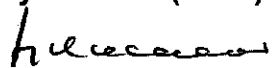





FORM – A

( Clause 31(a) of Listing Agreement )

Covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	M/s Phyto Chem (India) Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by	
	CEO / Managing Director	For Phyto Chem (India) Limited  (Y.Nayudamma) Managing Director DIN: 00377721
	CFO	For Phyto Chem (India) Limited  (Y.Janaki Ramaiah) Chief Financial Officer and E.D. DIN: 06949910
	Auditor of the Company	For T.Adinarayana & Co. Chartered Accountants Firm Regn.No.000041S  Y.P.Rao Partner M.No.25266
	Audit Committee Chairman	For Phyto Chem (India) Limited  (N.Sudhakar) Chairman, Audit Committee

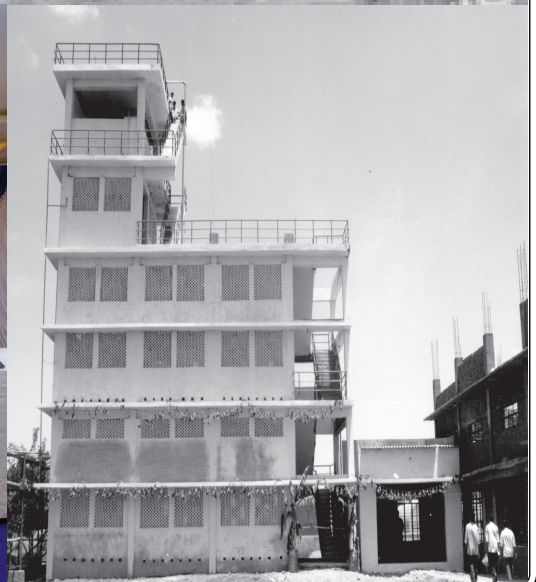


***Twenty Sixth Annual Report  
2014-15***



**Phyto Chem (India) Limited**

***Factory Premises***



## Phyto Chem - Annual Report - 2014 - 15

### **Board of Directors**

Dr. P. Sreemannarayana	-	Chairman
Mr. Y. Nayudamma	-	Managing Director
Mr. Y. Janaki Ramaiah	-	Executive Director (w.e.f 29-07-2014)
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 (w.e.f 29-07-2014)

### **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 - Annual Report - 2014 - 15

### Notice

Notice is hereby given that the **Twenty Sixth Annual General Meeting of the Members of M/s Phyto Chem (India) Limited (CIN: L24110TG1989PLC009500)** will be held on **Thursday, the 24th day of September, 2015 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 to transact the following business:**

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015, 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. Sreemannarayana Prathipati (DIN: 00377472), who retires by rotation and being eligible, offers himself for re-appointment.
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”.

**For and on behalf of the Board**

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

**Place : Hyderabad  
Date : 06<sup>th</sup> August, 2015**

## Phyto Chem - Annual Report - 2014 - 15

### 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 22-09-2015 to 24-09-2015 (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 & 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 for inspection during normal business hours on 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 29<sup>th</sup> September, 2014 (the date of previous Annual General Meeting) are available on the Company's website [www.phytochemindia.com](http://www.phytochemindia.com) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in).

## Phyto Chem - Annual Report - 2014 - 15

### 10. 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 Annual General Meeting (AGM) by 'electronic means' and all the businesses 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., 17-09-2015.
- 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
150819036	21-09-2015	23-09-2015

#### In case of members receiving e-mail:

- i. Log on to the e-voting website: [www.evotingindia.com](http://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](http://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#	<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 <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</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

## Phyto Chem - Annual Report - 2014 - 15

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 for 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](mailto: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](mailto: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 9:00am on Monday, the 21<sup>st</sup> September, 2015 and closes by 5:00 pm on Wednesday, the 23<sup>rd</sup> September, 2015. 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, 17<sup>th</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting there after.
- 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



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- 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](http://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 10.00 am to 12.00 noon on all working days upto and including the date of the AGM.

