



Twenty Third Annual Report 2011-12



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.
Abids Branch, Bank Street
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.8-3-229/23, First Floor,
Thaherville, Yousufguda Checkpost,
HYDERABAD - 500 045.
Phone No.: 040-23557712, 23557713.

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 Twenty Third Annual General Meeting of the Members of M/s Phyto Chem (India) Limited will be held on Thursday, the 27th day of September, 2012 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, 2012, Profit and Loss Account and Cash Flow Statement 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.P.Anjaneyulu, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr C.N.Chary, 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 Twenty Fourth 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. Increase in borrowing powers to the Board of Directors

To consider and if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:

"RESOLVED that in supersession and modification of the Resolution passed at the Twenty Second Annual General Meeting of the Company held on 26th September, 2011 and pursuant to Section 293(1) (d) of the Companies Act, 1956, the consent be and is hereby granted to the Board of Directors of the Company to borrow for the purpose of its business apart from temporary loans obtained and/or to be obtained from the Company's Bankers in the ordinary course of business, a sum of money not exceeding Rs.45,00,00,000.00 (Rupees Forty Five Crores only) over and above the paid up capital of the Company, plus its free reserves, that is to say reserves not set apart for any specific purpose, from the Company's Bankers or from any Person or Persons, Firms, Bodies, Corporate or Financial Institutions by way of deposits, advances or other loans whether unsecured or secured by mortgage, charge, hypothecation or pledge of any or all the Company's Assets and properties, existing and future on such terms and conditions as the Board of Directors may from time to time deem fit."

6. Mortgage/Charging of the Assets of the Company for the increased Limits.

To consider and if thought fit, to pass the following Resolution, with or without modifications, as an Ordinary Resolution:



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"RESOLVED that pursuant to the provisions of the Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, the Consent of the Company be and is hereby granted to the Board of Directors of the Company for mortgaging and / or charging on such terms and conditions and at such time or times and in such form or manner, as they may think fit, the whole or substantially the whole of the undertaking or undertakings of the Company, as the case may be, in favour of Financial Institutions, Corporations, Banks and other Persons or entities whether in India or outside, which give, provide, guarantee or extend loans to the Company or in favour of Trustees of Debenture holders, to secure the amount of loans together with interest thereon, commitment charges, liquidated damages, premium on redemption, costs, charges, expenses and other monies, as may be thought expedient by the Board of Directors and in such manner as may be agreed to between the Board of Directors and the party or parties concerned for an amount not exceeding Rs.45.00 Crores."

For and on behalf of the Board

Place : Hyderabad Y.Nayudamma
Date : 2nd August, 2012 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. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item no.5 and 6 of the Notice as set out above, is annexed hereto.

3. The Register of Members and the Register of Share Transfers will remain closed from 25th September, 2012 to 27th September, 2012 (both days inclusive).

4. 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.

5. All documents referred to in the above notice are open for inspection at the Registered Office of the Company during office hours.

6. Pursuant to the requirement of Clause 49 of the Listing Agreement, a statement containing brief resume of the Directors who are seeking appointment /reappointment is annexed hereto.

Additional information in respect of the Directors seeking appointment / reappointment.

Mr. P.Anjaneyulu

Mr P Anjaneyulu aged about 60 years, is a Graduate in Telecommunications Engineering. He has rich experience in Real Estate operations. He holds 64,000 equity shares in the Company and he is on the Boards of M/s Rasasri Developers Private Ltd., and M/s Rasasri Infrastructures Private Ltd.

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Mr. C.N.Chary

Mr C.N.Chary aged about 74 years, is a Chemical Engineer. He has worked for more than four decades in several Chemical related institutions. He holds 100 equity shares in the Company. He is Member of Audit Committee and Chairman of Remuneration Committee.

THE EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO..5

As per Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of a Public Company can not borrow money (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves (that is reserves not set apart for any specific purpose) without the consent of the Shareholders in the General Meeting. The Shareholders of the Company at the 22nd Annual General Meeting held on 26th September, 2011 authorised the Board of Directors to borrow upto Rs.25.00 Crores.

As the Company's operations have gone up, there is increased requirement for Capital and working capital requirements and the Company may, therefore, avail further loans from the Banks/Financial Institutions or any other Lenders for business purposes. Hence, it is considered necessary to enhance the borrowing limits of the Board of Directors from the present Rs.25.00 Crores to Rs.45.00 Crores and hence this resolution.

Your Directors recommend the resolution for the approval of the Shareholders.

None of the Director is concerned or interested in the Resolution

ITEM NO.6

Section 293 (1) (a) of the Companies Act, 1956 provides inter-alia that the Board of Directors of the Company shall not, except with the consent of the Company in General Meeting sell, lease or dispose the whole or substantially the whole of the undertaking or undertakings of the Company. As the mortgaging of the Company's properties for borrowing loans may amount to disposing of the Company's properties, approval of the Shareholders in the General Meeting is required and hence this resolution.

Your Directors recommend the resolution for the approval of the Shareholders.

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

For and on behalf of the Board

Place: Hyderabad,

Date : 2nd August, 2012

Y.Nayudamma

Managing Director



PHYTO CHEM (INDIA) LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Third Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2012.

