



TWELFTH ANNUAL REPORT

2000 - 2001



PHYTO CHEM (INDIA) LIMITED

PHYTO CHEM ANNUAL REPORT - 2000-2001

BOARD OF DIRECTORS

Dr. P.Sreemannarayana	- <i>Chairman</i>
Dr. Y.Venkateswarlu	- <i>Director</i>
Mr. U.Venkateswara Rao	- <i>Wholesale Director</i>
Mr. M.V.Satya Prasad	- <i>Wholesale Director</i>
Mr. Y.Nayudamma	- <i>Managing Director</i>

AUDITORS

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

BANKERS

M/s.The Federal Bank Limited
Orient Estate, Abids,
HYDERABAD - 500 001

R & T AGENTS - PHYSICAL FORM

M/s. Jupiter Technologies
6-3-856/A/1/A/2
Sadat Manzil Colony
Ameerpet
HYDERABAD - 500 016.

R & T AGENTS - ELECTRONIC FORM

M/s. CIL Securities Limited
214, Raghava Ratna Towers,
Chirag Ali Lane, Abids,
HYDERABAD - 500 001.

CORPORATE OFFICE

8-3-319/8/11, Sai Saradhi Nagar
Behind Saradhi Studios
Yellareddyguda
HYDERABAD - 500 873.

REGISTERED OFFICE & FACTORY

Survey No. : 628, Temple Street
BONTHAPALLY - 502 313
Jinnaram Mandal
Medak District,
Andhra Pradesh.



PHYTO CHEM (INDIA) LIMITED

NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Members of M/s Phyto Chem (India) Limited will be held on Monday, the 30th day of July, 2001 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 2001, 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 Mr.U.Venkateswara Rao, 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 Thirteenth Annual General Meeting at such remuneration as may be fixed by the Board of Directors and reimbursement of out of pocket expenses".

SPECIAL BUSINESS

Alterations to Memorandum of Association.

5. To consider and if thought fit, to pass the following resolution with or without modification (s) 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 clause III(A) 9 after the existing clause III(A) 8 :

III (A) 9:

To acquire real or lease hold estate and to purchase, lease, construct or otherwise acquire or provide in any place, offices, warehouses, workshops, buildings, apartments, engines, machinery, plant and appliances and to carrying on the business of Builders, Contractors and Developers and such other related activities.

"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.

For and on behalf of the Board

Place: Hyderabad, Y.NAYUDAMMA
Date: 28-05-2001 MANAGING DIRECTOR

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. An 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 28th July 2001 to 30th July 2001 (both days inclusive).
5. Any change of address of the Members may please be notified to the Company or Share Transfer Agents for Physical form M/s Jupiter Technologies, No.6-3-856/A/1/A/2 Sadat Manzil Colony, Ameerpet, Hyderabad-500 016 and for Electronic form M/s. CIL Securities Limited, No.214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad-500 001. quoting their Registered Folio Number.

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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 Wholtime Directors of the Company, the Company feels that it can conveniently venture into business of construction and real estates and other areas more elaborately described in the resolution.

The Objects Clause of the Memorandum of Association of the Company is proposed to be amended with insertion of a specific new clause III(A) 9 of the Memorandum.

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

Your Directors recommend the resolution for approval of shareholders.

For and on behalf of the Board

**Y.NAYUDAMMA
MANAGING DIRECTOR**

Place: Hyderabad,
Date: 28-05-2001

DIRECTOR'S REPORT**Dear Shareholders,**

Your Directors have pleasure in presenting the Twelfth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2001.

1. FINANCIAL RESULTS:

The financial results for the year ended 31st March, 2001 are summarised as under:

Particulars	(Rupees in lacs)	
	2000-2001	1999-2000
Sales	1011.78	1082.58
Other income	5.79	16.01
Profit before depreciation and tax	43.82	24.87
Depreciation	14.45	14.30
Profit before Tax	29.37	10.57
Provision for Tax	2.73	1.22
Profit after Tax	26.64	9.35
Prior Period Adjustments	3.49	0.34
Profit after Prior Period Adjustments	23.15	9.01

2. REVIEW OF OPERATIONS:

Your Company achieved a turnover of Rs.1011.78 lacs during the year 2000-2001 as against a turnover of Rs.1082.58 lacs during the previous year and the Company has earned net profit of Rs.26.64 lacs during 2000-2001 as against net profit of Rs.9.35 lacs during 1999-2000, after providing for prior year adjustments the Company could make net profit of Rs.23.15 lacs during 2000-2001 as against Rs.9.01 lacs during 1999-2000. The Company could not achieve the desired turnovers because of the stiff competition from the local players as well as the competition from the Multi National Companies (MNC's). Further, the earthquake in Gujarat and drought conditions in other parts of the Country and the changes in the crop pattern have also adversely influenced the turnovers. Your Board of Directors could not recommend any dividend for the year 2000-2001 as sufficient profits are not available.



