

# **NINTH ANNUAL REPORT**

## **1999 – 2000**

**ARYAN**  
**PESTICIDES**  
**L I M I T E D**

**WILL**  
**TO**  
**EXCEL**





The Ninth Annual General Meeting  
of the Company will be held on  
Friday, 29th September, 2000  
at  
The Registered Office of the Company,  
Plot No. 1, 2, 26, & 27 MIDC, Dhatav,  
Roha, Dist. Raigad, Maharashtra,  
at 11.30 a.m.

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Shareholders are requested to bring their  
copy of the Annual Report with them  
at the meeting.



<b>DIRECTORS</b>	Mr. J. N. Tawakley - Chairman
	Mr. K. S. Natrajan - Managing Director
	Mr. S. J. Tawakley - Whole Time Director
	Mr. S. C. Ganatra - Whole Time Director
	Dr. K. B. Mathur - Director
	Mr. H. C. Mathur - Director
	Mr. M. D. Thakur - Nominee (SICOM)

<b>COMPANY SECRETARY</b>	Mr. Rajiv Gandhi
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<b>AUDITORS</b>	A. L. Kapani & Co. Chartered Accountants
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<b>BANKERS</b>	Corporation Bank Canara Bank
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<b>CORPORATE OFFICE</b>	B-206/212 Arjun Centre B. S. Devshi Marg Govandi (East) Mumbai-400 088. Tel. : 5554484 / 5576490 / 5572124 Fax : 5572123 E-mail: aryan@bom3.vsnl.net.in Website: www.aryanindia.com
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<b>REGISTERED OFFICE</b>	Plot Nos. 1, 2, 26 & 27 MIDC, Dhatav Roha 402 116 Dist Raigad Maharashtra
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<b>PLANT</b>	Roha, Maharashtra.
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<b>REGISTRAR AND SHARE TRANSFER AGENT</b>	Purva Sharegistry (India) Pvt. Ltd. 33, Printing House, 28, Police Court Lane, Fort, Mumbai-400 001.
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## DIRECTORS' REPORT

To  
THE MEMBERS

Your Directors present the Ninth Annual Report together with the Audited Statement of Account for the year ended 31st March, 2000.

### I. FINANCIAL RESULTS :-

	(Rs. in lacs)	
	1999-2000 Current year	1998-1999 Previous year
Sales	4070.13	5505.91
PROFIT BEFORE TAX	(419.21)	312.82
PROFIT AFTER TAX	(419.24)	287.82
Add : Balance Brought forward from previous year	14.30	17.70
Less: Prior Adjustment relating to previous years	31.24	35.91
Tax Adjustments relating to previous year	8.66	Nil
Profit available for appropriation	(444.85)	269.61
<b>APPROPRIATIONS :</b>		
Proposed Dividend (inclusive of dividend tax)	NIL	55.31
Transfer to Reserve	NIL	200.00
Balance carried forward	(444.85)	14.30

### II. OPERATIONAL PERFORMANCE :

The recessionary trend in the Chemical industry continued for most part of the year. The sales for the year have declined by about 26% as compared to the sales of last year. This is on account of further decline in the off take of Paracumidine, Ortho Anisidine & Meta Chloro Aniline and the delay in confirming the export contracts for the newly introduced products of the Company.

Increase in the input cost of the raw materials and petroleum products along with substantial dumping of Chemical products into the Country by foreign

manufacturers have also been responsible for the decline in the sales. However Ortho Phenylene Diamine continued to perform well and the demand for the same has been steadily rising.

Due to the above reasons the Company has incurred a Net Loss for the first time since it started commercial production in 1993. The consequent cash-crunch made operations difficult.

However the Company is exploring different ways and means to tackle the situation faced by it, by introducing value added speciality chemicals.

### III. AGREEMENT FOR SALE OF PROMOTERS HOLDING IN THE COMPANY :

As evident from the financial results, the Company is passing through its most difficult period and after identifying the constraints on the sustainability of the Company under the tough conditions faced by it and to protect the larger interest of its other stake holders. The Promoters thought it fit that in order to ensure that the Company was bought back firmly on its feet it would be advisable for the Company to be associated with a larger and more stronger player within the industry.

After considering all the related players, the promoters decided of entering into an agreement to sell their stake to Deepak Nitrite Limited (DNL).

DNL was promoted by Shri C.K. Mehta in 1970 and is engaged in the manufacture of industrial chemicals viz. fine and speciality - organic inorganic and intermediates and dyestuffs having a very good track record of operations coupled with a very good market network both locally and internationally.

DNL sees substantial synergies in operation of the two companies and has taken particular note of the large export potential for the products of APL. With forward integration DNL could add value to some major products of APL and find better business opportunities in the already established markets.

