



## **TENTH ANNUAL REPORT 1998-1999**



**PHYTO CHEM (INDIA) LIMITED**



## PHYTO CHEM (INDIA) LIMITED

### BOARD OF DIRECTORS

<b>Dr. P. Sreemannarayana</b>	- Chairman
<b>Mr. G. Venkateswarlu</b>	- Managing Director Upto 15-04-1999
<b>Mr. Y. Nayudamma</b>	- Managing Director From 01-06-1999
<b>Mr. M. V. Satya Prasad</b>	- Wholetime Director
<b>Dr. Y. Venkateswarlu</b>	- Director
<b>Mr. G. Sreenu Babu</b>	- Wholetime Director Upto 31-07-1999
<b>Mr. U. Venkateswara Rao</b>	- Wholetime Director From 27-08-1999

### AUDITORS

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

### BANKERS

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

### SHARE TRANSFER AGENTS

**M/s. Jupiter Technologies**  
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.

## PHYTO CHEM-ANNUAL REPORT - 1998 99

**NOTICE**

Notice is hereby given that the Tenth Annual General Meeting of the Members of M/s Phyto Chem (India) Limited will be held on Monday, the 27th day of December, 1999 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 1999, 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.Y.Nayudamma, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr.Y.Venkateswarlu, 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 Eleventh 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. **Appointment of Mr.U.Venkateswara Rao as Director of the Company.**

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

"RESOLVED that Mr.U.Venkateswara Rao who was appointed as Additional Director of the Company on 31-07-1999 w.e.f. 27-08-1999 and who ceases to hold office as per Section 260 of the Companies Act 1956, at the Tenth Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation".

6. **Appointment of Mr.U.Venkateswara Rao as Wholetime Director of the Company.**

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 and other applicable provisions of the Companies Act, 1956 read with Section XIII of Companies Act, 1956, the consent of the shareholders be and is hereby accorded to the Company for appointment of Mr.U.Venkateswara Rao as Wholetime Director of the Company for a period of 5 years from and including 27th August, 1999 on the following terms and conditions unless and otherwise revised :

- a) Salary :- Rs.12,000/- per month.
- b) Personal Accident Insurance :- Rs.2000/- per annum towards personal accident insurance.
- c) G.P.F :- 12% of the salary as per applicable rules.
- d) Gratuity :- Half month salary for every year of completed service.
- e) The Company shall pay the professional tax of the Wholetime Director as per the rules of the State Government as amended from time to time.
- f) Entitled to encashment of Leave as per rules.

"RESOLVED further that the terms and conditions of the said appointment may be



## PHYTOCHEM (INDIA) LIMITED

altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Wholtime Director, in accordance with the Schedule-XIII and other applicable provisions of the Companies Act, 1956 or any amendments hereafter in this regard".

### 7. Enhancement of remuneration 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 in modification and supersession of the resolutions passed by the shareholders in their earlier meetings and pursuant to the provisions of Section 198, 304, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the consent of the shareholders be and is hereby accorded for approval of the payment of the remuneration to Mr.C.Venkateswarlu, Managing Director as per the following terms and conditions for the period from 01-12-1998 to 15-04-1999:

- a) Salary :- Rs.18,000/- per month.
- b) Personal Accident Insurance :- Rs.2000/- per annum towards personal accident insurance.
- c) G.P.F :- 12% of the salary as per applicable rules.
- d) Gratuity :- Half month salary for every year of completed service.
- e) The Company shall pay the professional tax of the Managing Director as per the rules of the State Government as amended from time to time.
- f) Entitled to encashment of Leave as per rules.

### 8. Enhancement of remuneration to

Mr.Y.Nayudamma, for his services during his tenure as Wholtime Director of the Company.

