute of Pesticide Formulation Technology. Out of the expenses allocated by HIL provision for bonus amounting to Rs. 12,865.51 & provision for Gratuity amounting to Rs. 74,842/- has been incorporated as expenses in the Income & Expenditure Statement of IPFT but credit of the same has not been given to HIL. As these expenses are payable in the close of the year; the credit to HIL shall be given as and when they are actually paid.

4. Depreciation has been charged on Straight Line Method at the following on prorata basis:

Plant & Machinery	15%
Furniture & Fixtures	6%
Typewriters	15%
Office Equipments	10%

AUDITOR'S REPORT

TO THE MEMBERS OF INSTITUTE OF PESTICIDE FORMULATION TECHNOLOGY

We have audited the attached Balance Sheet of Institute of Pesticide Formulation Technology as at 31.03.94 and the Income & Expenditure Account for the year ended on that date annexed thereto & report that:–

1. Figures of previous year have been regrouped & recast wherever necessary.
2. It has been explained to us that the society has come into being as a result of the decision of the Government of India to convert Pesticides Development Centre into a society w.e.f. 31.05.91. No decision has been shown specifying the exact details of the takeover of the assets/liabilities of Pesticides Development Centre alongwith the dates of such transfer. In respect of assets aggregating Rs. 26.19 lacs funded out of Govt. loan it was explained that the transfer of assets & corresponding liability shall be effected in the subsequent years. However no transfer was effected hence no depreciation on the above assets has been provided.
3. In respect of transfer of hostel building only Rs. 30,54,506.12 has been capitalised whereas total expenses incurred on building are Rs. 43,31,694.43. The present figure of capital work in progress represents expenses incurred on hostel building from 01.06.91 to 31.03.94 only. This aspect should be made the subject matter of total assets transfer of Pesticides Development Centre to Institute of Pesticides Formulation Technology as it would be erroneous to capitalise the hostel building subsequently at a value less than the amount expended.
4. The land on which the hostel building is being constructed belongs to Hindustan Insecticides Ltd. No lease agreement of the same in favour of Institute of Pesticide Formulation Technology has been executed. The legal implications of transfer of the building have not been ascertained and no provision for any liability on this Account has been created.
5. The difference in the balance of Hindustan Insecticides Ltd. due to non incorporation of certain expenses by Institute of Pesticides Formulation Technology is subject to confirmation by Hindustan Insecticides Ltd.
6. The sharing of common expenses on a 50:50 basis, with Hindustan Insecticides Ltd., Research & Development has not been explicitly spelt out in any meeting of the Governing Body/Finance & Administrative Committee to cover all expenses. The basis as explained to us, is the meeting of 7th July, 1992. However the minutes of the same are ambiguous and seem to cover only expenses on maintenance.
7. The 26 employees as per the list provided to us said to be working exclusively for Institute of Pesticide Formulation Technology is not supported by any administrative order. The details of terms & conditions for employment have not been provided for our verification. Hence we are unable to comment on the Establishment expenses.
8. Provision for Income Tax has not been made for the year as the Institute has been notified as exempt u/s 35(i)(ii) of the Income Tax Act, 1961. However exemption u/s 10 23(c)(iv) has not been received.

9. Interest on fixed deposit has been taken on receipt basis.

10. The total figure of testing charges receivable includes Rs. 72,700/- receivable for the year 1992-93. The same should be got recovered or confirmed.

Subject to the foregoing in our opinion & to the best of our information and according to the explanations given to us the said Balance Sheet and Income & Expenditure statement read together present & true & fair view.

i) In the case of the Balance Sheet of the statement of society's affairs as at 31st March, 1994.

ii) In the case of Income & Expenditure statement of the excess of Income over Expenditure of the society for the year ended 31.03.94.

For GULSHAN VINEET & ASSOCIATES
Chartered Accountants

Sd/-
(GULSHAN JHURANI)
Partner

Place: New Delhi
Date: 01.07.94

REPLY TO AUDIT POINTS

	Audit Point	Reply
1.	Figures of previous year have been regrouped & recast wherever necessary.	Calls for no comments.
2.	It has been explained to us that the Society has come into being as a result of the decision of the Government of India to convert Pesticides Development Centre into a society w.e.f. 31.05.91. No decision has been shown specifying the exact details of the takeover of the assets/liabilities of Pesticides Development Centre alongwith the dates of such transfer. In respect of assets aggregating Rs. 26.19 lacs funded out of Govt. loan, it was explained that the transfer of assets & corresponding liability shall be effected in the subsequent years. However, no transfer was effected hence no depreciation on the above assets has been provided.	The Government have in their orders dated 7.6.1994 broadly decided the basis of distribution of assets between HIL and IPFT. Government have also set up a high level committee to take decisions regarding valuation of various assets for the purpose of bifurcation. It is expected that this issue will be resolved soon.
3.	In respect of transfer of hostel building only Rs. 30,54,506.12 has been capitalised whereas total expenses incurred on building are Rs. 43,31,694.43. The present figure of capital work in progress represents expenses incurred on hostel building from 01.06.91 to 31.03.94 only. This aspect should be made the subject matter of total assets transfer of Pesticides Development Centre to Institute of Pesticides Formulation Technology as it would be erroneous to capitalise the hostel building subsequently at a value less than the amount expended.	This point has been noted and will be kept in view while finalising bifurcation of assets between IPFT and HIL.
4.	The land on which the hostel building is being constructed belongs to Hindustan Insecticides Ltd. No lease agreement of the same in favour of Institute of Pesticide Formation Technology has been executed. The legal implications of transfer of the builiding have not been ascertained and no provision for any liability on this Account has been created.	Same as in para 2 above.
5.	The difference in the balance of Hindustan Insecticides Ltd. due to non incorporation of certain expenses by Institute of Pesticides Formulation Technology is subject to confirmation by Hindustan Insecticides Ltd.	Non-incorporation of certain expenses by the Institute has been brought to the notice of HIL. Their confirmation is awaited.

6.	The sharing of common expenses on a 50:50 basis with Hindustan Insecticides Ltd. Research & Development has not been explicitly spelt out in any meeting of the Governing Body/Finance & Administrative Committee to cover all expenses. The basis as explained to us, is the meeting of 7th July, 1992. However the minutes of the same are ambiguous and seem to cover only expenses on maintenance.	Govt. appointed committee referred to at S.No. 2 above is seized with the question of sharing of common expenses between IPFT and HIL. Their recommendations in the matter are awaited.
7.	The 26 employees as per the list provided to us said to be working exclusively for Institute of Pesticide Formulation Technology is not supported by any administrative order. The details of terms & conditions for employment have not been provided for our verification. Hence we are unable to comment on the Establishment expenses.	The matter had been brought to the notice of HIL. They have yet to issue the administrative order. Meanwhile, all employees of HIL working with IPFT are being treated as on deputation to IPFT for the purposes of salary, leave and gratuity contribution payable by HIL from the date the society had been set up, though no formal deputation orders have so far been issued.
8.	Provision for Income Tax has not been made for the year as the Institute has been notified as exempt u/s 35(i)(ii) of the Income Tax Act, 1961. However exemption u/s 10 23(c)(iv) has not been received.	The matter is being persued with income tax authorities.
9.	Interest on fixed deposit has been taken on receipt basis.	Calls for no comments.
10.	The total figure of testing charges receivable includes Rs. 72,700/- receivable for the year 1992-93. The same should be got recovered or confirmed.	Efforts are being made to recover these amounts.