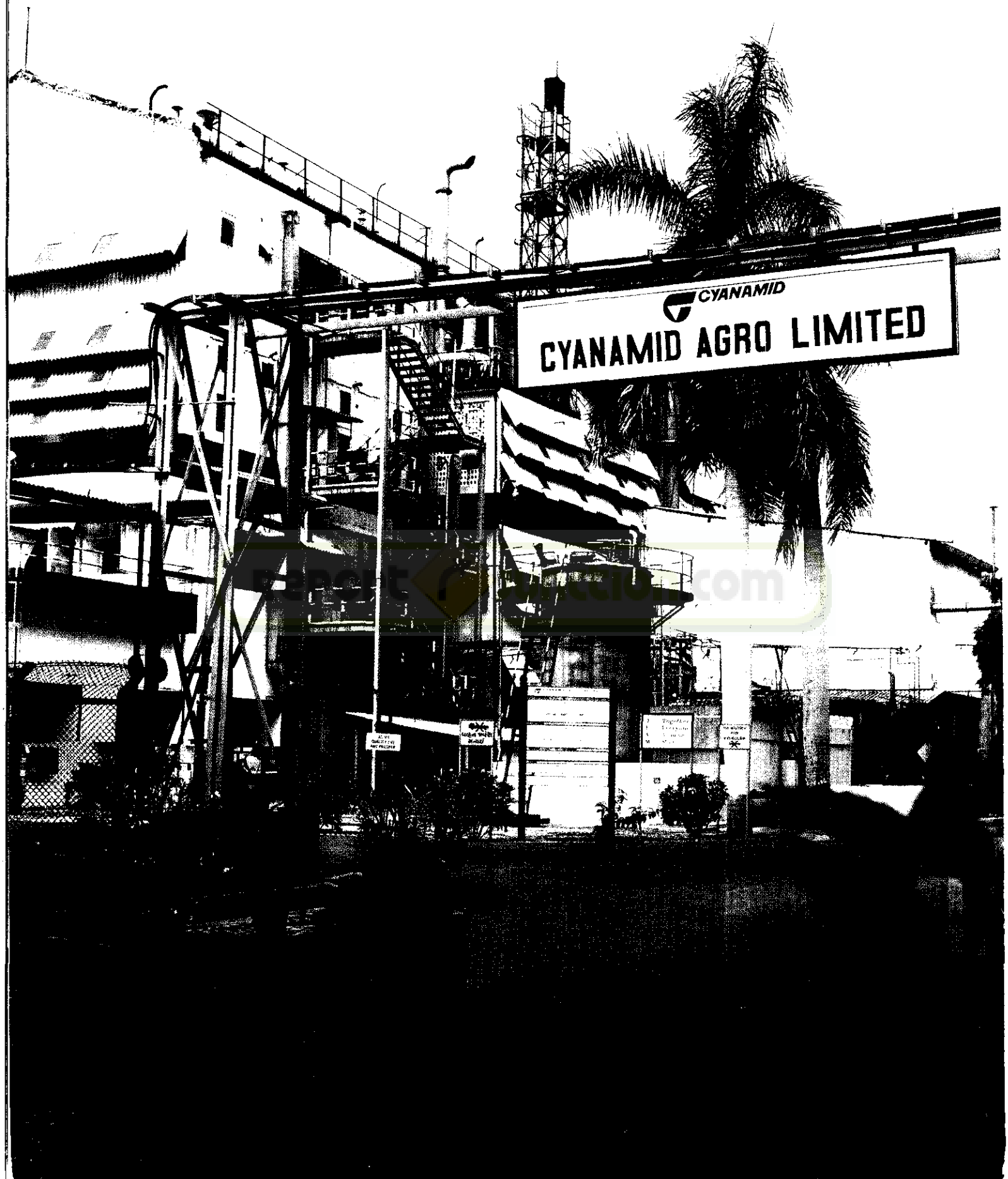


**11th
Annual
Report
1998-99**

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Cyanamid Agro Limited ... *in tune with nature* &





Cyanamid Agro Limited

The Members of
Cyanamid Agro Limited

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of Cyanamid Agro Limited will be held at Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai 400 020 on Thursday, 9 September 1999 at 11.30 a.m. to transact the following business:

