

13th Annual Report 1999-2000

AIMCO

SANSCO SERVICES LIMITED

AIMCO PESTICIDES LIMITED

Regd. Office: B-1/1, MIDC Industrial Area, Lote Parshuram, Village: Awashi, Taluka - Khed, Dist- Ratnagiri, Maharashtra 415 707

DIRECTORS

MR. PRADEEP P. DAVE
Chairman & Managing Director

MRS. E.P. SHRIVASTAVA
Executive Director

DR. SAMIR P. DAVE
Executive Director

MR. ASHIT P. DAVE
Executive Director

MR. MUKESH D. PATEL
Director

MR. BHUPENDRA C. PATEL
Director

MR. ROHIT S. PATEL
Director

BANKERS

State Bank of India

AUDITORS

R. B. Patel & Co.
Chartered Accountants,
66A, Podar Chambers,
S. A. Brelvi Road,
Fort, Mumbai 400 001.

REGISTERED OFFICE :

B-1/1, MIDC Indl. Area, Lote Parshuram,
Vill-Awashi, Tal-Khed, Dist-Ratnagiri,
Maharashtra 415 707.

HEAD OFFICE :

Akhand Jyoti, 8th Road,
Santacruz (East), Mumbai 400 055.
Tel. No: 616 3744 (6 Lines)
Fax no.: 91-22-611 6736/6117761
Internet : www.aimcopesticides.com
Email : aimco@vsnl.com

FACTORIES :

- 1) MUMBAI
- 2) LOTE PARSHURAM
- 3) AHMEDABAD
- 4) HYDERABAD
- 5) AURANGABAD

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AIMCO PESTICIDES LIMITED**NOTICE**

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of Aimco Pesticides Limited will be held at the Registered Office of the Company at B1/1, MIDC Industrial Area, Lote Parshuram, Village Awashi, Taluka Khed, Dist Ratnagiri, Maharashtra 415 707 on Saturday, 30th September, 2000 at 10.00 a.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Dr. Samir P. Dave who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Mukesh D. Patel who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of the other Statutes as applicable, and subject to such approvals, consents, and sanctions as may be necessary from the appropriate authorities, the Articles of Association of the Company be and are hereby altered as follows:

The following new Article shall be inserted after the present Article 25 and numbered as Article 25A:

25A. DEMATERIALISATION OF SECURITIES**(A) FOR THE PURPOSE OF THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:**

| | |
|-------------------------|--|
| Act | "Act" means the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force: |
| Beneficial Owner | "Beneficial Owner" means a person whose name is recorded as such with a Depository: |
| SEBI Board | "SEBI Board" means the Securities and Exchange Board of India: |
| Bye-laws | "Bye-laws" means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996: |
| Depositories Act | "Depositories Act" means the Depositories Act, 1996 (22 of 1996) including any statutory modification or re-enactment thereof for the time being in force: |
| Depository | "Depository" means a Company incorporated and registered under the Companies Act, 1956 (1 of 1956) and which has been granted a Certificate of Registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992): |
| Record | "Record" includes the records maintained in the form of books or stored in a computer or in such other form or medium as may be determined by regulations made by the SEBI Board: |
| Regulations | "Regulations" mean the regulations made by the SEBI Board: |
| Security | "Security" means such security as may be specified by the SEBI Board. |

**(B) DEMATERIALISATION OF SECURITIES:**

Either on the Company or on the investor exercising an option to hold his securities with a Depository in a dematerialised form, the Company shall enter into an agreement with the Depository to enable the investor to dematerialise the securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

(C) OPTION TO RECEIVE SECURITY CERTIFICATES OR HOLD SECURITIES WITH DEPOSITORY:

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a Depository. Where a person opts to hold a security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its Record the name of the allottee as the Beneficial Owner of such Security.

(D) SECURITIES IN DEPOSITORY TO BE IN FUNGIBLE FORM:

All Securities held by a Depository shall be dematerialised and shall be in a fungible form.

Nothing contained in Sections 153, 153A, 153B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owner.

(E) RIGHTS OF DEPOSITORY AND BENEFICIAL OWNER:

- (1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
- (2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- (3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.

(F) DEPOSITORY TO FURNISH INFORMATION:

Every Depository shall furnish to the Company information regarding the transfer of securities in the name of the Beneficial Owners at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

(G) OPTION TO OPT OUT IN RESPECT OF ANY SECURITY:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall, on receipt of an intimation as above, make appropriate entries in its Records and shall inform the Company.