### **Additional information about the Directors being appointed / re-appointed as required under clause 49 of the Listing Agreement.**

#### **Dr. Sreemannarayana Prathipati**

Dr. Sreemannarayana Prathipati, aged about 67 years, is a Post-Graduate in Medicine, Non-Resident Indian and he has worked for more than 30 years in U.S.A. He has been the Chairman of the Company since 1995.

The Board considers that his association has been of immense benefit to the Company and it is desirable to continue to avail the services of Dr. Sreemannarayana Prathipati as Director.

#### **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 29<sup>th</sup> 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.

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

**For and on behalf of the Board**

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

**Place: Hyderabad**  
**Date : 06<sup>th</sup> August, 2015**

# Phyto Chem - Annual Report - 2014 - 15

## Directors' Report

Dear Shareholders,

Your Directors have pleasure to present the 26<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2015.

### **1. Financial Results :**

The Financial Results for the year ended 31st March, 2015 are summarised as under:

(Rs. in lacs)

	Current Year 2014-15	Previous Year 2013-14
Sales / Income	4920.55	3505.31
Profit before Depreciation and Tax	114.17	128.21
Depreciation	32.23	35.27
Profit before Tax	81.94	92.94
Provision for Tax:		
- Current Tax	26.81	27.74
- Deferred Tax	0.52	3.71
Profit after Tax	54.61	61.49
Prior Period Adjustments	0.96	--
Profit after Prior Period Adjustments	53.65	61.49

### **2. Performance:**

The financial year 2014-15 has been very important year for the Company. Your Company achieved a good turnover of Rs.4920.55 lakhs during the year 2014-15 as against turnover of Rs.3505.31 lakhs during the previous year. The Company could make profit Rs.81.94 lakhs before taxes as against Rs.92.94 lakhs during the previous year. After providing for prior period adjustments and taxes, the Company could make net profit of Rs.53.65 lakhs during 2014-15 as against net profit of Rs.61.49 lakhs during 2013-14. Though the turnovers have increased, the profitability of the Company has come down because of heavy competitive prices for the products and failure of agriculture season in some parts of the Country which resulted in cut down of the prices of the products in the market.

During the year 2014-15, the turnover increased by 40.37% as compared to the turnover of 2013-14. The ratio of Manufacturing Expenses to the Sales during the year 2014-15 is 84.51% as against 77.88% during 2013-14. The ratio of Administrative, Selling and other expenses to the total expenditure is 14.24% during the year 2014-15 as against 17.26% during 2013-14.

### **3. Review of Operations:**

#### **a. Brief about Activities and Operations of the Company:**

Your Company is mainly into the business of manufacturing & marketing of pesticides for agriculture sector and presently carrying on the business in two segments i.e. Pesticides Formulations and Real Estate Activities. The main focus is on the Pesticides Business and the following manufacturing facilities for various pesticides formulations are available at the Factory:

- i. Liquid & SC Formulations
- ii. Weedcide Formulations
- iii. Wettable & Powder Formulations
- iv. Granule Formulations

## Phyto Chem - Annual Report - 2014 - 15

Presently, the Company has Production Capacity of 90,00,000 Ltrs/Kgs per annum to manufacture various pesticide formulations and has established its marketing network in the states of Andhra Pradesh, Telangana, Maharashtra, Gujarat and Karnataka. The products are marketed with its own brands through dealers & distributors network. The Company is also into Real Estate Activity in a small way in Bengaluru for the last few years.

### **b. Performance of the Company:**

The Company has achieved good turnovers during the year 2014-15 compared to previous year and the profits have decreased due to failure of agri season in some parts of country resulting in cut down of prices of the products and heavy competition in the market. Apart from this, finance cost and employee's cost have effected the profits. Though the sales are less in the real estate activity, good profit is recorded.