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3. FIXED DEPOSITS:

Your Company has not accepted any deposits from the Public during the year.

4. AUDITORS - OBSERVATIONS:

M/s T. Adinarayana & Co., Chartered Accountants, Hyderabad, the Auditors of the Company will retire at the conclusion of this Annual General Meeting and are recommended for re-appointment. They have signified their willingness to accept the reappointment and have confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956.

With regard to the auditors observation in respect of lack of information with the company about the SSI status of the creditors, the same was mentioned at point No 7 of notes to accounts which is self explanatory.

5. DIRECTORS:

Mr.Y. Nayudamma, and Mr.U.Venkateswara Rao, Directors will retire by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed :

(I) That in the preparation of the accounts for the financial year ended 31st March, 2001, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(II) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

(III) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(IV) That the Directors have prepared the accounts for the financial year ended 31st March, 2001 on a 'going concern' basis.

7. PERSONNEL:

None of the Employees is covered under Sec.217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended.

8. PARTICULARS REGARDING ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

As required by Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the relevant data pertaining to consumption of Energy, Technology Absorption, Foreign Exchange earnings and outgo are given in the Annexure to this report.

9. PAYMENT OF LISTING FEE:

The Company is listed at Hyderabad, Mumbai and Chennai Stock exchanges and the listing fee has been paid by the Company till the financial year 2001-2002.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their deep appreciation of the esteemed support and co-operation received from M/s The Federal Bank Limited, Abids, Hyderabad. Your Directors also acknowledge the support and encouragement received from both Central and State Governments and also thank the Dealers, Distributors and Institutional Customers for their

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patronisation, support, feed back and encouragement. The Board also records its warm appreciation for the committed and dedicated services rendered by the employees and workers of the Company.

For and on behalf of the Board

M.V.SATYA PRASAD Y.NAYUDAMMA
WHOLETIME DIRECTOR MANAGING DIRECTOR
Place : Hyderabad,
Date : 28-05-2001

ANNEXURE TO DIRECTOR'S REPORT FORM A

The following are the particulars of the Company, as required under Section 217 (1) (E) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

Form for Disclosure of Particulars with respect to Conservation of Energy.

A) POWER AND FUEL CONSUMPTION:

	Current Year 31-03-2001	Previous year 31-03-2000
i) Electricity		
Purchased Units	54,352	33,450
Total amount (Rs)	2,62,180	1,34,146
Rate per Unit (Rs)	4.82	4.01
ii) Own Generation		
Through Diesel Generator(Units)	10,166	30,464
Units per Ltr of Diesel Oil	2.21	2.24
Rate per Unit(Rs.)	7.23	5.76

B) CONSUMPTION PER UNIT OF PRODUCTION:

	Current Year 31-03-2001	Previous year 31-03-2000
Production (Ltrs.)	9,29,103	12,75,675
Power Consumption Per Litre	0.069	0.050

C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

The Company has adopted indigenous technology for manufacture of Pesticides Formulations and no imported technology is involved.

D) RESEARCH AND DEVELOPMENT (R&D):

The Company has an In house R&D division for improving the quality, productivity and for developing the new viable products.

E) FOREIGN EXCHANGE EARNINGS AND OUT GO:

- a) i) Activities relating to exports:-
Various types of Pesticides Formulations.
- ii) Initiative taken to increase exports:-
Maintain high quality standards and timely deliveries.
- iii) Development of new export markets for products and services:-
Efforts are being made to develop new export markets,
- iv) Export Plans :-
Proposes to have active plans for export.
- b) i) Total Foreign exchange out flow :-
Equivalent to Rs.118.12 lacs
(USD 256737) towards Raw materials.
- ii) Total Foreign exchange inflow:-
— NIL—

For and on behalf of the Board

M.V.SATYA PRASAD Y.NAYUDAMMA
WHOLETIME DIRECTOR MANAGING DIRECTOR

Place : Hyderabad,
Date : 28-05-2001