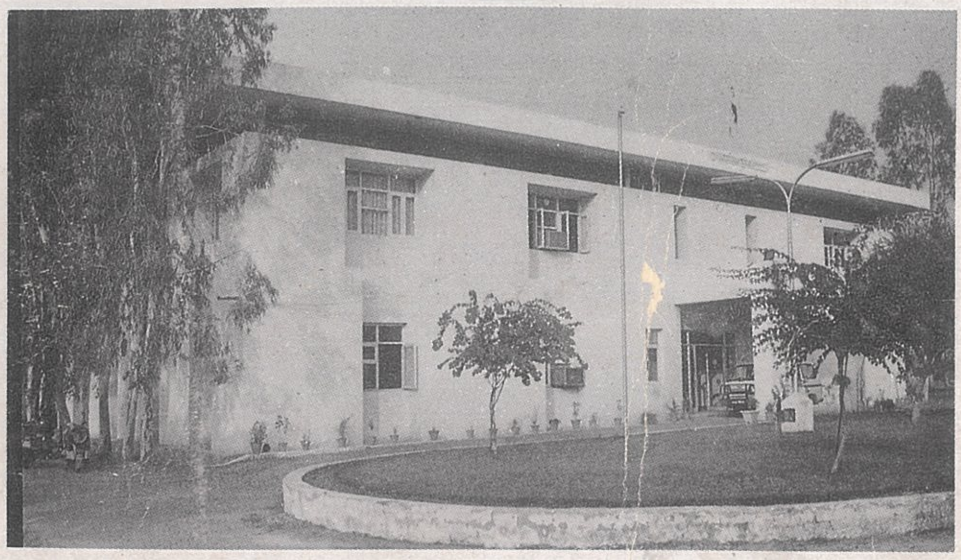
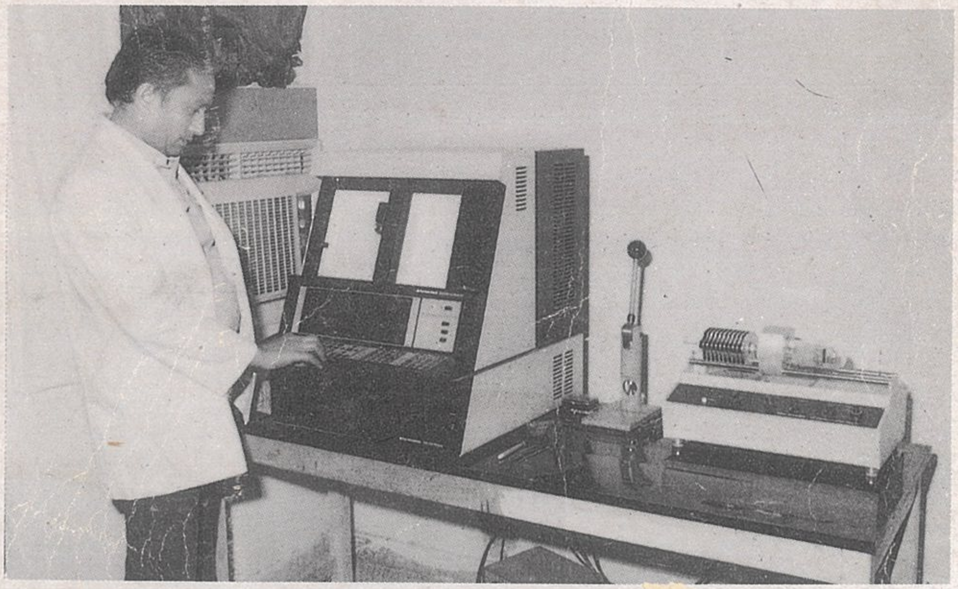
First Annual Report 1991-92





Institute of Pesticide Formulation Technology

Registered Under Societies Act XXI, 1860 (Registration No. S-21944/1991)

Sector 20, Udyog Vihar, Gurgaon - 122016, Haryana
Phones : (011)8342319

Registered Office

Scope Complex, Core No. 6, 2nd Floor. 7, Lodi Road, N

FIRST ANNUAL REPORT OF THE INSTITUTE OF PESTICIDE FORMULATION TECHNOLOGY, 1991-92

I. INTRODUCTION

Agriculture is the base of Indian economic development. As a result of successful green revolution, the country became self-sufficient in foodgrains in the early seventies and there was an agricultural surplus by the end of the last decade. Use of pesticides have played a vital role during the metamorphosis of the agricultural scenario of the country India aims at expanding pesticide uses for increasing its agricultural productivity in order to feed its growing population and improve its public health standards. It is also realised that the benefits of green revolution which resulted from the introduction of high yielding crop varieties, extensive use of fertilizers and modern scientific farm management practices, may be lost if proper protection from pests is not available.

At the same time, there is concern for maintaining ecological order and thus, marked preference for low volume high performance technical pesticides which are pest specific. There is also a conscious effort to curb proliferation of generic pesticidal molecules and go in for the products of proven safety and efficacy only. Yet another area being pursued is the timely entry of the country into new generation formulations which are safe, more efficient and have better cost benefit ratio. It is realised that the efficiency of pesticide formulation also depends upon the efficiency of its application. Hence there is a need to introduce better application methodology and initiate research in the field.