### **c. Prospects for the Financial Year 2015-16:**

The Company estimates a turnover of Rs.61.07 crores during the current year 2015-16. Since the Primary business of the Company is Agri related, monsoon conditions play major role in achieving the estimated turnovers. With the established marketing network, the Company is hopeful of reaching its target. As on date, the Company's deployment of funds in Real estate is Rs. 96.79 lakhs and hopes to encash the opportunities available in the real estate field at Bengaluru with good margins.

### **4. Dividend:**

Your Board of Directors could not recommend any Dividend for the financial year 2014-15 as the Company proposes to plough back its profits for the internal use keeping in view the long term growth of the Company.

### **5. Details of Subsidiary / Joint Ventures / Associate Companies:**

The Company does not have any Subsidiaries or Joint Ventures or Associate Companies.

### **6. Finance:**

Cash and cash equivalents as at 31st March, 2015 was Rs.46.54 lakhs. The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters and they were kept under strict check through continuous monitoring.

### **7. Material changes and Commitments, affecting the Financial Position of the Company:**

There were no material changes and commitments affecting the financial position of the Company from the year ended 31<sup>st</sup> March 2014 to till the date of this report.

### **8. Details of Significant and Material Orders passed by the Regulators / Courts / Tribunals impacting the going concern status and the Company's operations in future:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status, growth and operations of the Company in future.

### **9. Share Capital:**

The authorised share capital of the Company is Rs.4,75,00,000 which is divided into 47,50,000 equity shares of Rs.10/- each and paid up share capital is Rs.4,30,02,000 divided into 43,00,200 equity shares of Rs.10/- each. There is no change in the Share Capital of the Company during the year. Further details of share capital are mentioned at Notes - 2 of the Annual Report.

## Phyto Chem - Annual Report - 2014 - 15

### **10. Reserves:**

The Reserves in Profit & Loss account as per last Balance Sheet is Rs.3,11,59,115 and the Company transferred the profits of Rs.53,64,570 for the financial year 2014-15 to Reserves & Surplus account. After adjusting the Depreciation on fixed assets and deferred tax income of Rs.16,76,823, balance reserves are available at the end of the year, 2014-15 is Rs.3,48,46,862. Further details of Reserves & Surplus are mentioned at Notes - 3 of the Annual Report.

The Company has revised the useful life of its Fixed Assets to comply with the useful life as mentioned under Schedule II of the Companies Act, 2013. The carrying amount of the Fixed Assets as on 1st April, 2014 has been depreciated over the remaining revised useful life of the Fixed Assets. Consequently, the carrying value of assets whose useful lives are already exhausted as on 1st April 2014 amounting to Rs.24.27 lakhs and Deferred tax of Rs.7.50 lakhs thereon have been adjusted with the opening balance of Reserves as on 1st April 2014.

### **11. Corporate Social Responsibility (CSR) :**

The compliance of CSR policy is not applicable to your Company. However, to carry out the spirit of CSR, the Company has taken up few need based initiatives, released some funds.

### **12. Deposits :**

The Company has not accepted any fixed deposits from the public during the year.

### **13. Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013:**

The Company has not provided any Loans, given Guarantees or made any Investments in any other Companies during the year under Section 186 of the Companies Act, 2013.

### **14. Particulars of Contracts or Arrangements with Related Parties under Section 188 of the Companies Act, 2013 :**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. However, particulars of these transactions are given at Notes 38 to Accounts in compliance of AS No.18.

### **15. Risk Management Policy :**

The Company has formulated effective risk management policy and through a Steering Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. Major risks identified in the Company are systematically addressed through justifying actions on a continuing basis. In addition to this, the audit committee has additional oversight in the area of financial risks and controls. The details of Risk Management as practiced by the Company is provided as part of Management Discussion and Analysis Report attached to this Report.

### **16. Disclosures under Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013 :**

There are no cases filed / complaints lodged pursuant to the Sexual Harassment of Women at workplace (Prevention, Prohibition & Redressal) Act, 2013:

### **17. Extract of Annual Return :**

The extract of Annual Return is given in Annexure - I in the prescribed Form MGT-9, which forms part of this Report as required under Section 92(3) of the Companies Act, 2013.

