



**Thirteenth Annual Report
2001 - 2002**



PHYTO CHEM (INDIA) LIMITED



PHYTO CHEM (INDIA) LIMITED

BOARD OF DIRECTORS

Dr. P.Sreemannarayana	- <i>Chairman</i>
Dr. Y.Venkateswarlu	- <i>Director</i>
Mr. M.V.Satya Prasad	- <i>Wholetime Director</i>
Mr. U.Venkateswara Rao	- <i>Wholetime 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
Salva Castle, # 9-4-86/119,
1st Floor, Salarjung Colony,
Mehdipatnam,
HYDERABAD - 500 008.

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 Studio's,
Yellareddyguda,
HYDERABAD - 500 073.

REGISTERED OFFICE & FACTORY

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

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of M/s Phyto Chem (India) Limited will be held on Wednesday, the 12th day of June, 2002 at 11.00 A.M at the Registered Office of the Company at Temple Street, Bonthapally - 502913, 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 2002, 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 Dr. Y. Venkateswarlu, 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 Fourteenth Annual General Meeting at such remuneration as may be fixed by the Board of Directors and reimbursement of Out of Pocket Expenses".

For and on behalf of the Board

Y.NAYUDAMMA
MANAGING DIRECTOR

Place : Hyderabad,
Date : 23-04-2002.

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. The Register of Members and the Register of Share Transfers will remain closed from 11th June 2002 to 12th June 2002(both days inclusive).
4. Any change of address of the Members may please be notified to the Company or Share Transfer Agents M/s Jupiter Technologies, Salva Castle, 9-4-86/119, 1st Floor, Salarjung Colony, Mehdiapatnam, Hyderabad - 500 008 quoting their Registered Folio Number.
5. 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.
6. Members are requested to carry their respective copies of the Annual Report for reference during the Annual General Meeting.
7. All documents referred to in the above notice are open for inspection at the Registered Office of the Company during office hours.



DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirteenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2002.

1. FINANCIAL RESULTS:

The financial results for the year ended 31st March, 2002 are summarised as under:

Particulars	(Rupees in lacs)	
	2001-2002	2000-2001
Sales	1040.61	1011.78
Other Income	3.12	5.78
Total	1043.73	1017.56
Profit before depreciation and tax	38.22	43.82
Depreciation	14.58	14.45
Profit before Tax	23.64	29.37
<u>Provision for Tax</u>		
Current Tax	3.55	2.73
Deferred Tax	2.30	—
Profit after Tax	17.79	26.64
Prior Period Adjustments	1.85	(3.49)
Profit after Prior Period Adjustments	19.64	23.15

2. REVIEW OF OPERATIONS:

Your Company achieved a turnover of Rs.1040.61 lacs during the year 2001-2002 as against a turnover of Rs.1011.78 lacs during the previous year and the Company has earned net profit of Rs.17.78 lacs during 2001-2002 as against net profit of Rs.26.64 lacs during 2000-2001. After providing for prior year adjustments the Company could make net profit of Rs.19.64 lacs during

2001-2002 as against Rs.23.15 lacs during 2000-2001. 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 Corporations (MNC's). Your Board of Directors could not recommend any dividend for the year 2001-2002 as sufficient profits are not available. M/s Central Warehousing Corporation has released part payment of Rs. 16.93 lacs as against Rs. 58.13 lacs claim preferred by the Company for the loss of the imported material stored at Customs approved bonded warehouse i.e. M/s Central Warehousing Corporation, Kukatpally, Hyderabad caused due to floods on 23rd August, 2000 and the claim for full settlement is pending.

3. FIXED DEPOSITS:

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

4. AUDITORS :

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

5. DIRECTORS:

Dr.Y.Venkateswarlu, Director and Mr.M.V.Satya Prasad, Wholetime Director will retire by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment.

6. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed :

(I) That in the preparation of the accounts for the financial year ended 31st March, 2002, 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 safeguarding 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, 2002 on a 'going concern' basis;

7. CORPORATE GOVERNANCE :

The mandatory provisions of Clause 49 of the Listing Agreement are applicable to your Company from the year 2002-2003 and steps are being taken for its implementation during the year.

8. 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.

9. PARTICULARS REGARDING ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING 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.

10. PAYMENT OF LISTING FEE:

The Company's equity shares are listed at Hyderabad, Mumbai and Chennai and the listing fee to the said Stock Exchanges has been paid by the Company till the financial year.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their deep appreciation of the esteemed support and cooperation 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 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 : 23-04-2002.



PROVISIONAL ACCOUNT

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 31-03-2002	Previous year 31-03-2001
i) Electricity		
Purchased Units	52723	54352
Total amount (Rs)	2,33,181	2,62,180
Rate per Unit	4.42	4.82
ii) Own Generation		
Through Diesel Generator(Units)	9,870	10166
Units per Ltr of Diesel Oil	2.35	2.21
Rate per Unit(Rs.)	7.83	7.23

B) CONSUMPTION PER UNIT OF PRODUCTION:

	Current Year 31-3-2002	Previous Year 31-03-2001
Production (Ltrs)	6,93,353.25	9,29,103
Power Consumption Per Litre	0.090	0.069

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.45.89 lacs (USD 97440) 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 : 23-04-2002.

T.ADINARAYANA & CO.
CHARTERED ACCOUNTANTS
 806, RAGHAVA RATNA TOWERS,
 CHIRAG ALI LANE,
 HYDERABAD - 500 001.

AUDITORS' REPORT

To
 The Members of
PHYTO CHEM (INDIA) LIMITED.

We have audited the attached Balance Sheet of **M/S PHYTO CHEM (INDIA) LIMITED**, as at 31st March, 2002 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India, in terms of sub-section 4(A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
- (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Account.
- (iv) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (v) On the basis of the written representations received from the directors, as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the Schedules and Notes thereon subject to the Note No.7 relating to lack of information regarding the status of the creditors whether SSI or otherwise, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view;
 - i) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2002 and,
 - ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date.

for T.ADINARAYANA & CO.,
Chartered Accountants

Place : Hyderabad
Date : 23-04-2002

Y.P.RAO
PARTNER