Advent of products of botanical origin as effective pest control agents and use of potent microbial systems which are highly pest specific, are also being strived for inclusion in the country's overall strategy to fight pest menance. Indigenous capability in these areas would not only lead to savings and reducing imports but would go a long way in making the country self-sufficient in this vital agro input area.

II. BACKGROUND

In the context of requirements for safe, environmentally friendly and efficient pesticides, Govt. of India decided in June, 1981 to participate in UNDP/UNIDO assisted Pesticide Development programme and its implementation was done through Hindustan Insecticides Limited(HIL), a public sector undertaking of the Govt. of India. This programme with an ambitious goal of strengthening and supporting the expansion and improvement of pesticide industry in the country and to facilitate the adaptation of appropriate and most economic techniques for production, specially of quality formulations in various sectors of the Indian pesticide industry has since been implemented with the full support of the Govt. of India. The programme centre, which had been created with the UNDP input of approx. US$ 2 million and a Govt. of India contribution of approx. Rs.9 million is located at Udyog Vihar, Gurgaon in Haryana, near Delhi's Indira Gandhi International Airport. The centre consists of basic research and development laboratories and training facilities in various aspects of formulation, like development, manufacture and quality control safety and packaging of pesticides.

In the first phase which ended in September, 1988, the PDPI had made significant strides in achieving its envisaged outputs and objectives. An infrastructure had been created for development, scaling up and analysis of pesticide formulations. Thirty two Scientists/Engineers have been trained abroad in reputed industrial agrochemical research centres/universities and have obtained hands on experience on various aspects of pesticide formulation technology. Thirty internationally acclaimed scientists/technologists visited the project as UNIDO consultants to assist and guide the Indian counterparts in their respective fields.

An indepth terminal evaluation of PDPI was conducted during April-May,1988 by a joint UNDP/ UNIDO mission. The mission recognised the excellent progress made during the tenure of PDPI project and strongly recommended that UNDP provide funding for a second phase at a level proposed by the Govt. of India. Subsequently the second phase for a duration of 5 years with a UNDP contribution of US$ 2,187,000 and the Govt. of India contribution of Rs. 11,400,000 was approved on 12.9.1989.

SECOND PHASE

"Strengthening of Pesticide Development Centre - Phase II" is an institution building project aimed to augment the capabilities of the Pesticide Development Programme India now renamed as Pesticide Development Centre located in Gurgaon, Haryana to assist the pesticide industry sector in the country by developing and promoting safer, efficient and economical indigenous technologies for new generation pesticide formulation and utilising indigenously available microbial and botanical products, integrated with the development of relevant modern application technologies.

III. SETTING UP OF THE INSTITUTE OF PESTICIDE FORMULATION TECHNOLOGY

A need was being felt to ensure active participation of the representatives of Pesticide industry in the pesticide development programme of the Govt. of India. The Tripartite Review Meeting of the Pesticide Development Programme had also emphasised the need for assisting small scale formulation to improve quality and safety, ensuring greater support from industry and association of private industry to take part in the decision making process as the future necessity of the Centre.

After careful consideration of these requirements, Govt. decided that these objectives could be best achieved if the Pesticide Development Programme is given an autonomous status and its management entrusted to a society registered under the Societies Registration Act, 1860 with which representatives from Govt. and industry could be associated. Accordingly the society named as the Institute of Pesticide Formulation Technology was registered in Delhi on 31.5.1991.

IV. OBJECTIVES

The under-mentioned objectives of the Institute have been given in the Memorandum of Association of the Society:

1. To undertake research in pesticide formulation technology, encourage in the broadest and most liberal manners, the advancement of pesticide formulation research and development; the promotion and transfer of pesticide formulation technology to the industrial sector; the improvement of the qualifications and usefulness of pesticide formulation chemists and engineers through high standards of professional ethics, education and attainments; the increase and diffusion of pesticide formulations knowledge; and by its meetings, professional contacts, reports, papers, discussions and publications, to promote scientific interests and inquiry, to promote the utilisation of technology developed in pesticide formulation research and to enhance public awareness of enhanced technology and its values, thereby fostering public welfare and education, aiding the development of industries, and adding to the material prosperity and happiness of people.

2. To foster the improvement of the qualifications and usefulness of pesticide formulation scientists.

3. To foster the objects specified herein, the society shall interact with knowledgeable individuals on an international basis and shall be concerned with the application of pesticide formulation technology and peripheral utilisation in India
and shall be available for consultation and guidance to organisations in Asia and the Far East underthe aegis of the Regional Network on Pesticides for Asia and the Pacific (RENPAP).

V. MANAGEMENT

The general superintendence, direction and control of the affairs of the society and its income and property is vested in the Governing Body of Society constituted by the Govt. of India with representatives from concerned Ministries of Central Govt. viz. Chemicals & Fertilizers, Finance, etc. and nominees of the pesticide industry.