Ordinary business

1. To receive, consider and adopt the Balance Sheet as at 31 March 1999 and the Profit & Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Mr M A Fonseca who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr K Aparajithan who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

Special business

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, the Company hereby accords its approval to the ceiling of the salary of Mr V R Kaundinya, Managing Director being increased from Rs.1,25,000/- (Rupees One Lakh Twenty Five Thousand only) per month as stated in the Agreement dated 27 July 1999 between the Company and Mr Kaundinya to Rs.2,00,000/- (Rupees Two Lakhs only) per month;

RESOLVED FURTHER THAT a Supplemental Agreement be entered into between the Company and Mr Kaundinya to give effect to the above amendment."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, the Company hereby accords its approval to the ceiling of the salary of Dr M K Desai, Director, being increased from Rs.75,000/- (Rupees Seventy Five Thousand only) per month as stated in the Agreement dated 27 July 1999 between the Company and Dr Desai to Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) per month;

RESOLVED FURTHER THAT a Supplemental Agreement be entered into between the Company and Dr Desai to give effect to the above amendment."

8. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, the Company hereby accords its approval to the ceiling of the salary of Mr J M Agarwal, Director being increased from Rs.75,000/- (Rupees Seventy Five Thousand only) per month as stated in the Agreement dated 27 July 1999 between the Company and Mr Agarwal to Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) per month;

RESOLVED FURTHER THAT a Supplemental Agreement be entered into between the Company and Mr Agarwal to give effect to the above amendment."

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

RESOLVED THAT the Memorandum of Association of the Company be and is hereby altered as set out hereinbelow:

- (A) The existing clauses 1,2 and 3 in the Main Objects Clause of the Memorandum of Association be replaced by the following new clauses:

- "1. To carry on the business of manufacturers of, exporters, importers and dealers in organic and inorganic chemicals, agrochemicals, manures, pesticides and other chemicals for plant protection purposes and to undertake activities which may directly or indirectly promote, extend, improve, support or maintain agriculture or agricultural produce or which may increase or facilitate the production or distribution of agricultural produce.
2. To formulate, export, import, purchase, sell, deal or carry on business in all kinds of agrochemicals/ pesticides namely, insecticides, acaricides, ovicides, weedicides, herbicides, fungicides, nematocides, rodenticides, biological insecticides, molluscicides, hormones, plant growth chemicals, enzymes and nutrients, anti-feedants, anti-bacterials, repellents, public health products, attractants, chemosterilants, seed dressing materials, soil, seed and grain fumigants and phytochemicals.
3. To carry on the business as producers, importers, exporters and otherwise deal in all kinds and varieties of seeds including hybrid seeds and to process, treat and refine the seeds of all kinds and also to carry on research & development work and experiments in relation to development of new seed varieties either through traditional breeding or bio-technology by itself or through arrangements with institutions or other bodies engaged in such activities."

- (B) The existing clause 32 appearing in the Other Objects clause of the Memorandum of Association be omitted.

By Order of the Board of Directors

Mumbai,
22 July 1999

K D GHAG
Company Secretary

Registered Office:

"The International",
16, M. K. Road, Churchgate,
Mumbai – 400 020.

Notes:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- (b) The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items 6 to 9 stated above is annexed hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 25 August 1999 to Wednesday, 8 September 1999 (both days inclusive).
- (d) The dividend as recommended by the Board, if sanctioned at the meeting, shall be paid on or before 18 October 1999, to those members whose names appear on the Register of Members as on 8 September 1999. Members who have not sent in their bank details are requested to send the same in order to ensure against misappropriation of the warrants to be mailed to them.
- (e) Members desiring any information on the accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
- (f) Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the meeting.
- (g) Members are requested to address all communications quoting their folio number regarding transfer of shares, change of address, dividend mandates, etc. directly to the Registrars & Share Transfer Agents, M/s Tata Consultancy Services, Lotus House, 6 Vithaldas Thackersey Marg, New Marine Lines, Mumbai – 400 020.
- (h) Members holding shares under multiple folios have been consolidated under one folio which is printed on the address slip affixed on the envelope of the Annual Report.
- (i) The shares of the Company are listed on The Stock Exchange, Mumbai, P J Towers, Dalal Street, Mumbai 400 001 and The National Stock Exchange of India Ltd., Trade World, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. The Company has paid the annual listing fees for the financial year 1999-2000 to both the Exchanges.
- (j) Members are requested to bring their copies of Annual Reports to the Annual General Meeting, as it will not be distributed at the meeting.

