



Twentieth Annual Report 2008-2009



PHYTO CHEM (INDIA) LIMITED



PHYTO CHEM (INDIA) LIMITED

BOARD OF DIRECTORS

Dr.P.Sreemannarayana	-	Chairman
Mr.Y.Nayudamma	-	Managing Director
Dr.Y.Venkateswarlu	-	Director
Mr.P.Anjaneyulu	-	Director
Mr.C.N.Chary	-	Director
Mr.T.A.Choudary	-	Director
Mr.N.Sudhakar	-	Director
Mr.M.Balaramakrishnaiah	-	Director

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.

COMMON SHARE TRANSFER AGENTS

(Physical & Electronic)

M/s. Bigshare Services Pvt. Limited.
G-10, Left Wing, Amrutha Ville,
Opp. Yashoda Hospital,
Somajiguda, Raj Bhavan Road,
Hyderabad - 500 082.
Phone No.:040-23374967.

CORPORATE OFFICE

No.8-3-319/8/11, Sai Saradhi Nagar,
Behind Saradhi Studios, Yellareddyguda,
HYDERABAD - 500 073.
Phone No. : 040-23756684, 23756685.

REGISTERED OFFICE & FACTORY

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

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NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of M/s Phyto Chem (India) Limited will be held on Friday, the 18th day of September, 2009 at 11.30 A.M. at the Registered Office of the Company at Survey No.628, Temple Street, Bonthapally-502 313, 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 2009, 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. P.Anjaneyulu, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. C.N.Chary, who retires by rotation and being eligible, offers himself for reappointment.
5. 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 Twenty First Annual General Meeting at such remuneration as may be fixed by the Board of Directors and reimbursement of out of pocket expenses".

SPECIAL BUSINESS

6. **Reappointment of Mr.Y. Nayudamma as Managing Director of the Company.**
To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.
"RESOLVED that pursuant to Sec.198,269,309 & other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 and as recommended by the Remuneration Committee, the

consent of the shareholders be and is hereby accorded to the Company for reappointment of Mr.Y.Nayudamma as Managing Director of the Company for a further period of five years from and including 1st June, 2009 on the following terms and conditions":

- a) Salary :- Rs. 35,000/- per month in the scale of Rs.35,000/- - Rs. 60,000/-.
- b) G.P.F. :- 12% of the salary as per applicable rules.
- c) Gratuity :- Half month salary per every year of completed service.
- d) 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.
- e) Entitled to encashment of Leave at the end of tenure which will not be included in the computation of the ceiling on perquisites.

"RESOLVED further that the terms and conditions of the said reappointment 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

Place: Hyderabad,
Date : 29th July 2009.

Y.NAYUDAMMA
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. 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.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto in respect of Special Business.



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Mr.P.Anjaneyulu	-	Director
Mr.C.N.Chary	-	Director
Mr.T.A.Choudary	-	Director
Mr.N.Sudhakar	-	Director
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DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twentieth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2009.

1. FINANCIAL RESULTS:

The financial results for the year ended 31st March, 2009 are summarised as under:

	(Rs. in lacs)	
Particulars	2008-2009	2007-2008
Sales / Income	1276.64	1494.58
Profit before depreciation and tax	39.44	30.50
Depreciation	20.90	18.87
Profit before Tax	18.54	11.63
Provision for Tax :		
Current Tax	9.14	6.48
Deferred Tax	--	--
Profit after Tax	9.40	5.15
Prior Period Adjustments	0.57	0.35
Profit after Prior Period Adjustments	8.83	4.80

2. REVIEW OF OPERATIONS AND DIVIDEND:

Your Company achieved a turnover of Rs. 1276.64 lacs during the year 2008-2009 as against a turnover of Rs.1494.58 lacs during the previous year and the Company has earned net profit of Rs. 9.40 lacs during 2008-2009 as against net profit of Rs.5.15 lacs during 2007-2008. After providing for prior period adjustments, the Company could make net profit of Rs. 8.83 lacs during 2008-2009 as against net profit of Rs.4.80 lacs during 2007-2008. The slow down of global economy had impact on every sphere of economic activity, so is the case with pesticides and more so in real estate activity. The competition from the SME's, the prohibitive cost of R&D comparable to the size of your Company have been causing concern for pesticides activity. Because of the slow down in Real estate, there has not been much activity. The Management is considering various

options and expecting the Real estate activity may pick up from October 2009 onwards. The Company has been pursuing its marketing initiative for expansion of networks.

During the year 2008-2009, the turnover decreased by 14.58% as compared to the turnover of 2007-2008. The ratio of Manufacturing Expenses to the sales during the year 2008-2009 is 74.67 % as against 72.80% during 2007-2008. The ratio of Administrative, Selling and other expenses to the total expenditure is 24.77% during the year 2008-2009 as against 21.59% during 2007-2008. As on date, the Company's deployment of funds in Real estate is Rs. 166.50 lacs. However during the year, the Company has neither infused fresh funds nor effected any sale of the property. Your Board of Directors could not recommend any dividend for the year 2008 - 2009 as sufficient profits are not available.

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, Mr.P.Anjaneyulu and Mr.C.N.Chary Directors retire by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment. The term of Mr.Y.Nayudamma, as Managing Director has expired on 31st May 2009 and he has been reappointed by the Board. The approval of shareholders is being sought now as per the provisions of the Companies Act, 1956.



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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, 2009, 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 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 annual accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

7. RISK MANAGEMENT:

In line with Corporate Governance practices, during the current year an exclusive exercise is under way to bring in a model regulating risk management mechanism given the size and nature of Company's business.