Composition of Governing Body

1. Shri V.K.Majotra, Joint Secretary(Chem), Deptt.of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers.
2. Shri Shyam Suri, Joint Secretary(PP), Ministry of Agriculture & Cooperation.
3. Smt.Shoba Koshy, Dy.Financial Adviser, Deptt.of Chemicals & Petrochemicals, Ministry of Chemicals & Fertilizers.
4. Dr.A V Rama Rao, Director, Indian Institute of Chemical Technology.
5. Shri J Vasudevan, Joint Secretary, Ministry of Health & Family Welfare.
6. Dr.K H Gharda, Chairman & Mg.Director, Gharda Chemicals Limited.
7. Shri Rajju Shroff, Chairman & Mg.Director, United Phosphorous Limited.
8. Shri A C Shroff, Jt.Managing Director, Excel Industries Limited.
9. Shri Salil Singhal, Chairman, Pesticides Association of India.

10. Shri P P Dave, Chairman,
Pesticides Formulators Association of India.

11. Dr.S P Dhua, Chairman,
Institute of Pesticide Formulation Technology.

12. Dr.Kawal Dhari, Member-Secretary,
Institute of Pesticide Formulation Technology.

At its first meeting held on 30.9.1991 in the chamber of Secretary(Chemical & Petrochemicals), the Governing Body constituted two sub-committees viz. Finance & Administrative Committee and Technical Committee.

Composition of the Finance & Administrative Committee

1. Shri V K Majotra, Joint Secretary(Chem),
Deptt.of Chemicals & Petrochemicals,
Ministry of Chemicals & Fertilizers.

2. Smt.Shoba Koshy, Dy.Financial Adviser,
Deptt.of Chemicals & Petrochemicals,
Ministry of Chemicals & Fertilizers.

3. Shri Rajju Shroff, Chairman & Mg.Director,
United Phosphorous Limited.

4. Shri A C Shroff, Jt.Managing Director,
Excel Industries Limited.

5. Dr.Kawal Dhari, Member-Secretary,
Institute of Pesticide Formulation Technology.

Composition of the Technical Committee

1. Dr.K H Gharda, Chairman & Managing Director,
Gharda Chemicals Limited.

2. Shri Shyam Suri, Jt.Secretary(PP),
Ministry of Agriculture & Cooperation.

3. Dr.A V Rama Rao, Director,
Indian Institute of Chemical Technology.

4. Shri Salil Singhal, Chairman,
Pesticides Association of India.

5. Shri P P Dave, Chairman,
   Association of Basic Manufacturers of Pesticides.

6. Shri Chetan Shah, Managing Director,
   New Chemi Industries.

7. Dr.Kawal Dhari, Member-Secretary,
   Institute of Pesticide Formulation Technology.

The Finance & Admn. Committee has been delegated all powers of Governing Body regarding the financial and administrative matters and for recommending staffing pattern including organisation structure and to recommend terms and conditions of the employees of the society. Under the Chairmanship of Joint Secretary(Chem), the committee had been meeting regularly and held 4 meetings during the years under report. The committee has taken following important decisions :

i) Budget Estimates for 1991-92 and 1992-93 were approved by the Committee.

ii) Organisational structure : The Committee approved the organisational structure of the society which was subsequently approved by the Governing Body in its second meeting held on 7.7.1992. The same is now pending with the Government for approval.

iii) Service bye-laws of the Institute were approved by the Committee which were also subsequently put up before the Governing Body at its second meeting.

iv) Appointment of Auditors: On the recommendations of the Committee, Govt. has approved appointment of M/s Gulshan Vineet & Associates as Auditors of the Society.

v) RENPAP Secretariat: IPFT has taken over the UNIDO sub-contract from HIL for rendering secretarial and other services/facilities to the Regional Network on Pesticides for Asia and the Pacific (RENPAP).

vi) Determination of the staff strength: The Committee has approved staff strength of 43 employees.

vii) Pay Scales: The committee has decided to adopt pay scales and other allowances of HIL for IPFT staff because the bulk of staff of IPFT had been on HIL pay scales earlier and any change in that would not have been welcome to the employees.