The Company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the Beneficial Owner or the transferee, as the case may be.

(H) SECTION 83 AND 108 OF THE ACT NOT TO APPLY:

Notwithstanding anything to the contrary contained in the Articles:

- (1) Section 83 of the Act shall not apply to the shares held with a Depository.
- (2) Section 108 of the Act shall not apply to a transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

(I) SERVICE OF DOCUMENTS:

Notwithstanding anything contained in the Act or these Articles, where securities are held in a Depository,

AIMCO PESTICIDES LIMITED

the Records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(J) ALLOTMENT OF SECURITIES DEALT WITHIN A DEPOSITORY:

Notwithstanding anything contained in the Act or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

(K) DISTINCTIVE NUMBERS OF SECURITIES HELD IN A DEPOSITORY:

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to Securities held with a Depository.

(L) REGISTER AND INDEX OF BENEFICIAL OWNERS:

The Register and index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of the Act and of these Articles.

Registered Office:

B1/1, MIDC Indl. Area,
Lote Parshuram, Vill: Awashi
Taluka: Khed, Dist: Ratnagiri,
Maharashtra 415 707.

BY ORDER OF THE BOARD OF DIRECTORS
For **AIMCO PESTICIDES LIMITED**

MUMBAI
24th August, 2000.

PRADEEP P. DAVE
Chairman & Managing Director

NOTES

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item No. 5 set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
4. The Register of Members and the Share Transfer Books in respect of equity shares of the Company will remain closed from Wednesday, 27th September, 2000 to Saturday, 30th September, 2000 (both days inclusive) for the purpose of 13th Annual General Meeting.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting and are also requested to bring their copies of ANNUAL REPORTS.
6. Members are requested to notify the change in their address to the Company and always quote their Folio Numbers in all correspondence with the Company.
7. Members desiring any information at the Annual General Meeting of the Company are requested to write to the Company at least 10 days in advance so as to enable the Company to keep information ready.

Note : The Shareholders of erstwhile Savitri Pesticides & Agrochem Limited are requested to send their Equity Share Certificates to head office of the Company in order to receive Equity Share Certificates of Aimco Pesticides Limited in exchange as per Scheme of Amalgamation.



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement set out all material facts relating to the business mentioned in the accompanying Notice dated 24th August, 2000.

ITEM NO. 5

Consequent upon passing of the Depositories Act, 1996 the SEBI has been taking several steps in the interest of the investors and the market to accelerate the process of dematerialisation, as this will give special benefits to both the investors as well as companies like eliminating the possibilities of fake and forged shares, bad delivery of shares, time consumption in transfer of shares & cost effective. The company has entered into an Agreement with (i) Depositories & (ii) Registrar & Share Transfer Agent (RTA) to have electronic depository facilities.

Certain provisions of the Articles of Association pertaining to issue, holding, transfer, transmissions, and dealing in shares and other securities required to change on the basis of relevant provisions of Depositories Act, 1996. The Board therefore recommends above special resolution now put before you for approval.

None of the Directors are interested or concerned in the said resolution.

Registered Office:

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BY ORDER OF THE BOARD OF DIRECTORS
For **AIMCO PESTICIDES LIMITED**

MUMBAI
24th August, 2000.

PRADEEP P. DAVE
Chairman & Managing Director

AIMCO PESTICIDES LIMITED***DIRECTORS' REPORT***

Dear Members,

Your Directors have great pleasure in presenting the Thirteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2000.

1. FINANCIAL RESULTS

| | 1999-2000 | 1998-99 |
|------------------------------|--------------------|--------------------|
| | Rs. In lacs | Rs. In lacs |
| Gross Sales and other Income | 4273 | 4531 |
| Gross Profit | 563 | 478 |
| Interest | 271 | 193 |
| Depreciation | 86 | 76 |
| Profit before Tax | 206 | 209 |
| Profit after Tax | 152 | 177 |

2. OPERATIONS

During the year under review the sales were lower as compared to the previous year mainly due to lack of even monsoon, low prices for agriculture produce, excess pesticide manufacturing capacities & price-cutting by Industry majors. In spite of the above, the newly introduced Chlorpyrifos & Cypermethrin combination product **Anaconda 505™** has fared well in the domestic market. However towards the end of the year, the technical grade pesticides prices have started firming up and at the same time, export demand has increased considerably. Your company has taken a conscious decision to reduce the commodity pesticide formulation business and be focused on branded products, exports & new products. The commodity pesticide formulation business is characterized by unhealthy price competition and long credits. In the short term these measures can reduce the turnover, but will definitely make the company stronger, focused & lean. Your company was however able to improve its margins, inspite of the above adverse conditions, by improving the yields on technical grade pesticides and concentrating on branded products.