The members would appreciate that DNL with its greater sustainability along with its broad-based portfolio would prove to be an ideal partner to reinstate your Company to its former position.

### IV. INTRODUCTION OF NEW PRODUCTS :

The Company Commenced Commercial Production of 2-4 & 2-6 Xylidine during the second half of the year under consideration. The products introduced are



mainly export oriented products. The Company has already received quality approval for the products from potential buyers from the overseas market.

The Company expect to export a major portion of the production of these products to the European Countries as a few major players in the industry have already shown keen interest in procuring the same from us.

#### **V. EXPORTS :**

Inspite of adverse market conditions coupled with continuous downfall in prices in most of the European countries particularly in the dyes/chemical industry segment, the exports of your company recorded a rise of 62% over the previous year. Export sales constitute 24% of the total sales and is of significant importance for the future growth of your company. This was mainly due to the company's commitments towards quality and ability to deliver goods as per commitment. Your Company remains to be a net foreign exchange earner for the country.

#### **VI. FINANCE :**

The Company continues to suffer the burden of high interest cost whereas the projects, which were funded from these borrowings, are yet to bring in commensurate returns.

The Working Capital facilities enjoyed by the Company were sufficient for the Company to carry on its operation for the year.

#### **VII. FIXED DEPOSITS :**

Your Company has not accepted or renewed any deposits from public / shareholders during the year.

#### **VIII. DIRECTORS :**

Mr. J.N. Tawakley and Dr. K.B. Mathur, Directors will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

IDBI has withdrawn nomination of Mr. Dilip Patil from the Board of the Company with effect from 21st July, 2000. The Board of Directors places on record its appreciation of the valuable services rendered by Mr. Dilip Patil during the tenure of his office.

#### **IX. AUDITORS :**

M/s. A.L. Kapani & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment. Your Directors commend their reappointment for the ensuing year.

#### **X. PARTICULARS OF EMPLOYEES :**

The information as per Section 217(2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Director's Report. However, as per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, the Report and the Accounts is being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

#### **XI. ENVIRONMENT PROTECTION, SAFETY AND HEALTH :**

Your Company places the greatest possible emphasis on protection of the environment, safety and health of the employees. The Company considers that Zero Accident can be the only acceptable safety standard of performance. High level of awareness among the employees at the works of the Company has resulted in almost accident free year of working.

The Company strives for a continuous improvement of targets for key factors of operation, focus on elimination and reduction and control over the risks to people, plant and environment.

#### **XII. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The information required under the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, and forming part of Report, is also annexed hereto.

#### **XIII. ACKNOWLEDGEMENT :**

The present management would like to place on record its sincere appreciation for the co-operation extended at all levels by Central and State Governments, Financial Institutions, Bankers, Shareholders, various statutory authorities and all others to the Company during their tenure and hope that the same level of co-operation will be forthcoming for the new management of the Company also.

For ARYAN PESTICIDES LTD.

**J. N. Tawakley**  
Chairman

Place : Mumbai  
Date : 31st July, 2000





## b) Technology absorption, adoption and innovation:

## FOREIGN EXCHANGE EARNINGS AND OUTGO :

## 1. Efforts in brief made towards technology absorption, adoption and innovation :

(Rs. in Lacs)

Adjustment of temperature in the reduction stage by hydrogenation. Also introduced Catalyst in methoxilation stage.

Foreign Exchange earned

on FOB basis

: Rs. 936.17

Foreign Exchange used

: Rs. 379.64

## 2. Benefits derived as a result of the above efforts:

For and on behalf of the Board

The above process resulted in further improvement in yields of the final products along with reduction of time in each time cycle.

**J. N. Tawakley**  
Chairman

## 3. Details of Technology Imported :

Place : Mumbai

Date : 31st July, 2000

The Company has not imported any technology.

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## AUDITORS REPORT

### TO THE MEMBERS OF ARYAN PESTICIDES LIMITED

We have examined the attached Balance Sheet of M/s. ARYAN PESTICIDES LIMITED as at 31st March, 2000 and also annexed Profit and Loss Account of the company for the year ended on that date, and report that :-

1. As required by the Manufacturing and other companies (Auditor's Report) Order, 1988, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in Paragraph 1 above, we report that :-
  - (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books;
  - (c) The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account;
  - (d) In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section (3c) of Section 211 of the Companies Act, 1956 to the extent applicable.
  - (e) In our opinion, and to the best of our information and according to the explanations given to us, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
    - (i) In case of the Balance Sheet the state of affairs of the Company as at 31st March, 2000  
and
    - (ii) In the case of the Profit and Loss Account the Loss for the year ended on that date.

For and on behalf of  
**A. L. KAPANI & CO.**  
CHARTERED ACCOUNTANTS

**A. L. KAPANI**  
PROPRIETOR

Place : Mumbai  
Date : 11th May 2000