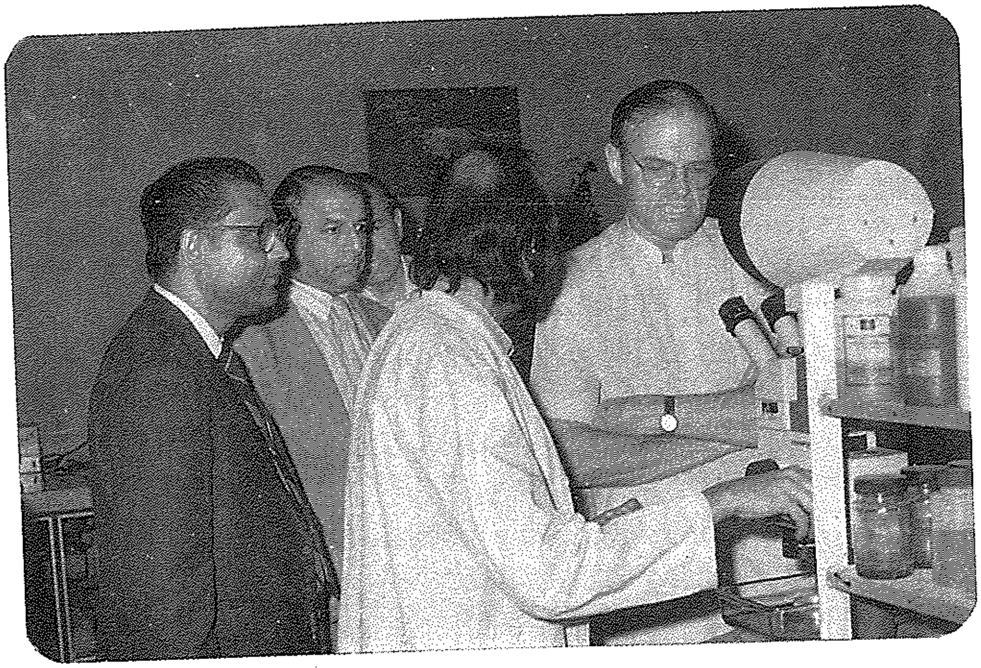
The Technical Committee constituted by the Governing Body to formulate the technical programme and monitor its implementation. The committee could meet only once during the year under review. In that meeting, the Committee reviewed technical work being done in the Institute and gave guidelines for improving and developing the technical work in the Institute.

VI. ACTIVITIES DURING THE YEAR UNDER REPORT

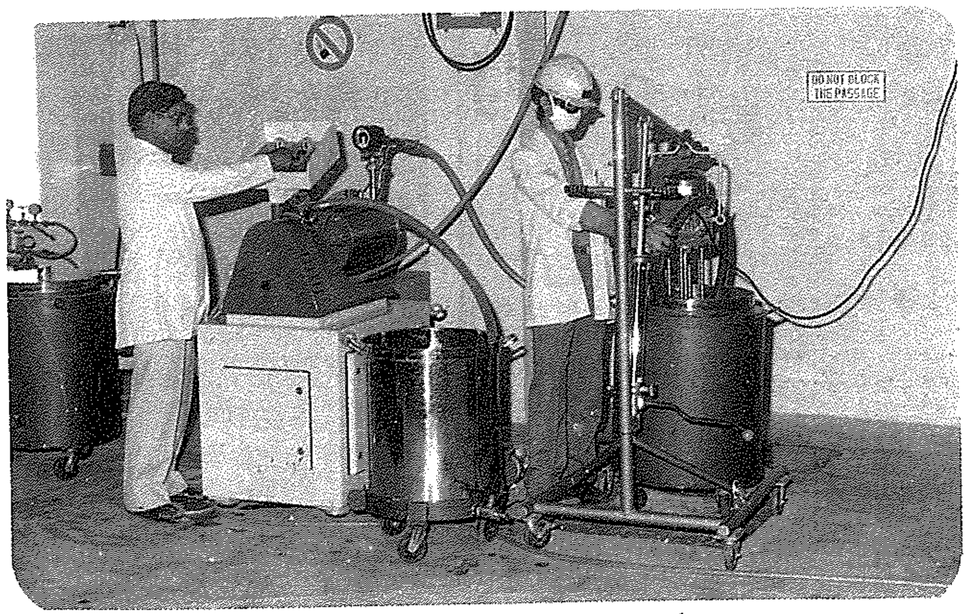
A) Services rendered to the pesticide industry

Infrastructure facilities created for development and processing of newer types of pesticide formulations which are environment and user friendly like Suspension Concentrates, Water Dispersible Granules, micro emulsions and Coated Granules formulations, proper awareness of the same among the industries created by dissemination of information mainly through the training programmes. Response from the industry has been quite encouraging especially after PDC had been registered as an autonomous society of Govt. of India delinking it from Hindustan Insecticides Limited who were implementing the project on behalf of Govt. of India. Altogether 9 studies given below were undertaken during the period under review.

Date	Sponsor	Nature of Work	Status
March,91	M/s Rhone Poulenc(I)Ltd.	Processing of Carbaryl flowable	Completed
Sept.,91	M/s United Phosphorus Ltd.	Processing of Red Phosphorus Slurry	Completed
Sept.,91	M/s Gharda Chemicals	Development of Isoproturon 75 WG	1st phase completed.
Oct,91	M/s Montari Agri. Research Station	Processing of Dodine Flowable	Completed.
Nov.,91	M/s Gharda Chemicals	Development of Isoproturon 50 SC	1st phase completed.
Dec.91	M/s Montari Agri. Research Station	Processing of Isoproturon Flowable	Completed.
Jan.,92	M/s IOC Research & Dev. Centre.	Dev. of Copper Oxychloride Flowable	1st phase completed.
Feb.,92	M/s Anand Engineering	Processing of Graphite Slurry	Completed.
Mar.,92	M/s Polyplex Corpn.Ltd.	Processing & Testing of Particle Size of silica.	Completed.



