



Thirtieth Annual Report
2018-19



Phyto Chem (India) Limited



Phyto Chem (India) Limited

Board of Directors

Dr. P. Sreemannarayana	-	Chairman
Mr. Y. Nayudamma	-	Managing Director
Mr. Y. Janaki Ramaiah	-	Executive Director
Dr. Y. Venkateswarlu	-	Director
a. Mr. K. Srinivasa Rao	-	Alternate Director
Mr. P. Anjaneyulu	-	Director
Mr. T. A. Choudary	-	Independent Director
Mr. N. Sudhakar	-	Independent Director
Mrs. S. Kavitha Rani	-	Independent Director
Mr. G.S.R. Anjaneyulu	-	Independent Director
Mr. M. Balarama Krishnaiah	-	Independent Director - Upto 20-07-2019
Mr. M. Sreerama Murthy	-	Additional Director - W.e.f. 14-08-2019
Mr. Pavansingh Thakur	-	Company Secretary & Compliance Officer
Mr. B. Sambasiva Rao	-	Chief Financial Officer - W.e.f. 01-04-2019

Auditors

M/s S. T. Mohite & Co.,
Chartered Accountants
G5, B-Block, Paragon Venkatadri Apartments,
3-4-812, Street No.1, Barkatpura, Hyderabad - 500 027.

Secretarial Auditors

M/s Puttaparthi Jagannatham & Co.,
Company Secretaries
315, Bhanu Enclave,
ESI, Sunder Nagar. Hyderabad - 500 038.

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,
Gummadidala Mandal, Sangareddy District,
Telangana State.

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Notice of AGM

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of M/s Phyto Chem (India) Limited (CIN:L24110TG1989PLC009500) will be held on Wednesday, the 25th day of September, 2019 at 12:15 P.M. at the Registered Office of the Company at Survey No.628, Temple Street, Bonthapally - 502 313, Gummadidala Mandal, Sangareddy District, Telangana State to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2019, 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.

SPECIAL BUSINESS:

3. 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 continuation of the resolutions passed in the 27th Annual General Meeting held on 29-09-2016 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 of Managerial 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, 2019 to 31st December,2021 on the following revised terms and conditions."

a. Salary: - Rs. 2,00,000.00 per month in scale of Rs. 2,00,000.00 – Rs. 75,000.00 – Rs. 3,50,000.00

b. Incentive Bonus: Equivalent to One month Salary

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

"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."

4. Reappointment of Mr. Y.Janaki Ramaiah as Executive 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 continuation of the resolutions passed in the 25th Annual General Meeting held on 29-09-2014 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 of Managerial 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.Janaki Ramaiah, (DIN: 06949910) as Executive Director of the Company for a period of 5 years w.e.f. 29th July, 2019 on the following revised terms and conditions."

a. Salary: - Rs. 1,25,000.00 per month in scale of Rs. 1,25,000.00 – Rs. 15,000.00 – Rs. 1,85,000.00



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b. Incentive Bonus: Equivalent to One month Salary

B. 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.Y.Janaki Ramaiah, 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 Executive Director, minimum remuneration 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. Appointment of Mr. M. Sreerama Murthy as a Non-Executive Independent Director of the Company.

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

“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the

Companies(Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. M. Sreerama Murthy (DIN:01932910), who was appointed as an Additional Director pursuant to provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a period of three consecutive years from this Annual General Meeting, not liable to retire by rotation.”

For and on behalf of the Board

**Place : Hyderabad
Date : 14th August, 2019**

**Y. Nayudamma
Managing Director
DIN : 00377721**

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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 19-09-2019 to 25-09-2019 (both days inclusive) for the purpose of the meeting.
3. 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.
4. Members are requested to notify any change in their addresses to the Company or Registrar and Transfer Agent immediately. Members holding shares in electronic form are requested to advise change of address, email IDs and Bank details to their Depository Participants.

The Members are aware that the Company's shares are tradeable 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.

5. 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.
6. 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, Gummadidala Mandal, Sangareddy 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.
7. 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.

8. Voting through Electronic means:

- a. 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



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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.

- b. 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., 18-09-2019.
- c. CS Puttaparthi Jagannatham, Corporate Advocate has been appointed as scrutinizer for conducting the e-Voting process in a fair and transparent manner.
- d. Members are requested to read the instructions given below:
- e. The E-Voting facility is available at the link:

EVSN (e – Voting Sequence Number)	Commencement of e-Voting	End of e-Voting
190824005	22-09-2019	24-09-2019

In case of members receiving e-mail:

- i. Log on to the e-voting website: www.evotingindia.com
- ii. Click on "Shareholders" tab to cast your votes.
- iii. Now, select the "EVSN" along with "PHYTO CHEM (INDIA) LIMITED" from the drop down menu and click on "SUBMIT"
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. 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.
- vii. 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#	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.
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>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. 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 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 is confidential.