Explanatory Statement under Section 173(2) of the Companies Act, 1956**Item No. 6**

The Members of the Company at the Tenth Annual General Meeting held on 23 September 1998 had approved the appointment of Mr V R Kaundinya as Managing Director for a period of 5 years effective 2 January 1998 upon the terms and conditions and remuneration as set out in the Agreement dated 27 July 1998 between the Company and Mr Kaundinya.

The remuneration payable to Mr Kaundinya in terms of the aforesaid Agreement included a monthly salary of Rs.65,000/- per month with such increments as may be decided by the Board subject to a ceiling of Rs.1,25,000/- per month. The above ceiling on monthly salary is likely to be reached by virtue of annual increments granted by the Board from time to time.

The Board at its meeting held on 22 July 1999 approved, subject to the approval of shareholders in the General Meeting, an increase in the ceiling on the monthly salary of Mr Kaundinya from Rs.1,25,000/- per month to Rs.2,00,000/- per month. The other terms and conditions, remuneration and perquisites as set out in the Agreement dated 27 July 1998 will remain unchanged and continue in force.

The approval of the Members is being sought to the aforesaid increase in the ceiling on the monthly salary payable to Mr Kaundinya pursuant to the applicable provisions of the Companies Act, 1956.

The above may be treated as an abstract under Section 302(2) of the Companies Act, 1956, of the variation in the terms of remuneration payable to Mr Kaundinya as per the Agreement dated 27 July 1998.

Mr. Kaundinya is interested in this resolution since it relates to him.

Item No.7

The Members of the Company at the Tenth Annual General Meeting held on 23 September 1998 had approved the appointment of Dr M K Desai as Wholetime Director for a period of 5 years effective 20 July 1998 upon the terms and conditions and remuneration as set out in the Agreement dated 27 July 1998 between the Company and Dr Desai.

The remuneration payable to Dr Desai in terms of the aforesaid Agreement included a monthly salary of Rs.25,000/- per month with such increments as may be decided by the Board subject to a ceiling of Rs.75,000/- per month. The above ceiling on monthly salary is likely to be reached by virtue of annual increments granted by the Board from time to time.

The Board at its meeting held on 22 July 1999 approved, subject to the approval of shareholders in the General Meeting, an increase in the ceiling on the monthly salary of Dr Desai from Rs.75,000/- per month to Rs.1,50,000/- per month. The other terms and conditions, remuneration and perquisites as set out in the Agreement dated 27 July 1998 shall remain unchanged and continue in force.

The approval of the Members is being sought to the aforesaid increase in the ceiling on the monthly salary payable to Dr Desai pursuant to the applicable provisions of the Companies Act, 1956.

The above may be treated as an abstract under Section 302(2) of the Companies Act, 1956, of the variation in the terms of remuneration payable to Dr Desai as per the Agreement dated 27 July 1998.

Dr Desai is interested in this resolution since it relates to him.

Item No.8

The Members of the Company at the Tenth Annual General Meeting held on 23 September 1998 had approved the appointment of Mr J M Agarwal as Director for a period of 5 years effective 2 January 1998 upon the terms and conditions and remuneration as set out in the Agreement dated 27 July 1998 between the Company and Mr Agarwal.

The remuneration payable to Mr Agarwal in terms of the aforesaid Agreement included a monthly salary of Rs.25,000/- per month with such increments as may be decided by the Board subject to a ceiling of Rs.75,000/- per month. The above ceiling on monthly salary is likely to be reached by virtue of annual increments granted by the Board from time to time.

The Board at its meeting held on 22 July 1999 approved, subject to the approval of shareholders in the General Meeting, an increase in the ceiling on the monthly salary of Mr Agarwal from Rs.75,000/- per month to Rs.1,50,000/- per month. The other terms and conditions, remuneration and perquisites as set out in the Agreement dated 27 July 1998 shall remain unchanged and continue in force.

The approval of the Members is being sought to the aforesaid increase in the ceiling on the monthly salary payable to Mr Agarwal pursuant to the applicable provisions of the Companies Act, 1956.