Mr. Erling Dessau, UNDP Resident Representative in India and Dr. B. Sugavanam, Sr. Industrial Development Officer UNIDO, Vienna visiting the Pesticide Formulation Development Laboratory



Pilot Plant for the scaling up of New Development of Pesticide Formulations

In the new granulation formulation(WG) front, 4 sponsored projects, viz. development of technical know-how for isoproturon 50 SC, Isoproturon 75 WG, Copper Oxychloride 20 OF and Sulphur 50 SC have been sponsored by the Indian industries. In addition, facilities and guidance were extended to the industries for the processing of flowable formulations, viz. Carbaryl 42 SC, Isoproturon 50 SC, Dodine 50 SC and Chlorothelonil slurry. Another impact made by the project on this front was in the sphere of spin off technologies relating to drugs, polymers and pigments and 7 assignments were undertaken.

B. Analytical services

The analytical lab. of the Institute is fully equipped with modern sophisticated analytical instruments and other infrastructural facilities. Analytical methods for monocrotophos dimethoate, DDT, Lindane, Phosphamidon, Carboxin and Phorate have been developed. CIPAC collaborative studies for the analysis of p,p'DDT, edifenphos, methamidophos, mitron, metalaxyl and thiabendazole have been conducted. RENPAC collaborative studies for the analysis of carbofuran and isoproturon have been initiated. Analytical services are being offered to the Indian pesticide industry and the response is encouraging. Thus the facility is being utilised by :

i) Small scale pesticide industries in the form of analytical services.

ii) Bureau of Indian Standard as method development, standard making and analytical services.

iii) CIPAC Collaborative studies for method verification and validation.

iv) RENPAC collaborative studies for method development, validation and verification.

A revenue of Rs. 50,000 has been generated through the analytical services rendered to the industry during the year under report.

Reference standard materials of pesticides were prepared and sold to various organisations including Bureau of Indian Standard(BIS) and a revenue of Rs. 6,000/- was
generated. Method development for Fenvalerate, Bifenox using GC and HPLC were also undertaken.

Three collaborative studies with CIPAC were conducted and data communicated to respective collaborators. The data generated by the laboratory was quite comparable with other world collaborative laboratories. The 35th CIPAC meeting held at Braunsweig, Germany during May, 1991 was attended by Analytical Chemist of the Institute.

C) Training programmes and preparation of compendium on equipment:

The following three training programmes were organised during the current reporting period.

1. A training programme of 15 days duration was organised on Pesticide Formulation Technology.

2. A Workshop of 3 days duration on Controlled Release Formulation was conducted for the pesticide industry.

3. A training course of two weeks duration on pesticide analysis was arranged exclusively for the personnel of Bureau of Indian Standards.

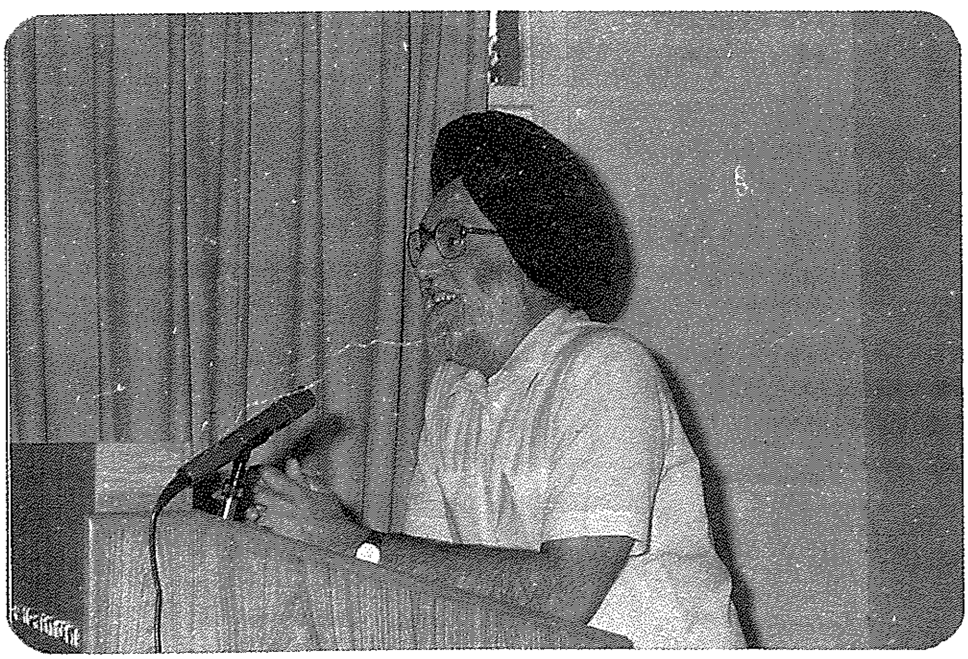
Collection of information from various equipments manufacturers of India and abroad on various process equipments for formulation industry and the preparation of compendium on the state of the art equipments for use by the pesticide industry is in progress.

Twenty four personnel from the pesticide industry were benefitted from the training programme on pesticide formulation technology and 8 persons of the industry were benefitted from the Workshop on Controlled Release Formulation Technology. In addition 10 personnel from the Bureau of Indian Standards were benefitted from the training course on pesticide analysis exclusively arranged for them.