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- 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 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.9.e. above to cast vote.
 - B. The e-voting period begins from 9:00 am on Sunday, the 22nd September, 2019 and closes by 5:00 pm on Tuesday, the 24th September, 2019. 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 Wednesday, 18th September, 2019, 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.
 - 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.



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

Item No. 2. Dr. Yadlapalli Venkateswarlu- Director

Dr. Yadlapalli Venkateswarlu (DIN:00377568), aged about 73 years is a Graduate in Medicine (M.B.B.S), Non-Resident Indian and he is presently practicing Medicine in Sultanate of Oman and he holds 95,000 of Equity Shares in the Company.

Item No. 3. Mr. Y. Nayudamma - Managing Director

Mr.Y.Nayudamma (DIN:00377721), aged about 63 years, is a Graduate in Economics and is an Agriculturist. He has about 27 years experience in the field of manufacturing and marketing of 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 3,38,306 Equity Shares in the Company.

Item No. 4. Mr. Y. Janaki Ramaiah - Executive Director

Mr. Y. Janaki Ramaiah (DIN:06949910), aged about 42 years, is a B.E. in Chemical Engineering. He has experience of 17 years in various fields such as Production Management, Procurement, Production, Administration etc. Earlier, he had associated with Indian Institute of Technology for a period of 3 years in the matters of Process Development in Chemical Engineering Division. Prior to his elevation in our Company, he was in the position of General Manager for about 9 years and was looking after the subjects of Procurement, Production and General Administration. He belongs to the Promoter group of the Company and holds 97372 equity shares in the Company. He is member of the Share Transfer Committee of the Company.

Item No. 5. Mr. M. Sreerama Murthy - Non - Executive Independent Director

Mr. M. Sreerama Murthy (DIN:01932910), aged about 55 years having 30 years of experience in Engineering Manufacturing, having Mechanical Engineering as background with MBA in Marketing.

Explanatory Statement

This explanatory statement is provided as per Section 102 of the Act.

Special Business:

Item No.3

At the Annual General Meeting of the Company held on 29th September, 2016, the Members had approved for reappointment of Mr. Y. Nayudamma (DIN:00377721) as Managing Director of the Company for a period of 3 years upto 31-12-2018 and for revision of remuneration.

The Board had considered for reappointment of Mr. Y. Nayudamma (DIN:00377721) as Managing Director of the Company in its Meeting held on 12th November, 2018 for a period of 3 years from 01-01-2019 to 31-12-2021 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:

- Nature of Industry: Manufacturing and marketing of Pesticides
- Date of commencement of commercial production: 30th October, 1993

c. Financial Performance (Rs. In Lacs)			
Particulars	2016-17	2017-18	2018-19
Gross Revenue	4721.38	6064.23	6009.20
Total Expenditure	4443.25	5730.11	5708.87
Financial Expenses	166.65	213.28	209.92
Operating Profit/(Loss)	116.22	120.84	90.41

II. Information about the Appointee:

- Name of the Director : Mr. Y. Nayudamma
- Date of Birth : 8th July, 1956
- Year of appointment as Director : 1993
- Year of appointment as Managing Director : 1999
- Experience : 27 years experience in the field of Manufacturing and Marketing of Pesticides
- Qualifications : Graduation in Economics

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- g. Past Remuneration : Rs.2,00,000.00 per month
 h. Remuneration proposed : Rs.2,00,000.00 per month in the scale of Rs.2,00,000.00 - Rs.75,000.00 - Rs.3,50,000.00 as per the revised terms and conditions.

III. Other Information:

- a. Reasons for inadequacy of Profits:
 The Company has achieved a turnover of Rs.60.09 crores against Rs.60.64 crores of the corresponding period of previous year and could register relatively less turnovers. The factors which influenced the turnovers mainly are the following :

1. Insufficient / lack of rainfall during most of the season period and non availability of sufficient water in reservoirs.
 2. Severe drought conditions in the Agri States of the Country.
 3. Less crop acreage and less pesticides consumption.
- b. Steps taken or proposed to be taken for improvement : Restructuring of operations to optimize cost, expenses and improving revenues was undertaken during current financial year.

- c. Expected increase in productivity and profits in measurable terms:

Expecting revenues to improve in the current financial year.

IV. Disclosures:

The remuneration package payable to the Managerial Personnel is provided in the Annual Report of the Company.

None of the Directors other than Mr. Y. Nayudamma is in any way concerned or interested in the resolutions.

