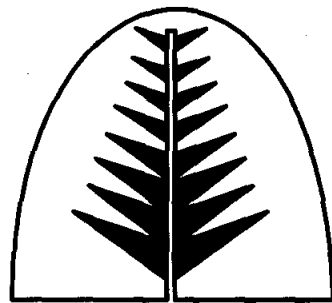


TENTH ANNUAL REPORT

2000-2001



ARYAN

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ARYAN PESTICIDES LIMITED

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ARYAN PESTICIDES LIMITED

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General Shareholder Information

Distribution of Shareholding as on 31st March, 2001

Range	No. of Holders	%	No. of Shares	%
1 - 5000	128	64.98	28640	0.57
5001 - 10000	24	12.18	20100	0.40
10001 - 20000	12	6.09	22500	0.45
20001 - 30000	3	1.52	7700	0.15
30001 - 40000	1	0.51	4000	0.08
40001 - 50000	0	0.00	0	0.00
50001 - 100000	9	4.57	70800	1.41
100001 & above	20	10.15	4874460	96.94
TOTAL	197	100.00	5028200	100.00

Shareholding Pattern as on 31st March, 2001.

SR. NO.	PARTICULARS	SHAREHOLDING	%
1.	Banks / Financial Institutions	220200	4.38
2.	Domestic Companies	1543060	30.69
3.	Indian Mutual Funds	481300	9.57
4.	Individuals	2783640	55.36
	TOTAL	50,28,200	100.00

Financial Calender : 1st April to 31st March.

Dates of Book Closure : 21st September, 2001 to 28th September, 2001 (both days inclusive)

Listing on Stock Exchanges :

The Company's shares are listed on The Stock Exchange, Mumbai and Over the Counter Exchange of India. Listing Fees for the year 2000-2001 and 2001-2002 have been paid to both the above mentioned Exchanges.

Physical Stock Code : 32190

Web Site : www.aryanindia.com

E-mail : aryan@bom3.vsnl.net.in

Registrar and Share : Purva Sharegistry (India) Pvt. Ltd.

Transfer Agent 33, Printing House, 28, Police Court Lane,
Fort, Mumbai - 400 001.



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BOARD OF DIRECTORS :

Mr. J. N. Tawakley	-	<i>Chairman</i>
Mr. K. S. Natrajan	-	<i>Managing Director</i>
Mr. S. J. Tawakley	-	<i>Whole Time Director</i>
Mr. S. C. Ganatra	-	<i>Whole Time Director</i>
Dr. K. B. Mathur	-	<i>Director</i>
Mr. H. C. Mathur	-	<i>Director</i>

AUDITORS : M/s. A. L. Kapani & Co.
Chartered Accountants, Mumbai.

BANKERS : Corporation Bank
Canara Bank

CORPORATE OFFICE : B-212 Arjun Centre,
B.S. Devshi Marg,
Govandi (East),
Mumbai - 400 088.

REGISTERED OFFICE : Plot Nos. 1, 2, 26 & 27
MIDC, Dhatav,
Roha - 402 116,
Dist. Raigad,
Maharashtra.

PLANT : Roha, Maharashtra

10th ANNUAL GENERAL MEETING

Date : Friday, 28th September, 2001.
Time : 11.30 a.m.
Venue : Plot Nos. 1, 2, 26 & 27, MIDC, Dhatav,
Roha 402 116, Dist. Raigad,
Maharashtra.



ARYAN PESTICIDES LIMITED

NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of ARYAN PESTICIDES LTD. will be held on Friday, the 28th September, 2001 at the Registered Office of the Company at Plot Nos. 1, 2, 26 & 27, MIDC Industrial Area, Dhatav, Roha 402 116, Dist. Raigad, Maharashtra at 11.30 a.m. to transact the following business :

Ordinary Business :

1. To consider, approve and adopt the audited Profit & Loss Account for the year ended 31st March, 2001 and Balance Sheet as at that date together with the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. H. C. Mathur, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. J. Tawakley, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

Registered Office :
Plot Nos. 1, 2, 26 & 27
MIDC Industrial Area,
Dhatav, Roha 402 116,
Raigad, Maharashtra