Training offered to the RENPAP

The following two trainees have been given intensive training in Pesticide Analysis for 1 man month each:

Mr. Sun Bai Zhong (China) - April 2 - May 1, 1991
Mr. Ghausuddin Rostai (Afghanistan) - April 1- April 30, 1991



Shri M.S. Gill, Secretary, Chemicals & Petrochemicals, Ministry of Chemicals & Petrochemicals addressing the trainees and officials of the IPFT

Thus including the 52 personnel from the Indian pesticide industry and 10 from the member countries of RENPAP who were benefitted from the 3 courses conducted in the previous year; altogether 104 personnel were trained by the project so far.

Development of Bio Botanical Pesticides

Studies on the novel formulation of microbial developed for selectively controlling the surface feeding anopheline mosquitoe larvae had been presented at the IUPAC International Conference held in August, 1990. Other different formulations such as FD(Floating Dust), WP (Water Dispersible Powder), SC (Suspension Concentrates) and CR (Coated Granules) arebeing developed and evaluated against different species of mosquito larvae (Anophelos stephensi, aedes aegypti and culex fatigons), in comparison to already developed OF (Oil Flowable) formulation. Action is in progress for the setting up of a microbiology lab. and procurement of essential equipments as recommended by the UNIDO expert (laboratory fermenter and centrifuge) already received.

Botanical Pesticides.

Three different species of the plants have been identified containing insecticidal activity. Further work on identifications, extractions, fractions and evaluations of insecticidal activity in plants is in progress. UNIDO expert on botanical pesticides has formulated working protocols and possible collaboration with Indian Agricultural Research Institute, New Delhi and Rothemated Experimental Station, UK for further detailed studies towards the development of botanical pesticides.

E. **Adaptation of Efficient Application Technologies.**

As per the recommendations of UNIDO expert facilities are being created for improving the pesticide application techniques which could be adopted by the farmers in the country to enhance and optimise the pesticide application efficiency. Action for the procurement of some of the important equipments has already been initiated. Technical work has been initiated to evaluate newer application equipments/techniques relevant to the use in the country/region. Working staff has been recommended for training in pesticide application technique at UK Collaborative work initiated with a leading pesticide application equipment industry, namely, American Spiring & Pressing Works, Bombay.

F. **Safety Manual**

The Institute proposes to prepare specific safety manual for pesticide industry and work has been undertaken to publish these manuals for the benefit of the industry.

G. **Miscellaneous**

VII. **Financial Status**

In its first year of operation, the Institute had received grants from Govt. of Rs. 38.00 lakhs and contributions from the following industries:

		Rs.lacs
1.	Excel Industries	3.00
2.	United Phosphorous Ltd.	3.00
3.	New Chemi Industries	1.00
4.	Pesticide Formulators Association of India	1.00
5.	Gharda Chemicals Ltd.	3.00
6.	Association of Basic Manufacturers of Pesticides.	5.00
7.	Ultima Search.	1.00
	Total	**17.00**

The Institute was also in a position to generate income of Rs. 69,335/- from its various services rendered to the industry.

The Annual Audited account of the Society for the year 1991-92, audited Balance Sheet, Auditor Report, and the comments of the Society on the Audit Report are enclosed.

Annual General Meeting of the Institute in progress

INSTITUTE OF PESTICIDE FORMULATION TECHNOLOGY, NEW DELHI
INCOME & EXPENDITURE ACCOUNT FOR THE PERIOD 01-06-91 TO 31-03-92

Expenditure	Amount	Amount	Income	Amount	Amount
Establishment expenses			Govt. grant		31,66,667.00
Salary & Wages	18,66,697.37		Contribution from Industry		17,00,000.00
Company's Contribution to P/F	1,39,157.00		Testing fees		47,588.00
Administration charges on P/F	10,881.45		Membership fees		12,500.00
DLI charges on PF	6,721.50				
Company's contribution to HBL	145.00		Interest on deposits		10,736.00
Bonus	28,666.00	20,52,268.32			
Staff Welfare					
Staff welfare expenses	64,615.74				
Transport subsidy	20,305.00				
LTC	18,519.80				
Medical Expenses	1,42,820.42				
Gratuity	70,116.00				
Leave encashment	22,976.29				
Canteen expenses & subsidy	59,109.13	3,98,462.38			
Travelling & Conveyance		88,229.91			
Entertainment Expenses		7,132.21			
Miscellaneous Expenses		26,419.21			
Repair & Maintenance		29,765.85			
Laboratory Expenses		35,411.26			
Chemical for formulation		42,411.73			
Postage, Telegram & Telephone		40,871.32			
Rent		4,772.72			
Rate & Taxes		8,125.00			
Insurnce		5,817.13			

Diesel consumed	10,098.44		
Printing & stationery	14,086.41		
Vehicle maintenance	21,209.97		
Security charges	79,611.73		
Staff Training Expenses	188.00		
Subscription Fee	955.82		
Newspapers & Periodicals	1,267.70		
Bank Charges	599.50		
Cartage Cooliage & Freight	891.00		
Legal Charges	11,025.00		
Administrative Charges	20,638.37		
Audit Fees	5,000.00		
Excess of Income over expenditure	19,47,456.02		
Total Rs.	49,37,491.00	Total Rs.	49,37,491.00