8. INSURANCE:

Your Company's assets are adequately Insured against the risk from fire, riots, earthquake, terrorism etc.

9. CORPORATE GOVERNANCE:

The Corporate Governance Report in terms of Clause 49 of the Listing Agreement is enclosed to this Report.

10. SECRETARIAL COMPLIANCE IN TERMS OF SEC 383 OF COMPANIES ACT:

Secretarial Compliance certificate issued by

M/s. Puttaparthi Jagannatham & Co., Company Secretaries is enclosed and forms part of this report.

11. 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.

12. 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.

13. PAYMENT OF LISTING FEE:

The shares of the Company are listed at Mumbai Stock Exchange, which has nationwide trading terminals and the listing fee has been paid by the Company upto date.

14. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation for 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 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. The Board also thank the shareholders for their unstinted support and confidence reposed in us.

For and on Behalf of the Board

C.N. CHARY
DIRECTOR

Y.NAYUDAMMA
MANAGING DIRECTOR

Place : Hyderabad,
Date : 29th July 2009.

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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 31-03-2009	Previous year 31-03-2008
i) Electricity		
Purchased Units	56,585	52,520
Total amount (Rs)	3,45,444	2,27,653
Rate per Unit	6.10	4.33
ii) Own Generation		
Through Diesel		
Generator (Units)	18,910	32,816
Units per Ltr of		
Diesel Oil	3.05	2.93
Rate per Unit (Rs.)	11.57	11.54

B) CONSUMPTION PER UNIT OF PRODUCTION:

	Current Year 31-03-2009	Previous Year 31-03-2008
Production (Ltrs/Kgs)	16,12,401	18,68,214
Power Consumption		
per Litre/Kgs	0.047	0.046

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 Inhouse 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.288.48 lacs (USD 6,30,254/-) towards Raw materials.

ii) Total Foreign exchange inflow:

Equivalent to Rs. Nil (USD Nil) towards Exports of pesticides Formulations.

For and on behalf of the Board

C.N. CHARY
DIRECTOR

Y.NAYUDAMMA
MANAGING DIRECTOR

Place : Hyderabad,
Date : 29th July, 2009



PHYTO CHEM (INDIA) LIMITED

SECRETARIAL COMPLIANCE CERTIFICATE

In terms of Section 383A (1) of the Companies Act, 1956

Name of the Company	: PHYTO CHEM (INDIA) LIMITED
Registration Number of the Company	: 01- 09500
Authorised Capital of the Company	: Rs.4,75,00,000=00
Paid up Capital of the Company	: Rs.4,30,02,000=00

To
The Members of
PHYTO CHEM (INDIA) LIMITED

We have examined the Registers, Records, Books and Papers of *PHYTO CHEM (INDIA) LIMITED* as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2009** and in our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all Registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries have been duly recorded.
2. The Company has duly filed the Forms and Returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Andhra Pradesh within the time prescribed under the Act and the rules made there under.
3. Since the provisions of Section 3(1)(iii) of the Act, are not applicable to the Public Limited Company, no comments are required.
4. The Board of Directors duly met **Six** times on **18th April 2008, 30th June 2008, 31st July 2008, 24th September 2008, 31st October 2008 and 30th January 2009** in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on **31st March 2008** was held on **24th September 2008** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. The Company has not conducted any Extraordinary General Meeting during the financial year.
8. The Company has not advanced any loans, given any guarantees or provided any securities to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made requisite entries in the Register maintained under Section 301 of the Act. However there were no contracts entered by the Company during the financial year in which Directors were interested.

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11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any Duplicate Share Certificates during the financial year.
13. The Company:
 - (i) Has delivered all certificates on transfer/transmission of securities and there were no cases for allotment of shares during the year.
 - (ii) Was not required to deposit the amount of dividend since no dividend was declared during the financial year.
 - (iii) Was not required to post any dividend warrants or transfer of unpaid dividends to Unpaid Dividend Account since no dividend was declared during the financial year..
 - (iv) Was not required to transfer dividends to Investor Education and Protection Fund since there were no dividends remaining unclaimed or unpaid for a period of 7 years and there is no application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for period of seven years.
 - (v) Has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. Mr. M Balaramakrishnaiah was appointed as Additional Director w.e.f 30th June 2008 which was duly regularised in the Annual General meeting. There was no appointment of Directors to fill casual vacancy during the financial year.
15. There were no appointment/ reappointment of Managing Director and Wholetime Director during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals from Central Government, Company Law Board, Registrar, Regional Director or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under and due entries were made in the Register of Contracts, Companies and Firms in which Directors, etc are interested.
19. The Company has not issued any Shares during the financial year
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares during the year under review.



PHYTO CHEM (INDIA) LIMITED

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted deposits from public during the year under the provisions of the Section 58A of the Companies Act, 1956 and rules framed there under.
24. The Company has made borrowings within the limits during the financial year.
25. During the year the Company has not made loans and investments, or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny and has complied with the provisions of the Act.
30. The Company has not altered its Articles of Association during the year under scrutiny and has complied with the provisions of the Act.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any amount as security from its employees during the financial year.
33. The Company is remitting Employer and Employee's contribution to the Provident Fund Account of Central Government as per the provisions.

For PUTTAPARTHI JAGANNATHAM & CO.,
COMPANY SECRETARIES

Date: 29-07-2009
Place: Hyderabad

KANUPAMA
PARTNER
CP NO. 7738