## Phyto Chem - Annual Report - 2014 - 15

### 18. Directors and Key Managerial Personnel:

Pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 read with Rules thereon, the following Directors were appointed as Independent Directors of the Company at the Annual General Meeting held on 29-09-2014 for a period of three years effective from the meeting date.

- a. Mr.C.N.Chary
- b. Mr.T.A.Choudary
- c. Mr.N.Sudhakar
- d. Mr.M.Balarama Krishnaiah
- e. Mrs.S.Kavitha Rani

Dr.Y.Venkateswarlu and Mr.P.Anjaneyulu who retired by rotation were reappointed as Directors liable to retire by rotation at the Annual General Meeting held on 29-09-2014. In accordance with the provisions of Section 152 of the Companies Act, 2013, Dr.Sreemannarayana Prathipati (DIN:00377472) will retire by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment. During the year, the non-executive and Independent Directors of the Company had no pecuniary relationship or transactions with the Company.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr.Ashok Kumar Pipalwa an Associate Member of the Institute of Company Secretaries of India, was appointed as Company Secretary of the Company during the year.

### 19. Declaration by the independent Directors of the Company that they meet the criteria of independence as provided in Sec 149(6) of the Companies Act, 2013 :

All the independent Directors have given declarations that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### 20. Formal evaluation statement by the Board of its own performance, it's committees and individual Directors :

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has formulated a policy for evaluation of its Board, Board Committees, Directors and their performances and carried out evaluation of them. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### 21. Number of Meetings of the Board :

Six meetings of the Board were held during the year. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

### 22. Audit committee :

Four meetings of the Audit Committee were held during the year. The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report.

### 23. Directors' Responsibility Statement :

As required under section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a. In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed.

## Phyto Chem - Annual Report - 2014 - 15

- b. The Directors have selected such accounting policies and applied them consistently and made Judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and of the profit of the Company for the year ended on that date.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the annual accounts of the Company on a going concern basis.
- e. The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **24. Auditors & Observations :**

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 29<sup>th</sup> September, 2014. Their appointment for the above tenure is subject to ratification by the members at every AGM. They have given their willingness to accept the reappointment and intimated that they are not disqualified for reappointment as per Section 139 of the Companies Act, 2013. The ratification for reappointment as Auditors of the Company is recommended to the members of the Company in the ensuing AGM.

The Auditor's Report does not contain qualification, reservation or adverse remark on the accounts and related matters of the Company.

### **25. Declaration from Independent Directors on Annual Basis :**

The Company has received the necessary declarations from all the independent Directors of the Company on annual basis during the year.

### **26. Policy on Directors' Appointment and Remuneration and other details :**

Policy laid down by the Nomination and Remuneration Committee for Remuneration of Directors, KMP & other Employees and the criteria formulated by the Committee for determining Qualifications, Positive Attributes, Independence of a Director.

The Company's policy on Directors' Appointment and Remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the Directors' Report.

### **27. Depository System :**

As the Members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with Central Depository Services (India) Limited (CDSL) & 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 Dematerialization of the Company's shares on CDSL & NSDL. The ISIN allotted to the Company's Equity shares is **INE 037C01010**.

The Company is pursuing the share holders, including the promoters, holding the shares in physical form for dematerialization of their shares.

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### 28. Vigil Mechanism / Whistle Blower Policy :

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement, the Board of Directors had approved the Policy on Vigil Mechanism / Whistle Blower and the same will be posted shortly on the official website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee.