Sd/-
(M.K. KELKAR)
MANAGER (FINANCE)

AUDITORS' REPORT
In terms of our separate report of even date
FOR GULSHAN VINEET & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(GULSHAN JHURANI)
PARTNER

Sd/-
(Dr. KAWAL DHARI)
SECRETARY

PLATE:NEWDELHI
DATE:28-09-92

INSTITUTE OF PESTICIDE FORMULATION TECHNOLOGY, NEW DELHI
BALANCE SHEET AS AT 31-03-92

Liabilities	Schedule		Amount	Assets	Schedule		Amount
Reserves & Surplus							
Excess of Income over Expenditure during the year			19,47,456.02	**Fixed Assets** Capital work in Progress			14,37,540.68
				Investments			
Current Liabilities & Provisions				In fixed deposit with SBI			8,00,000.00
Expenses payable	A	11,000.00		**Current Assets**			
Other Liabilities	B	13,55,779.25	13,66,779.25	**Loan & Advances**			
				State Bank of India		10,36,694.59	
				Advances	C	40,000.00	10,76,694.59
				Notes to Accounts	D		
Total	Rs		33,14,235.27		Total	Rs.	33,14,235.27

AUDITORS' REPORT
In terms of our separate report of even date
FOR GULSHAN VINEET & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(M.K. KELKAR)
MANAGER (FINANCE)

Sd/-
(Dr. KAWAL DHARI)
SECRETARY

Sd/-
(GULSHAN JHURANI)
PARTNER

PLATE: NEW DELHI
DATE: 28-09-92

SCHEDULE - A

INSTITUTE OF PESTICIDE FORMULATION TECHNOLOGY, NEW DELHI

LIST OF EXPENSES PAYABLE

Particulars		Amount
Salary & Wages		6,000.00
Audit fees		5,000.00
	Total Rs.	**11,000.00**

SCHEDULE - B

LIST OF OTHER LIABILITIES

Particulars		Amount
Hindustan Insecticides Ltd		13,55,779.25
	Total Rs.	**13,55,779.25**

SCHEDULE - C

LIST OF ADVANCES

Particulars		Amount
Rank & Company		30,000.00
India International Centre		10,000.00
	Ttoal Rs.	**40,000.00**

SCHEDULE - D

Notes to Accounts:

1. Since the Institute of Pesticide Formulation Technology (IPFT) came into being wef Ist June 1991 all expenditure incurred for the months of April & May 1991 amounting to Rs. 9,23,459.00 (i.e. 1/6 of the total expenditure incurred during the year 1991-92 by HIL by way of direct expenses for IPFT and IPFT's share of common expenses debited to it) has not been taken into the Accounts of IPFT. As such the amount stands debited to HIL.

2. One-sixth of the Grant-in-aid of Rs. 38 lakhs received from the Govt. of India for the year 1991-92 representing proportionate part thereof for the months of April & May 1991 has also not been taken into Account of IPFT. As such Rs. 6,33,333/- has been credited to HIL.

3. Amount of Rs. 3,31,475/- apportioned to IPFT by HIL as its share of interest on unsecured loan for the year 1991-92 has also 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 1992.

4. Expenditure incurred by IPFT on Capital work-in-progress amounting to Rs. 14,37,540.30 only (being the expenditure actually incurred by IPFT during the year 1991-92) has been incorporated in its Accounts for the year 1991-92. The value of capital work-in-progress stood at Rs. 9,83,835.17 on Ist April 1991 and a further amount of Rs. 2,93,152.61 was incurred thereon for the months of April & May 1991. Consequently, its value as on Ist June 1991 was Rs. 12,76,987.78. This value has not been taken by IPFT into its Accounts since this expenditure was met by HIL out of grant-in-aid received by it for the purpose from the Govt. of India till Ist June 1991.

5. A provision amounting to Rs. 84,416/- wrt the 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 1991-92.

6. An amount of Rs. 9,472.00 has been credited to HIL as 1/6th of the total amount received by way of Testing Fees during the year 1991-92 as pertaining to the month of April & May 1992.

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 31-03-92 and the Income & Expenditure Account for the period ended on that date annexed thereto & report that:-

1. Figures of previous year have not been given as this is the first year of operation.

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 Pesticide 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 has been explained that the transfer of assets & corresponding liability shall be effected in the current year 1992-93. As a result of this the same have not been incorporated in the Accounts for the year ended 31-3-1992. No depreciation has been charged on these assets pending transfer.