The above may be treated as an abstract under Section 302(2) of the Companies Act, 1956, of the variation in the terms of remuneration payable to Mr Agarwal as per the Agreement dated 27 July 1998.

Mr Agarwal is interested in this resolution since it relates to him.

Item No.9

The Company was incorporated as a trading and investment company under the name Senorita Investment and Trading Company Limited with the object of carrying on finance and investment activities. The name of the Company was subsequently changed to Cyanamid Agro Limited effective 20 November 1996 to take over the agrochemicals business of the erstwhile Cyanamid India Limited. The Main Objects Clause of Memorandum of Association of the Company therefore, consists of carrying on the activities of a Finance Company.

Pursuant to Section 149(2A) of the Companies Act, 1956, the approval of the shareholders was obtained at the Extraordinary General Meeting held on 14 February 1997 to commence and undertake the business of agrochemicals as appearing in Clause 32 in the Other Objects Clause of the Memorandum of Association. However, in order to reflect the current business operations of the Company it is proposed to alter the Main Objects Clause of the Company by substituting new clauses relating to business in the fields of agrochemicals and related activities in place of the existing clauses 1,2 and 3 and to omit the existing clause 32. The special resolution at Item No.9 is therefore proposed pursuant to Section 17 of the Companies Act, 1956. The Directors recommend the special resolution for acceptance by the members.

The Memorandum of Association of the Company together with the proposed alterations will be open for inspection by any member of the Company at the Registered Office on any working day between 2.00 p.m. and 4.00 p.m.

By Order of the Board of Directors

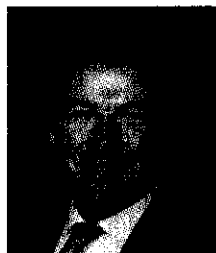
Mumbai,
22 July 1999

K D GHAG
Company Secretary

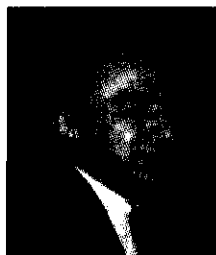
Registered Office:

"The International",
16, M. K. Road, Churchgate,
Mumbai - 400 020.

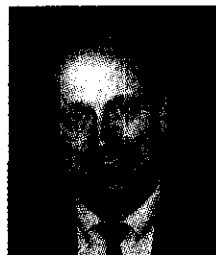


**Cyanamid Agro Limited****Board of Directors***

Marco A. Fonseca



K. S. Bakshi



James F. Smith



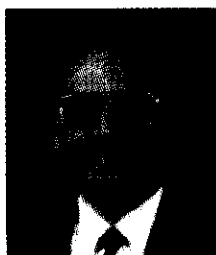
Luciano DePortu



Dr. K. Aparajithan



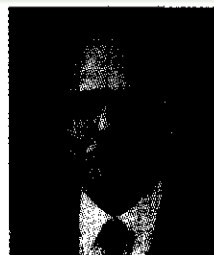
D. E. Udwadia



V. R. Kaundinya



Dr. M. K. Desai



K. J. Reddy



J. M. Agarwal

Marco A. Fonseca*Chairman***K. S. Bakshi****James F. Smith****Luciano DePortu****Dr. K. Aparajithan****D. E. Udwadia****V. R. Kaundinya***Managing Director***Dr. M. K. Desai****K. J. Reddy, IAS (Retd.)***(Alternate to Mr. Luciano DePortu)***J. M. Agarwal***(Alternate to Mr. J.F. Smith)*

Company Secretary

K. D. Ghag

(* as on July 22, 1999)

Cyanamid Agro Limited

Management Committee

| | |
|----------------------------|---|
| V. R. Kaundinya | Managing Director |
| J. M. Agarwal | Director, Finance |
| Dr. M. K. Desai | Director, Manufacturing Operations |
| N. Janakiram Raju | Director, Marketing |
| S. K. Kohli | Director, Sales |
| D. C. Mandlik | General Manager Human Resources & Admin. |
| F. H. Pathan | General Manager Materials & Logistics |
| Dr. R. Ramachandran | Director, Technical Services & Public Health |