Your Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

### 29. Secretarial Audit Report :

Pursuant to provisions of section 204 of the Companies Act, 2013, the Company has appointed M/s Puttappathi Jagannatham and Co., Company Secretaries to undertake the secretarial audit of the Company. The Secretarial Audit Report obtained is annexed within as Annexure- II.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### 30. Disclosures of Ratio of Remuneration to each Director :

The ratio of the Remuneration of each Director to the median Remuneration of the employees of the Company for the financial year:

#### The Ratio to median remuneration –

##### a. Executive Directors:-

- i. Mr. Y. Nayudamma - 11.89 : 1
- ii. Mr. Y. Janaki Ramaiah (w.e.f. 29<sup>th</sup> July, 2014)\*

\*Since this information is for part of the year, the same is not comparable.

##### b. Non-executive Directors :-

- i. Dr. P. Sreemannarayana
- ii. Dr. Y. Venkateswarlu
- iii. Mr. P. Anjaneyulu
- iv. Mr. C. N. Chary
- v. Mr. T. A. Choudary
- vi. Mr. N. Sudhakar
- vii. Mr. M. Balarama Krishnaiah
- viii. Mrs. S. Kavitha Rani

The Company has not paid any remuneration to the Non-executive Directors except sitting fee.

### 31. Corporate Governance :

The Company is committed to maintain and adhere to the good standards of Corporate Governance. As per Clause 49 of the Listing Agreement, a Report on Corporate Governance forming part of this Report, together with the Auditors' Certificate regarding the compliance of the conditions of Corporate Governance is given in a separate section in the Annual Report.

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### **32. Particulars regarding Energy Consumption, Technology Absorption and Foreign Exchange Earning and Outgo:**

The particulars prescribed under Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are furnished in Annexure - III to this Report.

### **33. Payment of Listing fee :**

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

### **34. Prevention of Insider Trading :**

The Company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The code requires pre clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the code.

All the Board Members and the designated employees have confirmed compliance with the Code.

### **Acknowledgements :**

The Directors wish to express their appreciation for the assistance and continued co-operation received from the Central and State Governments, Banks, Financial Institutions, Customers, Dealers and Suppliers and also the Directors wish to thank all the employees for their contribution, support and continued co-operation throughout the year.

**For and on Behalf of the Board**

**Place : Hyderabad**  
**Date : 06<sup>th</sup> August, 2015**

<b>N. Sudhakar</b>	<b>Y. Nayudamma</b>
<b>Director</b>	<b>Managing Director</b>
<b>DIN : 00426897</b>	<b>DIN : 00377721</b>



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### **Management Discussion and Analysis:**

Phyto Chem (India) Limited has been carrying on the business in two segments i.e. Pesticides Formulations and the Real Estate Activities.

Pesticides plays a vital role in the Agriculture and has been continuing to contribute to the growth of the Agriculture Sector. The Government's Policies are likely to be changed for good and there has been marginal improvement in Real Estate activity.

Risks in the functions and activities of the Company are identified and addressed properly as required from time to time in the light of the SWOT Analysis which is appended below :

#### **Strengths:**

- The pragmatic thrust on Agriculture is a positive step to pesticides industry by the Government.
- So also the thrust on housing and Infrastructure.
- Brand, Image, quality and reliability of the Company products contributed to the establishment besides good marketing network.
- Promoters' vision in the pesticides can increase the turnovers substantially.
- Demand for housing and Infrastructure continue to exist.

#### **Weakness:**

- Competition from local manufacturers as well as MNCs.
- Seasonal vagaries affect the estimates and delays in realizations from customers and dealers.
- Variations in monsoon conditions influences the crop pattern and consequently affects market demand.
- Competition among the SME segment both in Pesticides Formulations and Real Estate.

#### **Opportunities:**

- Government policy on Agriculture Sector and infrastructure is positive.
- Enhanced products range will help to capture emerging marketing opportunities.
- Increasing demand for food security measures lead to increasing usage of Pesticides.
- Good potential for Real Estate and Housing projects.

#### **Threats:**

- Competition from other players.
- Change in Government policies and Bank rates may affect progress of the Company.
- Short fall of rains will affect the pesticides market .
- Inflation and interest rates influence the demand for infrastructure activities.

