



***Twenty Seventh Annual Report
2015-16***



Phyto Chem (India) Limited



Phyto Chem (India) Limited

Factory Premises



Phyto Chem - Annual Report - 2015 - 16

Board of Directors

Dr. P. Sreemannarayana	-	Chairman
Mr. Y. Nayudamma	-	Managing Director
Mr. Y. Janaki Ramaiah	-	Executive Director
Dr. Y. Venkateswarlu	-	Director
Mr. P. Anjaneyulu	-	Director
Mr. C. N. Chary	-	Independent Director
Mr. T. A. Choudary	-	Independent Director
Mr. N. Sudhakar	-	Independent Director
Mr. M. Balarama Krishnaiah	-	Independent Director
Mrs. S. Kavitha Rani	-	Independent 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,
Hyderabad Branch, Bank Street,
HYDERABAD - 500 001.

Common Share Transfer Agents

(Physical & Electronic)

M/s. Bigshare Services Pvt. Limited,
306, 3rd Floor, Right Wing,
Amrutha Ville,
Opp: Yashoda Hospital,
Raj Bhavan Road, Somajiguda,
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,
Telangana State.



Phyto Chem (India) Limited

Notice

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of M/s Phyto Chem (India) Limited (CIN: L24110TG1989PLC009500) will be held on Thursday, the 29th day of September, 2016 at 11:45 a.m. at the Registered Office of the Company at Survey No.628, Temple Street, Bonthapally - 502 313, Jinnaram Mandal, Medak District, Telangana State to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016, Profit and Loss Account and Cash Flow Statement for the year ended on that date along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Yadlapalli Venkateswarlu (DIN: 00377568), who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass the following resolution, for ratification of the appointment of Auditors, with or without modification(s), as an Ordinary Resolution;

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s.T. Adinarayana & Co., Chartered Accountants, Hyderabad (Firm Registration No : 000041S) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be agreed upon by the Board of Directors and Auditors, in addition to reimbursement of out of pocket expenses in connection with the audit of the accounts of the Company”.

SPECIAL BUSINESS:

4. Reappointment of Mr.Y.Nayudamma as Managing Director of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution:

“RESOLVED THAT in supersession of the resolutions passed in the 24th Annual General Meeting held on 30-09-2013 and pursuant to provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by Nomination and Remuneration Committee, approval of the Company be and is hereby accorded to the reappointment of Mr.Y.Nayudamma, (DIN:00377721) as Managing Director of the Company for a period of 3 years w.e.f. 1st January, 2016 to 31st December, 2018 on the following revised terms and conditions.”

- i. Salary: Rs.1,50,000 per month in the scale of Rs.1,50,000 - Rs.75,000 - Rs.3,00,000
- ii. Incentive Bonus: Equivalent to one months salary per annum

Perquisites:

- i. P.F: 12% of the salary as per applicable rules,
- ii. Gratuity: Half month salary per every year of completed service,
- iii. 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 and remuneration payable to Mr. Nayudamma Yarlagadda, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time including the remuneration payable to other Directors.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, during his tenure as Managing Director, minimum remuneration

Phyto Chem - Annual Report - 2015 - 16

shall alone be paid as prescribed under provisions of the Companies Act, 2013 and Schedule V.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts and deeds as may be necessary, proper or expedient to give effect to this resolution”

5. Adoption of new set of Memorandum of Association of the Company:

To consider and if thought fit, to pass with or without modification the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 4 and 13 of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), the draft clauses contained in the Memorandum of Association as per new format based on the Form of Table A under the Companies Act, 2013, submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the clauses contained in the existing Memorandum of Association as new set of Memorandum of Association of the Company with immediate effect.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. Adoption of new set of Articles of Association of the Company:

To consider and if thought fit, to pass with or without modification the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 5 and 14 of Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof for the time

being in force), the draft regulations contained in the Articles of Association based on the Form of Table F under the Companies Act, 2013, submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association as new set of Articles of Association of the Company with immediate effect”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. Increase of Authorised Capital of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 13, 61, 64 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from Rs. 4,75,00,000.00 (Rupees Four Crores Seventy Five Lakhs Only) divided into 47,50,000 (Forty Seven Lakh Fifty Thousands Only) Equity Shares of Rs.10.00 (Rupees Ten Only) each to Rs.13,50,00,000.00 (Rupees Thirteen Crores Fifty Lakhs Only) divided into 1,35,00,000 (One Crore Thirty Five Lakhs Only) Equity Shares of Rs.10.00 (Rupees Ten Only) each and consequently the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the change.”