By order of the Board
For Aryan Pesticides Limited

J. N. TAWAKLEY
Chairman

Date : 29th June, 2001

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND A PROXY NEED NOT BE A MEMBER.
2. A proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 21st September, 2001 to 28th September, 2001 (both days inclusive).
4. Members are requested to notify immediately to the Company's Registered Office at Plot Nos. 1, 2, 26 & 27, MIDC Industrial Area, Dhatav, Roha 402 116, Dist. Raigad, Maharashtra the change of address, if any.
5. For the convenience of Members, Attendance Slip and the Proxy Form are attached to this Annual Report. Members are required to affix their signatures (as per the specimen registered with the Company) at the space provided thereof and hand over the Attendance Slip at the entrance to the place of the Meeting. Proxy/Representative of a Member should mark on the Attendance slip as "Proxy" or "Representative" as the case may be.



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DIRECTORS' REPORT

TO

THE MEMBERS,

Your Directors present the Tenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2001.

I. FINANCIAL RESULTS :

	(Rs. in Lacs)	
	2000-2001 Current Year	1999-2000 Previous Year
Sales	3871.02	4070.13
PROFIT / (LOSS) BEFORE TAX	(1172.13)	(419.21)
PROFIT / (LOSS) AFTER TAX	(1172.17)	(419.24)
Add : Balance Brought forward from previous year	(444.85)	14.30
Less : Prior Adjustment relating to previous years	(0.19)	31.24
Tax Adjustments relating to previous year	—	8.60
Balance carried forward	(1616.84)	(444.85)

II. OPERATIONAL PERFORMANCE :

The recessionary trend in the Chemical industry continued this year also. The whole sector witnessed severe pressure on its margins mainly due to increase in the input cost of raw materials and petroleum products. The situation was worsened more due to cheaper imports.

Your Company has recorded a sales of Rs. 3871.02 Lacs in the year under review as compared to Rs. 4070.13 Lacs in the last year registering a marginal decline, which was mainly due to lower demand in the international market for all the products of the Company and fierce competition on the domestic front.

In view of the slackness in demand for its existing products, the Company could not pass on the increased cost of inputs to its customers. Consequently, the Company incurred a loss of Rs. 1172.17 Lacs as against the loss of Rs. 419.24 Lacs in the previous year.

There is a considerable drop in the demand for Paracumidine (PC), which was a major revenue earner for the Company till the recent past. This erosion in demand is mainly due to introduction of new generation weedicide in the market. Demand for other existing products also remained sluggish for the whole year. However, Ortho Phenylene Di-amine (OPDA), continued to perform well and demand for the same has been steadily rising as OPDA is now being used for various new applications.

III. FINANCE :

During the year under review, in order to reduce the burden of interest cost your Company has prepaid Rs. 102 Lacs towards the high cost Term Loan of SICOM.

Your directors are happy to inform you that Industrial Investment Bank of India Limited (IIBI), has assisted the Company by offering favourable financial package and Industrial Development Bank of India (IDBI),



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Export Import Bank of India (Exim) are also in the process of restructuring their Term Loans to assist the Company to reduce the burden of its interest cost.

IV. FUTURE OUTLOOK :

With globalization and opening of Indian economy to world trade and easy accessibility to imports, the domestic Demand-Supply situation has become erratic. Threats of imports have put considerable pressure on domestic prices. However, with strategic planning and support of Deepak Nitrite Limited (DNL), upgradation of manufacturing facilities, introduction of new speciality products and cost control measures, your Company will endeavour to improve its performance.

V. AGREEMENT FOR SALE OF PROMOTERS HOLDING IN THE COMPANY :

As informed during the last year, the Promoters of the Company had entered into an agreement to sell their stake in the Company to DNL.

Subsequently, as required under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 a public offer was made by DNL to the Shareholders of your Company to acquire 10,05,700 fully paid equity shares representing 20% of the issued and paid up capital of your company at Rs. 15/- per share, payable in cash. In terms of the said Public offer, DNL acquired 8.17% shares.

The process of transfer of the promoters shares in the Company to DNL will be completed shortly on receipt of NOC from the Financial Institutions.

Your directors are happy to record that in terms of this special relationship the Company has been receiving whole-hearted support from DNL in improving the health of the Company.

VI. DIVIDEND :

No dividend recommendation was possible for the year under the Companies Act, in view of the extent of loss posted for the year.