#### **Financial Analysis:**

The Financial Analysis of the Company have been detailed in Directors' Report under para of Review of Operations.

#### **Future Outlook:**

The Company is looking for positive developments in the Government policy. Awareness of pesticides use by the customers and concern for SMEs by the big pesticides manufacturers.

#### **Internal Control Procedures:**

The Company has Audit Committee and has the mechanism to review the Internal Audit Control procedures. Periodic Audits of the Accounts are carried out internally to attain the object of internal procedures. The Company has also appointed M/s R.B.Associates, Chartered Accountants as Auditors to conduct internal audit on the Accounts and procedural Compliances.

#### **Human Resources:**

The Company enjoys a good team of able and experienced staff and dedicated executives and the relation with the employees continue to be cordial. In house training is given to the employees to motivate and contribute to the enhanced productivity. Other development programmes are taken up for all levels of employees as the Company considers human resources as an invaluable asset.

#### **Cautionary Statement:**

The statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates or expectations may be "forward-looking" statements within the meaning of applicable Securities, Laws and Regulations. Actual results could differ materially from those expressed or implied and the achievement of results is subject to risks, uncertainties, economic conditions, demand / supply and price conditions, which may influence the operations of the Company.

**For and on behalf of the Board**

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

**Place : Hyderabad  
Date : 06th August, 2015**

# Phyto Chem - Annual Report - 2014 - 15

Annexure-I

## EXTRACT OF ANNUAL RETURN

Form No.MGT - 9

as on the financial year ended on 31st March, 2015  
(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014

### 1. REGISTRATION AND OTHER DETAILS

i. CIN :	L24110TG1989PLC009500
ii. Registration Date	11-01-1989
iii. Name of the Company	M/s Phyto Chem (India) Limited
iv. Category / Sub-Category of the Company	Limited Company by shares / Indian Non-Government Company
v. Address of the Registered office and contact details	Survey No.628, Temple Street, Bonthapally - 502 313, Medak District, Telangana State. Tel : 08458-275236, Fax : 040-23557714
vi. Whether Listed Company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	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, Fax : 040-23370295.

### 2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnovers of the  
Company shall be stated)

S.No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Pesticides Formulations	20211	99.59%

