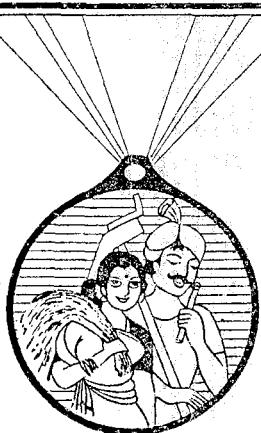


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RA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
GM	<input checked="" type="checkbox"/>	SH	<input checked="" type="checkbox"/>
ME	<input checked="" type="checkbox"/>		



Ninth Annual Report 1997 - 1998



PHYTO CHEM (INDIA) LIMITED





PHYTO CHEM (INDIA) LIMITED

BOARD OF DIRECTORS

Dr. P.Sreemannarayana	- <i>Chairman</i>
Sri C.Venkateswarlu	- <i>Managing Director</i>
Sri Y.Nayudamma	- <i>Wholetime Director</i>
Sri K.Srinivas	- <i>Wholetime Director</i>
Sri M.V.Satya Prasad	- <i>Wholetime Director</i>
Sri G.Sreenu Babu	- <i>Wholetime Director</i>
Dr. Y.Venkateswarlu	- <i>Director</i>

AUDITORS

M/s.T.Adinarayana & Co.,
Chartered Accountants
806, Raghava Ratna Apartments
Chirag Ali Lane
HYDERABAD - 500 001

BANKERS

The Federal Bank Limited
Abids, **HYDERABAD - 500 001**

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Beekay Software Consultants Limited
106, 1st Block, 1st Floor
Divyashakthi Complex
Ameerpet, **HYDERABAD-500 016.**

CORPORATE OFFICE

9 B Gayatrinagar
Srinivasa Nagar East
HYDERABAD - 500 038.
Andhra Pradesh.

REGISTERED OFFICE & FACTORY

Temple Street
BONTHAPALLY - 502 313
Jinnaram Mandal
Medak District,
Andhra Pradesh.

PHYTOCHEM-ANNUAL REPORT -1997-98**NOTICE**

Notice is hereby given that the Ninth Annual General Meeting of the Members of M/s Phyto Chem (India) Limited will be held on Friday, the 14th day of August, 1998 at 11.00 A.M at the Registered Office of the Company at Temple Street, Bonthapally - 502313, Jinnaram Mandal, Medak District, Andhra Pradesh to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance sheet as at 31st March 1998 and Profit and Loss Account for the year ending on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr.K.Srinivas, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. M.V.Satya Prasad, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass the following resolution with or without modification as an Ordinary Resolution.

"RESOLVED that M/s. T. Adinarayana & Co., Chartered Accountants be and are hereby reappointed as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of Tenth Annual General Meeting at such remuneration as may be fixed by the Board of Directors and reimbursement of out of pocket expenses"

SPECIAL BUSINESS**5. Alterations to Memorandum of Association.**

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

"Resolved that pursuant to Section 17 and other applicable provisions of the Companies Act, 1956, Clause - III Object Clause of the Memorandum of Association of the Company be and is hereby altered :

- i) By addition of the new clauses III A (2) and (3) after the existing clause III (A) (1) :

III A (2): To manufacture, produce, refine, process, formulate, buy, sell, import, export, market, develop, distribute, trade or otherwise engage or deal in all types of organic and inorganic chemicals, fertilizers, microfertilizers of any nature used or capable of being used in all types of agricultural and commercial crops and to carry on the activities of cotton ginning, spinning, sale of cotton bales and seeds.

III A (3): To Extract, Produce, refine, process, buy, sell, import, export, market, develop, distribute, trade or otherwise engage or deal in all types of oils, edible and non edible oils and its by-products and any other commodities or products.

- ii) By renumbering the existing clauses III A (2) (3) (4) (5) as Clauses III A (4) (5) (6) (7).

"RESOLVED further that the Company be and is hereby authorised to file necessary forms and papers with the Registrar of Companies, A.P.Hyderabad to give effect to this resolution.