3. CURRENT YEAR OUTLOOK

The Current Year has started with widespread and timely arrival of monsoon. Most parts of the country have received normal rains till date and sales of pesticides are encouraging. Due to the focus on Branded products & Exports of new Insecticide [Imidaclopyrid] and Herbicides [Triclopyr and Fluroxypyr], prospects for the current year are promising.

4. DIVIDEND

In view of the prevailing situation, your Directors have decided to conserve all the available resources and plough back the same in the business to sustain the competitive pressures in the market in the current year. Hence nil dividend is recommended for the financial year ended March 31, 2000.



5. EXPORTS

Export sales during the year have declined steeply to Rs. 926.28 Lacs, as compared to Rs.1647.36 Lacs during the previous year. The steep fall is mainly due to lower sales realizations of the products & strong competitive pressures. With the introduction of new Insecticide [Imidaclopyrid] and Herbicides [Triclopyr and Fluroxypyr], this trend is expected to reverse and exports during the first quarter of the current year are substantially higher as compared to previous year.

6. NEW PROJECTS/PRODUCTS

During the year 2000-2001, your company is introducing two new pesticides, the process for which was developed by the Company's Research & Development Center, which is recognized by the Government of India. Introduction of many new formulated pesticides and household pesticides are planned for the current year.

7. ISO - 9002

The Board of Directors are pleased to inform that ISO - 9002 certification for the Lote - Parshuram site & Mumbai office was obtained during the year. This quality system endorsement to the manufacturing activities of your company will have long-term positive effect on the company. The preliminary work on Environment Management System Certificate [ISO-14000] has started and the certification is expected shortly. Your company has introduced 5-S and Kaizen Quality Systems at Lote Parshuram plant.

8. DEMATERIALIZATION OF SHARES

For the convenience of the shareholders your Company has entered in to tripartite agreement with National Securities Depository Ltd. & Central Depository Services (India) Ltd. for the purpose of dematerialization of the shares of your company. The shares of your company are now available for dematerialization under **ISIN No: INE008B01013** with both the depositories.

9. DIRECTORATE

Mr. M D Patel and Dr. Samir P Dave retire by rotation at the Annual General Meeting and are eligible for reappointment.

10. FIXED DEPOSITS

During the year under review the Company has accepted Fixed Deposits from Public/ Shareholders pursuant to the provisions of Section 58A of the Companies Act, 1956 and the Rules as amended from time to time. Your Company has received permission from Reserve Bank of India to accept Fixed Deposits from NRI's/OCB's on repatriation basis and has also started accepting the same from NRI's/OCB's. The details and forms are available for download from Internet at www.aimcopesticides.com and from the Head Office of the Company.

11. AUDITORS

M/s R B Patel & Co., Chartered Accountants, the auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The auditors have confirmed that, if reappointed the same would be within the limits specified under Section 224(1B) of the Companies Act, 1956.

AIMCO PESTICIDES LIMITED

12. ENVIRONMENT

It is the Company's policy to give top priority to effluent control and is committed to conserve the environment by using the best available technology for effluent treatment and pollution control. During the year, your Company has commissioned 100 KL digester equipped with modern technology. This has resulted in total recycling of the effluent after treatment.

13. Y2K COMPLIANCE

Your Company had a smooth Y2K transition, without any disruption of the operations of the Company.

14. PERSONNEL

Your Company continues to invest in HRD functions and provide motivating and satisfying work environment coupled with significant growth potential to all its employees. The Board wishes to place on record their appreciation for substantial support and contribution received from the employees at all levels towards the growth of the Company.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed hereto and forms part of this Report.

To conserve energy, an energy saving team routinely checks all energy intensive operations and implements suitable measures wherever necessary.

16. ACKNOWLEDGEMENT

The Board is also grateful to Financial Institutions, Banks, Shareholders and Fixed Deposit Holders for their co-operation and assistance.

Your Directors take this opportunity to thank IDBI Ltd, ICICI Ltd, SICOM Ltd, State Bank of India and Department of Agriculture, Government of Maharashtra for their continued assistance and co-operation. We would also like to acknowledge with gratitude the co-operation extended by our Suppliers, Customers, Distributors and Investors.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

MUMBAI
24th August, 2000

PRADEEP P. DAVE
Chairman & Managing Director