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

"RESOLVED that in modification and supersession of the resolutions passed by the shareholders in their earlier meetings and pursuant to the provisions of Section 198, 304, 310 and other applicable provisions, if any, read with schedule XIII of the Companies Act, 1956, the consent of the shareholders be and is hereby accorded for payment of the remuneration to Mr.Y.Nayudamma, Wholtime Director as per the following terms and conditions for the period from 01-12-1998 to 31-05-1999:

- a) Salary :- Rs.15,000/- per month.
- b) Personal Accident Insurance :- Rs.2000/- per annum towards personal accident insurance.
- c) G.P.F :- 12% of the salary as per applicable rules.
- d) Gratuity :- Half month salary for every year of completed service.
- e) The Company shall pay the professional tax of the Wholtime Director as per the rules of the State Government as amended from time to time.
- f) Entitled to encashment of Leave as per rules.

### 9. Enhancement of remuneration to Mr.M.V.Satya Prasad, Wholtime Director.

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

"RESOLVED that in modification and supersession of the resolutions passed by the shareholders in their earlier meetings

and pursuant to the provisions of Section 198, 304, 310 and other applicable provisions, if any, read with schedule XIII of the Companies Act, 1956, the consent of the shareholders be and is hereby accorded for payment of the remuneration to Mr.M.V.Satya Prasad, Wholetime Director as per the following terms and conditions with effect from 01-12-1998 unless and otherwise revised:

- a) Salary :- Rs.15,000/- per month.
- b) Personal Accident Insurance :- Rs.2000/- per annum towards personal accident insurance.
- c) G.P.F :- 12% of the salary as per applicable rules.
- d) Gratuity :- Half month salary for every year of completed service.
- e) The Company shall pay the professional tax of the Wholetime Director as per the rules of the State Government as amended from time to time.
- f) Entitled to encashment of Leave as per rules.

"RESOLVED further that the terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Wholetime Director, in accordance with the Schedule-XIII and other applicable provisions of the Companies Act, 1956 or any amendments hereafter in this regard".

#### 10.Enhancement of remuneration to Mr.G.Sreenu Babu, Wholetime Director.

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

"RESOLVED that in modification and supersession of the resolutions passed by

the shareholders in their earlier meetings and pursuant to the provisions of Section 198, 304, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the consent of the shareholders be and is hereby accorded for approval of the payment of the remuneration to Mr.G.Sreenu Babu, Wholetime Director as per the following terms and conditions for the period from 01-12-1998 to 31-07-1999:

- a) Salary :- Rs.12,600/- per month.
- b) Personal Accident Insurance :- Rs.2000/- per annum towards personal accident insurance.
- c) G.P.F :- 12% of the salary as per applicable rules.
- d) Gratuity :- Half month salary for every year of completed service.
- e) The Company shall pay the professional tax of the Wholetime Director as per the rules of the State Government as amended from time to time.

- f) Entitled to encashment of Leave as per rules.

#### 11.Appointment of Mr.Y.Nayudamma as Managing Director of the Company.

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, Mr.Y.Nayudamma be and is hereby appointed as Managing Director of the Company for a period of five years from 01-06-1999 on the following terms and conditions unless and otherwise revised:

- a) Salary :- Rs.18,000/- per month.
- b) Personal Accident Insurance :-



## HYDROCHEM (INDIA) LIMITED

Rs.2000/- per annum towards Personal Accident Insurance.

- c) G.P.F :- 12% of the salary as per applicable rules.
- d) Gratuity :- Half month salary for every year of completed service.
- e) The Company shall pay the professional tax of the Managing Director as per the rules of the State Government as amended from time to time.
- f) Entitled to encashment of Leave as per rules.

"RESOLVED further that the terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Managing Director, in accordance with the Schedule-XIII and other applicable provisions of the Companies Act, 1956 or any amendments hereafter in this regard".

**For and on behalf of the Board**

**Y.NAYUDAMMA  
MANAGING DIRECTOR**

PLACE: Hyderabad,  
DATE: 30-10-1999

### 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 Transfers will remain closed from 24-12-1999 to 27-12-1999 (both days inclusive).
5. Any change of address of the Members may please be notified to the Company or Share Transfer Agents M/s Jupiter Technologies, 106, 1st Block, 1st Floor, Divyashakthi Complex, Ameerpet, Hyderabad - 500 016 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**

Mr. U.Venkateswara Rao is a Graduate in Science besides interests in Agro based industries. The Board of Directors in their meeting held on 31st July, 1999 felt that he be inducted into the Board as Director as well as Wholetime Director of the Company w.e.f. 27-08-1999 to take care of the production activity at the Factory.