3. In respect of transfer of hostel building only Rs. 14,37,540.68 has been capitalised whereas total expenses incurred on building are Rs. 27,14,528.46 upto 31-03-92. Out of this Rs. 23,59,376.00 has been expended by Hindustan Insecticides Ltd., Research & Development upto 31-03-92 & balance of Rs. 3,55,152.26 has been expended by Institute of Pesticide Formulation Technology. The present figure of capital work in progress represents expenses incurred on hostel building from 01-06-91 to 31-03-92 only. This aspect should be made the subject matter of total assets transfer of Pesticides Development Centre to Institute of Pesticide Formulation Technology as it would be erroneous to capitalise the hostel building subsequently at a value less than the amount expended. We are also not providing for Govt. grant received in earlier years towards hostel building pending settlement of the total assets transfer of Pesticide Development Centre to Institute of Pesticide Formulation Technology. The reduction in liability towards Hindustan Insecticides Ltd. in respect of the payments made towards hostel building are subject to confirmation by Hindustan Insecticides Ltd.

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. Expenses allocated by Hindustan Insecticides Ltd., to Institute of Pesticide Formulation Technology amount to Rs. 38,83,379.57. However, expenses to the extent of only Rs. 29,59,920.57 have been incorporated in the Accounts of Institute of Pesticide Formulation Technology in terms of the notes to Accounts. Also portion of Govt. grant amounting to Rs. 6,33,333.00 & testing fees Rs. 9,472.00 have been credited to Hindustan Insecticides Ltd. The net liabilities towards Hindustan Insecticides Ltd. subject to confirmation.

6. The sharing of common expenses of 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 during the year as the income of the society is said to be exempt u/s 35(i) (iii) of the Income Tax Act. However application for exemption under the said section is pending approval of the Income Tax Authorities.

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

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

i) In the case of the Provisional Balance Sheet of the statement of society's affairs as at 31st March 1992.

ii) In the case of Provisional Income & Expenditure statement of the profit of the society for the period 01-06-91 to 31-03-92.

FOR GULSHAN VINEET & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(GULSHAN JHURANI)
PARTNER

PLACE : NEW DELHI
DATE : 28-09-92

COMMENTS ON POINTS IN THE AUDIT REPORT FOR THE YEAR 1991-92

	Audit Para	*Replies*
1.	Figure of previous year have not been given as this is the first year of operation	Does not call for any comment
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 Pesticide 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 has been explained that the transfer of assets & corresponding liability shall be effected in the current year 1992-93. As a result of this the same have not been incorporated in the Accounts for the year ended 31-3-1992. No depreciation has been charged on these assets pending transfer.	The Governing Body has approved transfer of assets and liabilities from HIL to IPFT. The date on which the transfer is to be effected has yet to be decided. This will be done with the approval of the Finance & Admn. Committee of IPFT after ascertaining the date of transfer from HIL
3.	In respect of transfer of hostel building only Rs. 14,37,540.68 has been capitalised whereas total expenses incurred on building are Rs. 27,14,528.46 upto 31-03-92. Out of this Rs. 23,59,376.00 has been expended by Hindustan Insecticides Ltd., Research & Development upto 31-03-92 & balance of Rs. 3,55,152.26 has been expended by Institute of Pesticide Formulation Technology. The present figure of capital work in progress represents expenses incurred on hostel building from 01-06-91 to 31-03-92 only. This aspect should be made the subject matter of total assets transfer of Pesticides Development Centre to Institute of Pesticide Formulation Technology as it would be erroneous to capitalise the hostel building subsequently at a value less than the amount expended. We are also not providing for Govt. grant received in earlier years towards hostel building pending settlement of the total assets transfer of Pesticide Development Centre to Institute of Pesticide Formulation Technology. The reduction in liability towards Hindustan Insecticides Ltd., in respect of the payments made towards hostel building are subject to confirmation by Hindustan Insecticides Ltd.	The point raised will have to be considered further in the Finance & Admn. Committee and would be settled during the course of the year 1992-93

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.	The question of transfer of the land in use of PDC by HIL to IPFT before setting up of IPFT has been under consideration of Governing Body/ Deptt of Chemicals & Petrochemicals/HIL. The legal implications are also being ascertained and it will take some time before a legally acceptable solution is arrived at after keeping all aspects in view.
5.	Expenses allocated by Hindustan Insecticides Ltd., to Institute of Pesticide Formulation Technology amount to Rs. 38,83,379.57. However, expenses to the extent of only Rs. 29,59,920.57 have been incorporated in the Accounts of Institute of Pesticide Formulation Technology in terms of the notes to Accounts. Also portion of Govt. grant amounting to Rs. 6,33,333.00 & testing fees Rs. 9,472.00 have been credited to Hindustan Insecticides Ltd. The net liabilities towards Hindustan Insecticides Ltd. subject to confirmation.	To get confirmation of HIL in the course of the year 1992-93.
6.	The sharing of common expenses of 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.	This point was to be sorted out by a Committee set up by the Finance and Admn. Committee. The committee has not yet given its recommendation and the matter will be resolved in due course with the approval of Finance and Admn. Committee.
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.	HIL have been requested to issue necessary administrative orders.
8.	Provision for income tax has not been made during the year as the income of the society is said to be exempt u/s 35(i) (iii) of the Income Tax Act. However application for exemption under the said section is pending approval of the Income Tax Authorities.	Income Tax authorities desired to have the audited accounts for the year 1991-92. After finalisation of the accounts, the matter will be further pursued with the income tax authorities.
9.	Interest on fixed deposits has been taken on receipt basis.	Calls for no comments