### 3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : Not Applicable

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### 4. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the Year (As on 31st March, 2014)				No. of Shares held at the end of the Year (As on 31st March, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
1. Indian	-	-	-	-	-	-	-	-	-
a. Individual / HUF	1585940	21482	1607422	37.38	1616640	20982	1637622	38.08	0.70
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / Fl.	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total = A - 1</b>	<b>1585940</b>	<b>21482</b>	<b>1607422</b>	<b>37.38</b>	<b>1616640</b>	<b>20982</b>	<b>1637622</b>	<b>38.08</b>	<b>0.70</b>
2. Foreign									
a. Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
b. Bodies Corporate	-	-	-	-	-	-	-	-	-
c. Institutions	-	-	-	-	-	-	-	-	-
d. any other	-	-	-	-	-	-	-	-	-
<b>Sub Total = A - 2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter = A - 1+2</b>	<b>1585940</b>	<b>21482</b>	<b>1607422</b>	<b>37.38</b>	<b>1616640</b>	<b>20982</b>	<b>1637622</b>	<b>38.08</b>	<b>0.70</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a. Mutual Funds	-	8500	8500	0.20	-	8500	8500	0.20	-
b. Banks / Fl.	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s).	-	-	-	-	-	-	-	-	-
e. Venture Capital Fund	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs.	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
<b>Sub Total = B - 1</b>	<b>-</b>	<b>8500</b>	<b>8500</b>	<b>0.20</b>	<b>-</b>	<b>8500</b>	<b>8500</b>	<b>0.20</b>	<b>-</b>
2. Non-Institutions									
a. Bodies Corp.	347035	13400	360435	8.38	350172	11800	361972	8.42	0.04
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i. Individual as Shareholders holding nominal share capital upto Rs.1.00 Lakh	611474	823234	1440708	33.5	657337	811134	1468471	34.15	0.65
ii. Individual as Shareholders holding nominal share capital in excess of Rs.1.00 Lakh	451914	122300	574214	13.35	453634	92100	545734	12.69	(0.66)
c. Others	-	-	-	-	-	-	-	-	-
d. Non Resident Indians	20056	286400	306456	7.13	10067	256200	266267	6.19	(0.94)
e. Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
f. Foreign Nationals	-	-	-	-	-	-	-	-	-
g. Clearing Members	2465	-	2465	0.06	11634	-	11634	0.27	0.21
h. Trusts	-	-	-	-	-	-	-	-	-
i. Foreign Bodies	-	-	-	-	-	-	-	-	-
<b>Sub Total = B - 2</b>	<b>1432944</b>	<b>1251334</b>	<b>2684278</b>	<b>62.42</b>	<b>1482844</b>	<b>1171234</b>	<b>2654078</b>	<b>61.72</b>	<b>(0.70)</b>
<b>Total Public Shareholding = B - 1 + 2</b>	<b>1432944</b>	<b>1259834</b>	<b>2692778</b>	<b>62.62</b>	<b>1482844</b>	<b>1179734</b>	<b>2662578</b>	<b>61.92</b>	<b>(0.70)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total = (A+B+C)</b>	<b>3018884</b>	<b>1281316</b>	<b>4300200</b>	<b>100</b>	<b>3099484</b>	<b>1200716</b>	<b>4300200</b>	<b>100</b>	<b>-</b>

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### 4. ii. Shareholding of Promoter

S.N	Shreholder's Name	Shareholding at the beginning of the year as on 01-04-2014			Shareholding at the end of the year as on 31-03-2015			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	
1	Y. Nayudamma	295100	6.86	-	325300	7.56	-	0.70
2	U. Ramadevi	162400	3.78	-	162400	3.78	-	-
3	P. Sreemannarayana	125100	2.91	-	125100	2.91	-	-
4	Y. Venkateswarlu	95000	2.21	-	95000	2.21	-	-
5	P. Akkamma	84400	1.96	-	84400	1.96	-	-
6	Y. Janakiramaiah	81272	1.89	-	81272	1.89	-	-
7	M. Nagendram	75800	1.76	-	75800	1.76	-	-
8	P. Nagaraja	70500	1.64	-	70500	1.64	-	-
9	Y. Prabhakara Rao	65200	1.52	-	65200	1.52	-	-
10	P. Anjaneyulu	64400	1.50	-	64400	1.50	-	-
11	A. Ranga kumari	46000	1.07	-	46000	1.07	-	-
12	T. Rajanee Devi	40500	0.94	-	40500	0.94	-	-
13	J. Anjana Devi	39700	0.92	-	39700	0.92	-	-
14	Y. Lakshmi Prasanna	34400	0.80	-	34400	0.80	-	-
15	K. Subhashini	32700	0.76	-	32700	0.76	-	-
16	M. Sreelakshmi Bhavani	32500	0.76	-	32500	0.76	-	-
17	P. Umadevi	31000	0.72	-	31000	0.72	-	-
18	Y. Nirmala Devi	25000	0.58	-	25000	0.58	-	-
19	Y. Lakshmi Prasanna	20678	0.48	-	20678	0.48	-	-
20	K. Lakshmi Devi	18300	0.43	-	18300	0.43	-	-
21	Y. Anil Choudary	17600	0.41	-	17600	0.41	-	-
22	K. Rajesh Chowdary	17000	0.40	-	17000	0.40	-	-
23	Y. Janakiramaiah	16100	0.37	-	16100	0.37	-	-
24	K. Srinivasa Rao	15500	0.36	-	15500	0.36	-	-
25	Y. Venkateswarlu	14400	0.33	-	14400	0.33	-	-
26	Y. Nayudamma	13006	0.30	-	13006	0.30	-	-
27	R. Jyotsna	12500	0.29	-	12500	0.29	-	-
28	K. Ramasasi	10000	0.23	-	10000	0.23	-	-
29	K.R. Chudary	9300	0.22	-	9300	0.22	-	-
30	K.Koteswara Rao	8300	0.19	-	8300	0.19	-	-
31	R. Vijaya Sasi	8200	0.19	-	8200	0.19	-	-
32	T. Venkateswarlu	8000	0.19	-	8000	0.19	-	-
33	K. Srinivasa Rao	4500	0.10	-	4500	0.10	-	-
34	P. Nageswara Rao	2500	0.06	-	2500	0.06	-	-
35	Y. Nirmala Devi	2000	0.05	-	2000	0.05	-	-
36	K. Ramasasi	2000	0.05	-	2000	0.05	-	-
37	Y. Nirmala Devi	2000	0.05	-	2000	0.05	-	-
38	K. Srinivasu	1000	0.02	-	1000	0.02	-	-
39	Y. Nirmala Devi	1000	0.02	-	1000	0.02	-	-
40	U. Venkateswara Rao	800	0.02	-	800	0.02	-	-
41	N. Sudhakar	500	0.01	-	1000	0.02	-	0.01
42	Y. Lakshmi Ragavamma	500	0.01	-	-	-	-	(0.01)
43	Y. Venkateswara Rao	200	0	-	200	0	-	-
44	T. Ankamma Choudary	184	0	-	184	0	-	-
45	B. Srinivasa Rao	182	0	-	182	0	-	-
46	U. Venkateswara Rao	100	0	-	100	0	-	-
47	C.N. Chary	100	0	-	100	0	-	-
	<b>TOTAL</b>	<b>1607422</b>	<b>37.38</b>		<b>1637622</b>	<b>38.08</b>		<b>0.70</b>