Notice Under Section 257 of the Companies Act, 1956 along with requisite deposit of Rs. 500/- has been received from a member proposing the appointment of Mr.U.Venkateswara Rao whose period of office shall be liable to retirement by rotation. Mr.U.Venkateswara Rao has filed his consent pursuant to provisions of 264 of the Companies Act, 1956 to act as Director if appointed.

None of the directors except Mr. U. Venkateshwara Rao is deemed to be interested or concerned in the above resolution.

Your Directors recommend the resolution for approval of shareholders.

**ITEM NO.6**

The Board of Directors at their meeting held on 31st July, 1999 have appointed Mr.U.Venkateswara Rao as Wholetime Director w.e.f. 27-08-1999 as per the terms and conditions mentioned in the Resolution No.6. Approval of the shareholders in the Annual General Meeting is required and hence this resolution.

None of the directors except Mr. U. Venkateshwara Rao is deemed to be interested or concerned in the above resolution.

Your Directors recommend the resolution for approval of shareholders.

**ITEM NO.7**

Earlier the approval of the shareholders for appointment and payment of remuneration of Rs.15,000/- per month to the then Managing Director of the Company, Mr.C.Venkateswarlu was obtained. The Board at its meeting held on 07-12-1998 considered that the salary being paid to Managing Director be enhanced as stated in the resolution No.7. Consequent to vacation of office by him, the remuneration already paid to him is proposed for approval of the shareholders.

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

Your Directors recommend the resolution for approval of the Shareholders.

**ITEM NO.8:**

Earlier the approval of the shareholders for appointment and payment of remuneration of Rs.12,000/- per month to Mr.Y.Nayudamma as Wholetime Director of the Company was obtained. The Board at its meeting held on 07-12-1998 considered that the salary being paid to Wholetime Director be enhanced as stated in the resolution No.8. Since Mr.Y.Nayudamma has been appointed as Managing Director with effect from 01-06-1999. The resolution is proposed for approval of the payment made to him for his services as Wholetime Director of the Company during the period from 01-12-1998 to 31-05-1999.

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

Your Directors recommend the resolution for approval of the shareholders.

**ITEM NO.9:**

Earlier the approval of the shareholders



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for appointment and payment of remuneration of Rs.12,000/- per month to Mr.M.V.Satya Prasad as Wholetime Director of the Company was obtained. The Board at its meeting held on 07-12-1998 considered that the salary being paid to Wholetime Director be enhanced as stated in the resolution No.9.

None of the Directors is concerned or interested in the Resolution except Mr.M.V.Satya Prasad, Wholetime Director.

Your Directors recommend the resolution for approval of the shareholders.

Director as well as fixation of remuneration.

None of the Directors is concerned or interested in the Resolution except Mr.Y.Nayudamma, Managing Director.

Your Directors recommend the resolution for approval of the shareholders.

**For and on behalf of the Board**

**Y.NAYUDAMMA  
MANAGING DIRECTOR**

**ITEM NO.10:**

Earlier the approval of the shareholders for appointment of Mr.G.Sreenu Babu as Wholetime Director of the Company on a remuneration of Rs.9,600/- was obtained. The Board at its meeting held on 07-12-1998 considered that the salary being paid to the Wholetime Director be enhanced as stated in the resolution No.10. Consequent to vacation of Office by him, the remuneration being paid to him is proposed for approval of Shareholders

None of the Directors is concerned or interested in the Resolution except Mr.G.Sreenu Babu, Wholetime Director.

Your Directors recommend the resolution for approval of the shareholders.

PLACE: Hyderabad

DATE: 30-10-1999

**ITEM NO.11:**

Mr.Y.Nayudamma has been the Wholetime Director of the Company and has been discharging the functions of Managing Director since the time Mr.C.Venkateswarlu has fallen sick two years ago and vacated the office subsequently. The Board at its meeting held on 31-05-99 considered that Mr.Y.Nayudamma be appointed as Managing Director of the Company with effect from 01-06-1999 and the remuneration as stated in the Resolution No.11 be paid to him. The resolution is proposed for his appointment as Managing