6. Reimbursement of Medical Expenses to Mr.C.Venkateswarlu, Managing Director.

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

"Resolved that the Company be and is hereby authorised to reimburse the medical expenses of Rs.4,07,167.73 incurred during the period from 15-08-1997 to 31-03-1998 by Mr.C.Venkateswarlu on his medical treatment for the injuries suffered by him during his official trip to Vijayawada on 15th August, 1997.



PHYTO CHEM (INDIA) LIMITED

7. Reappointment of Mr.C.Venkateswarlu as Managing Director.

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

"Resolved that pursuant to Section 198, 269, 309 & other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956, the consent of the shareholders be and is hereby accorded to the Company for reappointment of Mr.C.Venkateswarlu as Managing Director for a further period of five years from and including 2nd June, 1998 on the same terms and conditions already approved by the Shareholders in their Eighth Annual General Meeting held on 26th December, 1997.

8. Reappointment of Mr.Y.Nayudamma as Wholetime Director.

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

"Resolved that pursuant to Section 198, 269, 309 & other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956, the consent of the shareholders be and is hereby accorded to the Company for reappointment of Mr.Y.Nayudamma as Wholetime Director for a further period of five years from and including 20th February, 1998 on the same terms and conditions already approved by the Shareholders in their Eighth Annual General Meeting held on 26th December, 1997.

9. Reappointment of Mr.K.Srinivas as Wholetime Director.

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

"Resolved that pursuant to Section 198, 269, 309 & other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956, the consent of the shareholders be and is hereby accorded to the Company for reappointment of Mr.K.Srinivas as Wholetime Director for a further period of five years from and including 20th February, 1998 on the same terms and conditions already approved by the Shareholders in their Eighth Annual General Meeting held on 26th December, 1997.

10. Reappointment of Mr.M.V.Satya Prasad as Wholetime Director.

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

"Resolved that pursuant to Section 198, 269, 309 & other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956, the consent of the shareholders be and is hereby accorded to the Company for reappointment of Mr.M.V.Satya Prasad as Wholetime Director for a further period of five years from and including 2nd June, 1998 on the same terms and conditions already approved by the Shareholders in their Eighth Annual General Meeting held on 26th December, 1997.

For and on behalf of the Board

Y.NAYUDAMMA

WHOLETIME DIRECTOR

Place : Hyderabad,
Date : 2nd June, 1998.

PHYTOCHEM-ANNUAL REPORT-1997-98**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company.
2. Proxies in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting. A proxy form is enclosed.
3. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto in respect of special business.
4. The Register of Members and the Register of Share Transfer will remain closed from 1st August, 1998 to 14th August, 1998 (both days inclusive).
5. Any change of address of the Members may please be notified to the Company or Share Transfer Agent quoting their Registered Folio Number.
6. Members desirous of seeking any information on the accounts are requested to write to the Company at least a week in advance to facilitate compilation of the information.
7. Members are requested to carry their respective copies of the Annual Report for reference during the Annual General Meeting.
8. All documents referred to in the above notice are open for inspection at the Registered Office of the Company during office hours.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****ITEM NO.5**

The Board of Directors propose to diversify the activities of the Company with a view to broad base its activities and making it more resilient. In view of the bright prospects and to make use the rich experience of the Wholetime Directors of the Company, the Company feels that it can conveniently venture into business of Fertilizers, Microfertilizers, Organic and Inorganic Chemicals, Oils and by-products, Cotton ginning, spinning and its allied activities and other areas more elaborately described in the resolution.

The Object Clause of the Memorandum of Association of the Company is proposed to be amended with insertion of a specific new clauses III A (2) and (3) renumbering of existing clauses under III A of the Memorandum.

None of the Directors is concerned or interested in the Resolution.

Your Directors recommend the resolution for approval of shareholders.

ITEM NO.6

The shareholders of the Company have passed a resolution at the Eighth Annual General meeting held on 26th December, 1997 for enhancement of the remuneration of Mr.C.Venkateswarlu, Managing Director to Rs.15,000/- and no separate medical benefits have been provided therein.