VII. EXPORTS :

Although there was a slump in the international Chemical Industry, your Company exported approximately 10% of its total sales during the year under review and thus remained to be a net foreign exchange earner for the country. This was possible mainly due to the fact that the products of the Company continue to enjoy ready acceptance in the international markets on account of its commitment towards quality and its ability to deliver goods as per schedule. The Company expects to further increase its overseas customer base in the years to come.

VIII. FIXED DEPOSITS :

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

IX. DIRECTORS :

Mr. H. C. Mathur and Mr. S. J. Tawakley, Directors will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

As the Company has prepaid the Term Loan of SICOM, the nomination of Mr. M. D. Thakur as the Director on the Company's Board was withdrawn with effect from 11th January, 2001. The Board places on record its sincere appreciation for the valuable services rendered by Mr. M. D. Thakur during his tenure as a Nominee Director.



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X. 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.

XI. STATUTORY INFORMATION DISCLOSURES :

Information in accordance with the 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, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure – I hereto and forms a part of this Report.

The Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956. Hence no, information is required to be appended to this report in this regard.

A Directors Responsibility Statement pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 is given in Annexure-II hereto and forms a part of this Report.

The Board has recently formed an Audit Committee with Dr. K. B. Mathur as the Chairman, Mr. H. C. Mathur and Mr. S. J. Tawakley as its members. The Committee is responsible for overseeing the financial reporting process, reviewing internal audit and the Annual Accounts as also Unaudited Financial Results (provisional) of each quarter before placing the same before the Board of Directors.

XII. ACKNOWLEDGEMENT :

Your Directors place on record their gratitude to the financial institutions, banks, customers, suppliers and shareholders of the Company for their continued cooperation and valuable support. Your Directors also place on record their sincere appreciation of the valuable services rendered by the employees of the Company at all levels during this difficult period. Your Directors are thankful to DNL, the local authorities of Raigad and the State as well as Central Government authorities.

For ARYAN PESTICIDES LTD.

Place : MUMBAI

Date : 29th June, 2001

J. N. TAWAKLEY

Chairman



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ANNEXURE I TO DIRECTORS' REPORT

Statement containing particulars pursuant to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors Report.

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :

	2000-01	1999-00
A. POWER & FUEL CONSUMPTION :		
1. ELECTRICITY :		
Purchased Units	37,77,831	37,03,144
Total Amount (Rs.)	1,51,90,130	1,53,24,604
Rate / Unit (Rs.)	4.02	4.14
Own generation through Generator		
Units	114274	104104
HSD used (Ltrs.)	34,600	30,800
Total Amount	6,10,322	3,98,166
Rate / Unit (Rs.)	5.34	3.82
2. COAL	NIL	NIL
3. FURNACE OIL :		
Quantity (Kilo Litres)	2,497	2,723
Total Cost (Rs.)	2,65,63,547	2,63,86,210
Average Rate (Rs.)	10,638	9,690
B. CONSUMPTION PER K.G. PRODUCTION :		
Electricity – Kwh	1.21	1.23
Furnace Oil – Kilo Ltrs.	0.80	0.90
HSD – Kilo Ltrs.	0.01	0.01



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FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION :

A. Research & Development (R & D) :

1. Specified areas in which R & D is carried out by the Company.

R & D focus has been on improvement of existing processes in terms of yield and purity. Special emphasis was given for making processes environment friendly.

2. Benefits derived :

Process improvements have enabled the Company to withstand severe local as well international competition.

3. Future Plan of action :

R & D Department is working on development of new value added products so as to maximise capacity utilisation of the plant.

4. Expenditure incurred on Research & Development :

	<i>(Rs. in lakhs)</i>
Capital Expenditure	NIL
Recurring Expenditure	8.71
Total Expenditure	8.71
Total R & D Expenditure as a (%) of total turnover (Rs.)	0.23%

B. Technology absorption, adoption and innovation :

1. Efforts in brief made towards technology absorption, adoption and innovation : Company's existing products are based on in-house development of processes and technology.

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

Company's innovation enable us to deliver high quality products in line with the world standard.

3. Details of Technology Imported :

The Company has not imported any technology. Entire production is based on indigenous efforts.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

	<i>(Rs. in Lacs)</i>
Foreign Exchange earned on FOB basis :	Rs. 400.50
Foreign Exchange used :	Rs. 144.39

For and on behalf of the Board

Place : MUMBAI
Dated : 29th June, 2001

J. N. TAWAKLEY
Chairman