**Auditors**

Arthur Andersen & Associates

Solicitors & AdvocatesCrawford Bayley & Co.
Udwadia, Udeshi & Berys**Bankers**ABN AMRO Bank N.V.
Citibank N.A.
State Bank of India**Registered Office**The International
16, Maharshi Karve Road
Churchgate, Mumbai 400 020
Tel. : 2014234
Fax : 2014246**Plant**P.O. Atul
District Valsad
Gujarat State**Distribution Offices**Calcutta
Hyderabad
Indore
Mumbai
New Delhi**Registrars & Share Transfer Agents**Tata Consultancy Services
Unit :- Cyanamid Agro Ltd.
Lotus House, 6, Vithaldas Thackersey Road,
New Marine Lines, Mumbai 400 020.**Contents**

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Eleventh Annual General Meeting

Day & Date : Thursday, 9 September 1999

Time : 11.30 a.m.

Venue :

Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai 400 020.

Members are requested to bring their copy of the Annual Report to the Annual General Meeting



Foreword

In line with our commitment to conduct our business with complete respect for the environment, we continue to use the theme of 'in tune with nature' in our second report to all of you. We are confident that as a shareholder in Cyanamid Agro Limited, you feel happy that the Company makes a serious effort to protect the environment and nature while conducting its business.

Our last Annual Report received good acknowledgements from many shareholders and others for its content and presentation. Our objective of giving more information to our shareholders about our business and the issues affecting the business was fulfilled to a very large extent.

We have tried to continue the same trend in this report also. We believe that creating awareness among the shareholders about the business environment of the Company will go a long way in your appreciating the nuances of the business much better. It will help you in understanding the true value of the Company in its right perspective.

The most significant event in recent times is the passing of the Patents Bill. Your Company believes totally in protecting Intellectual Property. We believe that IPR will bring about very significant changes to the way we do business in future. In the following pages we have tried to give you some information about the issue of Patents and their likely impact on the Industry.

During the course of the year one of the Directors on our Board and our Company Secretary Mr. Kishore Sardal retired from the services of the Company after a long and distinguished service. Consequently he also resigned from the Board of the Company. On behalf of all of you and all of us, I thank Mr. Sardal for his contributions to the performance of Cyanamid in the past.

Thank you for keeping your faith in our Company. The future is very bright for our business and I am sure all of you will enjoy the fruits of this great future.

I hope you will enjoy reading the report.

V.R. Kaundinya
Managing Director

Cyanamid Agro Limited...

...in tune with nature

Excerpts From American Home Products Corporation's Chairman's Report To Shareholders



1998 was an eventful and challenging year for American Home Products. Substantial progress was made in focusing the Company's resources on areas of highest growth potential and best strategic fit, as we refined our portfolio of businesses by divesting our medical devices businesses and acquiring the Solgar Vitamin and Herb business. Each of the Company's ongoing businesses — pharmaceuticals, consumer health care, agricultural products and animal health care — delivered sales increases through new product launches and global expansion of existing product lines. AHP's pharmaceutical research and development efforts advanced strongly, and, as a result, we believe that our product pipeline is the best it has ever been, with products in all stages of development, providing us with near-and long-term growth opportunities.

• • •

Agricultural Products

Cyanamid Global Agricultural Products, which recorded approximately \$2.2 billion in 1998 sales, is the third largest crop protection company in the United States and the ninth largest in the world. Cyanamid manufactures and markets herbicides, insecticides and fungicides to help protect the world's crop and food supply.

Cyanamid's *Lightning* herbicide for Imi-Corn hybrids and *Raptor* herbicide for soybeans achieved significant growth in the United States in 1998. Expansion of *Fastac* insecticide in Europe and Latin America, coupled with sales increases for *Odyssey* canola herbicide in Canada and *Utopia* rice herbicide in Japan, contributed to growth internationally. New registrations included *Acrobat* MZ fungicide in the United States, *Caramba* fungicide in Germany, and *Intrepid* and *Secure* pyrrole insecticides in Australia.

• • •

Looking Ahead

American Home Products is entering the most exciting period in its history, introducing new therapies that will improve or save the lives of millions of people around the world. While sales in 1999 are expected to start slowly, we anticipate that they will accelerate as the year progresses, driven by the new products we introduced in the fourth quarter of 1998 and by new product launches in the second and third quarters of 1999. Sales in 2000 are expected