1. FINANCIAL RESULTS :

The Financial Results for the year ended 31st March, 2012 are summarised as under:

| | (Rs. in lacs) | |
|---------------------------------------|---------------|---------|
| Particulars | 2011-12 | 2010-11 |
| Sales / Income | 3063.07 | 3390.37 |
| Profit before depreciation and tax | 176.40 | 112.68 |
| Depreciation | 24.46 | 23.94 |
| Profit before Tax | 151.94 | 88.75 |
| Provision for Tax : | | |
| - Current Tax | 59.17 | 32.76 |
| - Deferred Tax` | (1.80) | (2.09) |
| Profit after Tax | 94.57 | 58.08 |
| Prior Period Adjustments | 0.12 | 0.00 |
| Profit after Prior Period Adjustments | 94.69 | 58.08 |

2. REVIEW OF OPERATIONS :

Your Company achieved turnover of Rs. 3063.07 lacs during the year 2011-2012 as against turnover of Rs.3390.37 lacs during the previous year and the Company has earned net profit of Rs. 94.57 lacs during 2011-2012 as against net profit of Rs.58.08 lacs during 2010-2011. After providing for prior period adjustments, the Company could make net profit of Rs.94.69 lacs during 2011-2012 as against net profit of Rs.58.08 lacs during 2010-2011. In spite of insufficient rain fall, improved network has helped the Company to maintain reasonable turnovers in the existing scenario. Company hopes fare better on the real estate and pesticides front during the current financial year. .

During the year 2011-12, the turnover decreased by 9.65% as compared to the turnover of 2010-11. The ratio of Manufacturing Expenses to the Sales during the year 2011-2012 is 78.77% as against 77.15% during 2010-2011. The ratio of Administrative, Selling and other expenses to the total expenditure is 20.39% during the year 2011-2012 as against 22.48% during 2010-2011. As on date, the Company's deployment of funds in Real estate is Rs. 100.07 lacs. However during the year, the Company has effected the sale of House plots to the extent of Rs. 22.75 lacs.

3. DIVIDEND

To conserve resources, the Board could not recommend any Dividend for the year 2011-12.

4. FIXED DEPOSITS:

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

5. 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.

6. DIRECTORS:

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 approval of Shareholders is being sought now for their reappointment as per the provisions of the Companies Act, 1956.

7. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect

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to Directors' Responsibility Statement, it is hereby confirmed :

I. That in the preparation of the accounts for the financial year ended 31st March, 2012, 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, 2012 on a 'going concern' basis.

8. RISK MANAGEMENT:

The Company proposes to evolve risk management mechanism as per the size and nature of Company's business.

9. INSURANCE:

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

10. CORPORATE GOVERNANCE:

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

11. SECRETARIAL COMPLIANCE IN TERMS OF SECTION 383A OF COMPANIES ACT, 1956:

Secretarial Compliance certificate issued by M/s.Puttaparthi Jagannatham & Co., Company Secretaries is enclosed and forms part of this report.

12. 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.

13. 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.

14. PAYMENT OF LISTING FEE:

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

15. 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 branch, 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 appreciation for the committed and dedicated services rendered by the employees and workers of the Company. The Board also thank the Shareholders for their support and confidence reposed in us.

For and on Behalf of the Board

N.Sudhakar
Director

Y.Nayudamma
Managing Director

Place : Hyderabad,
Date : 2nd August, 2012



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ANNEXURE TO DIRECTORS' 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 31-03-2012 | Previous year 31-03-2011 |
|----------------------------------|----------------------------|-----------------------------|
| i. Electricity | | |
| Purchased Units | 72,429 | 73,271 |
| Total amount (Rs) | 4,43,936 | 4,23,707 |
| Rate per Unit | 6.13 | 5.78 |
| ii. Own Generation | | |
| Through Diesel Generator (Units) | 35,550 | 50,127 |
| Units per Ltr of Diesel Oil | 3.95 | 3.85 |
| Rate per Unit (Rs.) | 11.41 | 10.55 |

B. CONSUMPTION PER UNIT OF PRODUCTION:

| | Current Year 31-03-2012 | Previous Year 31-03-2011 |
|---------------------------------|----------------------------|-----------------------------|
| Production (Litrs/Kgs) | 24,08,163.00 | 26,26,836.00 |
| Power Consumption per Litre/Kgs | 0.045 | 0.047 |

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. 354.29 lacs (USD 7,34,986.00) 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

N.Sudhakar
Director

Y.Nayudamma
Managing Director

Place : Hyderabad

Date : 2nd August, 2012

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SECRETARIAL COMPLIANCE CERTIFICATE

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

| | |
|------------------------------------|----------------------------------|
| Name of the Company | : M/S 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
M/S PHYTO CHEM (INDIA) LIMITED

We have examined the Registers, Records, Books and Papers of M/s PHYTO CHEM (INDIA) LIMITED as required to be maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2012** 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 thereunder 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 thereunder.
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 **Seven** times i.e. on 30th May, 2011, 29th July, 2011, 27th August, 2011, 26th September, 2011, 31st October, 2011, 14th February, 2012 and 22nd March, 2012 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 from 24th September, 2011 to 26th September, 2011 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on **31st March 2011** was held on **26th September, 2011** 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 issued Duplicate Share Certificates during the financial year as per the provisions of the Act.
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. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancies during the financial year.
15. There was no appointment / reappointment of Wholtime Director during the financial year under the provisions of Section 269 read with Schedule XIII of the Act.
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 thereunder 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.