PHYTO CHEM (INDIA) LIMITED

Unfortunately Mr.C.Venkateswarlu, Managing Director has met with an accident on 15th August, 1997 and had undergone protracted treatment and convalescence. Consequent to this he has incurred the medical expenses to the extent of Rs.4,07,163.73. The Board of Directors considered the reimbursement of medical expenses. The reimbursement of these expenses, together with the remuneration payable to him, is well within the limits specified in the Companies Act, 1956 read with Schedule-XIII of the Act.

Your Directors recommend the resolution for approval of shareholders.

None of the Directors except Mr.C.Venkateswarlu is interested or concerned in the resolution.

ITEM NO.7

Mr.C.Venkateswarlu is the Managing Director of the Company. Earlier in the Fifth Annual General Meeting held on 15-09-1994, he was appointed as Managing Director of the Company for a period of five years from 15-11-1993 and the term is due to expire on 14-11-1998. Considering the good experience and performance of Mr.C.Venkateswarlu, the Board of Directors of the Company at their Board meeting held on 02-06-1998 have reappointed Mr.C.Venkateswarlu as Managing Director of the Company for a further period of five years from 02-06-1998, subject to the approval of share holders at a General Meeting on the same terms and conditions already approved by the shareholders in their Eighth Annual General Meeting held on 26th December, 1997.

Your Directors recommend the resolution for approval of shareholders.

None of the Directors except Mr.C.Venkateswarlu is interested or concerned in the resolution.

ITEM NO.8

Mr.Y.Nayudamma is the Wholetime Director of the Company Incharge of Finance and Administration. Earlier in the Extraordinary General Meeting held on 18-3-1993, he was appointed as Wholetime Director of the Company for a period of five years from 22-02-1993 and the term has expired on 21-02-1998. Considering the good experience and performance of Mr.Y.Nayudamma, the Board of Directors of the Company at their Board meeting held on 20-02-1998 have reappointed Mr.Y.Nayudamma as Wholetime Director of the Company for a further period of five years from 20-02-1998, subject to the approval of share holders at a General Meeting on the same terms and conditions already approved by the Shareholders in their Eighth Annual General Meeting held on 26th December, 1997.

Your Directors recommend the resolution for approval of shareholders.

None of the Directors except Mr.Y.Nayudamma is interested or concerned in the resolution.

ITEM NO.9.

Mr.K.Srinivas is the Wholetime Director of the Company Incharge of Production. Earlier in the Extraordinary General Meeting held on 18-3-1993, he was appointed as Wholetime Director of the Company for a period of five years from 22-02-1993 and

PHYTOCHEM-ANNUAL REPORT -1997-98

the term has expired on 21-02-1998. Considering the good experience and performance of Mr.K.Srinivas, the Board of Directors of the Company at their Board meeting held on 20-02-1998 have reappointed Mr.K.Srinivas as Wholetime Director of the Company for a further period of five years from 20-02-1998, subject to the approval of share holders at a General Meeting on the same terms and conditions already approved by the shareholders in their Eighth Annual General Meeting held on 26th December, 1997.

Your Directors recommend the resolution for approval of shareholders.

None of the Directors except Mr.K.Srinivas is interested or concerned in the resolution.

Your Directors recommend the resolution for approval of shareholders.

None of the Directors except Mr.M.V.Satya Prasad is interested or concerned in the resolution.

For and on behalf of the Board

Y.NAYUDAMMA
WHOLETIME DIRECTOR

Place : Hyderabad,
Date: 2nd June, 1998.

ITEM NO.10

Mr.M.V.Satya Prasad is the Wholetime Director of the Company Incharge of Marketing. Earlier in the Fifth Annual General Meeting held on 15-09-1994, he was appointed as Wholetime Director of the Company for a period of five years from 15-11-1993 and the term is due to expire on 14-11-1998. Considering the good experience and performance of Mr.M.V.Satya Prasad, the Board of Directors of the Company at their Board meeting held on 02-06-1998 have reappointed Mr.M.V.Satya Prasad as Wholetime Director of the Company for a further period of five years from 15-11-1998, subject to the approval of shareholders at a General Meeting on the same terms and conditions already approved by the shareholders in their Eighth Annual General Meeting held on 26th December, 1997.