“RESOLVED FURTHER THAT the existing Capital Clause of the Memorandum of Association of the Company be and is hereby substituted with the following new Clause V:



Phyto Chem (India) Limited

‘The Authorised Share Capital of the Company is Rs.13,50,00,000.00 (Rupees Thirteen Crores Fifty Lakhs Only) divided into 1,35,00,000 (One Crore Thirty Five Lakhs Only) Equity Shares of Rs.10.00 (Rupees Ten only) each with power to the Company to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes with an option to convert from one class to another and to attach thereto respectively such preferential, qualified or special rights, privileges and / or conditions as may be determined by or in accordance with the provisions of the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to these resolutions.”

8. Approval of Rights Issue not exceeding 90,00,000 Equity Shares of Rs.10.00 each to the existing Equity shareholders under Rights Issue and the issue of offer letter:

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

“**RESOLVED THAT** pursuant to provisions of Section 62(1) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Board of Directors of the Company be and is hereby authorized to offer, issue and allot by way of Rights Issue upto 90,00,000 (Ninety Lakhs Only) Equity Shares of the face value of Rs.10.00 (Rupees Ten Only) each at such premium as may be deemed fit and that on non subscription of shares by the existing shareholders, the Board with its discretionary powers be and is hereby authorized to allot shares to the existing shareholders or others on their application to subscribe to unsubscribed Equity Share Capital.”

RESOLVED FURTHER THAT Mr.Nayudamma Yarlagadda, Managing Director or any other Director of the Company be and is hereby authorized to do such acts and deeds as are necessary for giving effect to the resolution.

For and on behalf of the Board

Y. Nayudamma
Managing Director
DIN : 00377721

Place : Hyderabad

Date : 30th August, 2016

Phyto Chem - Annual Report - 2015 - 16

Notes

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and a proxy need not be a member of the Company. The instrument of Proxy in order to be effective should be deposited at its Registered Office of the Company not later than forty eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholders.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 27-09-2016 to 29-09-2016 (both days inclusive) for the purpose of the meeting.
3. The explanatory statement relating to ratification of appointment of Auditors is attached.
4. Members holding shares in physical form, in their own interest, are requested to dematerialise the shares to avail the benefits of electronic holding/ trading.
5. Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company 'inter alia' indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode.

6. Members are requested to notify any change in their addresses to the Company immediately. Members holding shares in electronic form are requested to advise change of address and their email IDs to their Depository Participants.

The Members are aware that the Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). In view of the numerous advantages offered by the depository system, the Members are requested to avail the facility of Dematerialisation of the Company's shares on NSDL or CDSL. The ISIN allotted to the Company's Equity shares is INE 037C01010.

7. Members are requested to affix their signatures at the space provided on the Attendance Slip annexed to Proxy Form and handover the Slip at the entrance of the meeting hall. Corporate members are requested to send a duly certified copy of the Board resolution / power of attorney authorising their representatives to attend and vote at the Annual General Meeting.
8. Members may also note that the Notice of the Annual General Meeting and the Annual Report will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Survey No.628, Temple Street, Bonthapally – 502 313, Jinnaram Mandal, Medak District, Telangana State for inspection during normal business hours on all working days. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same by post at free of cost.
9. The details of the unpaid/unclaimed dividend declared for F.Y 2012-13 as on 29th September, 2014 and for F.Y 2013-14 as on 24th September, 2015 (the dates of respective previous Annual General Meetings) are available on the Company's website www.phytochemindia.com and on the website of Ministry of Corporate Affairs at www.mca.gov.in.