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

Item No. 4

At the Annual General Meeting of the Company held on 29th September, 2014, the Members had approved for appointment of Mr. Y. Janaki Ramaiah (DIN:06949910) as Executive Director of the Company for a period of 5 years upto 29-07-2019.

The Board had considered for reappointment of Mr. Y. Janaki Ramaiah (DIN:06949910) as Executive Director of the Company in its Meeting held on 20th July, 2019 for a period of 5 years from 29-07-2019 to

28-07-2024 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.Janaki Ramaiah as Executive 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:

- a. Nature of Industry: Manufacturing and Marketing of Pesticides

- b. Date of commencement of commercial production: 30th October, 1993

c. Financial Performance (Rs. In Lacs)			
Particulars	2016-17	2017-18	2018-19
Gross Revenue	4721.38	6064.23	6009.20
Total Expenditure	4443.25	5730.11	5708.87
Financial Expenses	166.65	213.28	209.92
Operating Profit/(Loss)	116.22	120.84	90.41

II. Information about the Appointee:

- a. Name of the Director : Mr. Y. Janaki Ramaiah
 b. Date of Birth : 9th August, 1977
 c. Year of appointment as Director : 2014
 d. Experience : 17 years experience in various fields of Product Management, Procurement, Production, Administration etc.

- e. Qualifications : Graduation in Chemical Engineering

- f. Past Remuneration : Rs.1,10,000.00 per month

- g. Remuneration proposed : Rs.1,25,000.00 per month in the scale of Rs.1,25,000.00 - Rs.15,000.00 - Rs.1,85,000.00 as per the revised terms and conditions.

III. Other Information:

- a. Reasons for inadequacy of Profits:

The Company has achieved a turnover of Rs.60.09 crores against Rs.60.64 crores of the corresponding



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period of previous year and could register relatively less turnovers. The factors which influenced the turnovers mainly are the following :

1. Insufficient / lack of rainfall during most of the season period and non availability of sufficient water in reservoirs.
2. Severe drought conditions in the Agri States of the Country.
3. Less crop acreage and less pesticides consumption.
- b. Steps taken or proposed to be taken for improvement : Restructuring of operations to optimize cost, expenses and improving revenues was undertaken during current financial year.
- c. Expected increase in productivity and profits in measurable terms:

IV. Disclosures:

The remuneration package payable to the Managerial Personnel is provided in the Annual Report of the Company.

None of the Directors other than Mr. Y. Janaki Ramaiah is in any way concerned or interested in the resolutions.

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

Expecting revenues to improve in the current financial year.

Item No. 5

The Board of Directors of your Company felt necessary to fill the vacancy caused due to the resignation of Mr. M. Balarama Krishnaiah (DIN:00036506), Independent Director of the Company and at the recommendation of the Nomination and Remuneration Committee, the Board found the profile of Mr. M. Sreerama Murthy (DIN:01932910) as an eligible and experienced candidature to act as Independent Director of the Company.

Mr. M. Sreerama Murthy having 30 years of experience in Engineering Manufacturing, having Mechanical Engineering as background with MBA in Marketing, presently Managing Director of M/s SCARLET Industries Private Limited., serving to Aerospace, Defence and Energy equipment Manufacturing sectors. He is having wide spread experience of working with M/s Hindustan Aeronautics Limited., M/s Sriram Refrigeration, M/s

Hagglunds Dension Limited., and ITW Signode India Limited and was also Promoter Director and Executive Director of M/s SAMUHA Engineering Industries Limited an Aerospace SEZ & DTA development company at Adibatla, Hyderabad, which is now in operational. He also drafted and published "Socio Economic development plan", for both Andhra Pradesh & Telangana states after state bifurcation. He was also served as a Key person in Technocrats Association, Industrial Development Committee, FAPCCI, Economic development committee, FAPCCI, Defence Committee, FICCI, Indian Institute of Economics and Institute of Public Enterprises.

Mr. M. Sreerama Murthy, being eligible and offering himself for appointment, is proposed to be appointed as a Non Executive Independent Director of the Company for a term of five consecutive years i.e., upto 35th Annual General Meeting of the Company. A notice has been received from a member proposing Mr. M. Sreerama Murthy as a candidate for the office of Director of the Company. In the opinion of the Board, Mr. M. Sreerama Murthy fulfils the criteria specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director.

The Board considers that his induction into the Board would be of immense benefit to the Company and it is desirable to avail the services of Mr. M. Sreerama Murthy (DIN:01932910) as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. M. Sreerama Murthy as an Independent Director, for the approval by the shareholders of the Company. Mr. M. Sreerama Murthy does not hold any shares in the Company.

Except Mr. M. Sreerama Murthy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Board recommends the Special Resolutions set forth in Item No.5 for approval of the shareholders.