Phyto Chem (India) Limited

10. Voting through Electronic means

- The Company is pleased to provide members the facility to exercise their right to vote on the resolutions as set out in the Notice calling for the Annual General Meeting (AGM) by 'electronic means' and all the business may be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL), in compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014.
- Voting rights are reckoned on the basis of the shares registered in the names of the members / beneficial owners as on the record date fixed for this purpose viz., 22-09-2016.
- CS Puttaparthi Jagannatham, Corporate Advocate has been appointed as scrutinizer for conducting the e-Voting process in a fair and transparent manner.
- Members are requested to read the instructions given below:
- The E-Voting facility is available at the link:

EVSN (e – Voting Sequence Number)	Commencement of e-Voting	End of e-Voting
160827028	26-09-2016	28-09-2016

In case of members receiving e-mail:

- Log on to the e-voting website: www.evotingindia.com
- Click on "Shareholders" tab to cast your votes.
- Now, select the "EVSN" along with "PHYTO CHEM (INDIA) LIMITED" from the drop down menu and click on "SUBMIT"
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.

- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</p> <p>* In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <p>* Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company. Please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</p>

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password

Phyto Chem - Annual Report - 2015 - 16

Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting on the resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the relevant EVSN on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

* Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- * They should email a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- * After receiving the login details, they have to create a compliance user using the admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.
- * The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- * They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- A. Please follow all steps from S.No. i to S.No. xvii of notes 10 e above to cast vote.
- B. The e-voting period begins from 9:00 am on Monday, the 26th September, 2016 and closes by 5:00 pm on Wednesday, the 28th September, 2016. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (holding date) i.e Thursday, 22nd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.



Phyto Chem (India) Limited

- D. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast "in favour" or "against", if any, forthwith to the Chairman of the Company.
- E. The Results declared along with the Scrutinizer's Report will be placed on the Company's website www.phytochemindia.com and on the website of CDSL within two days of passing of the resolutions at the AGM and communicated to the Stock Exchange.
- F. All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company during normal business hours on all working days upto and including the date of the AGM.

Additional information about the Directors being appointed / reappointed as required under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Dr.Venkateswarlu Yadlapalli – Director

Dr. Venkateswarlu Yadlapalli, aged about 70 years, is a graduate in Medicine (M.B.B.S). He is presently practicing Medicine in Sultanate of Oman and he is the promoter Director of the Company. He holds 95,000 Equity Shares in the Company.

Mr.Y.Nayudamma- Managing Director

Mr.Y.Nayudamma, aged about 60 years, is a Graduate in Economics and is an Agriculturist. He has about 28 years experience in the field of marketing of Fertilisers and Pesticides. He is the promoter Director of the Company. Having been appointed initially as the Director of the Company in 1993, he was later in June, 1999 appointed as Managing Director and since then, he is continuing in the said position. He holds 338306 Equity Shares in the Company.

Explanatory Statement

Item No. 3

This explanatory statement is provided though not required as per Section 102 of the Act.

M/s. T. Adinarayana & Co., Chartered Accountants, Hyderabad (Firm Registration No: 000041S) were appointed as the Statutory Auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on 29th September, 2014.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. Accordingly, ratification of members for the appointment of Auditors is being sought for the proposal contained in the Resolution set out at item no.3 of the Notice.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

The Board commends the Resolution at Item No.3 for approval by the Members.

Item No. 4

At the Annual General Meeting of the Company held on 30th September, 2013, the Members had approved for reappointment of Mr. Y. Nayudamma as Managing Director of the Company for a period of 3 years upto 31-12-2015 and for revision of remuneration.

The Board had considered for reappointment of Mr. Y. Nayudamma as Managing Director of the Company in its Meeting held on 14th November, 2015 for a period of 3 years from 01-01-2016 to 31-12-2018 as recommended by the Nomination and Remuneration Committee on the revised terms and conditions detailed in the resolution.

It is proposed to seek the members' approval for the reappointment of and remuneration payable to Mr.Y.Nayudamma as Managing Director of the Company in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

I. General Information:

1. Nature of Industry: Manufacturing of Pesticides
2. Date of commencement of commercial production : 30th October, 1993