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### 4. iii. Change in Promoters' Shareholding (please specify, if there is no change)

S.No		Shareholding at the beginning of the year as on 01-04-2014		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year Date wise Increase / Decrease in	1607422	37.38	1607422	37.38
2	Promoters: Date: 26-09-2014				
	a. Increase by transfer	30200	0.70	1637622	38.08
	b. Decrease by transfer	(500)	(0.01)	1637122	38.07
	c. Increase by transfer	500	0.01	1637622	38.08
3	At the end of the year	1637622	38.08	1637622	38.08

### 4. iv. Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2014		Shareholding at the end of the year 31-03-2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Andhra Pradesh Industrial Development Corporation Limited	199000	4.63	199000	4.63
2	Rajesh Chowdary Kongara	123911	2.88	123911	2.88
3	Dheeraj Kumar Lohia	121775	2.83	98290	2.29
4	Syam Prasad Babu Kunam	120000	2.79	120000	2.79
5	Money wise Financial Services Pvt Ltd	102123	2.37	70935	1.65
6	Raj Kumar Lohia	80706	1.88	—	—
7	Venkateswarlu Chunduru	51000	1.19	51000	1.19
8	Shaym P Kunam	40600	0.94	40600	0.94
9	Cherukuri Gopichand	30204	0.70	30204	0.70
10	Rasilaben Deepkbhai Gaudani	24370	0.57	29626	0.69
11	P. Himabindu	0	0.00	38021	0.88

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### 4. v. Shareholding of the Directors and Key Managerial Personnel

S.No	Shareholders of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 01-04-2014		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Dr. P. Sreemannarayana</b>				
	a. At the beginning of the year	125100	2.91	125100	2.91
	b. Date wise Increase/Decrease	-	-	-	-
	c. At the end of the year	125100	2.91	125100	2.91
<b>2</b>	<b>Mr. Y. Nayudamma</b>				
	a. At the beginning of the year	308106	7.16	308106	7.16
	b. Increased on 26-09-2014 by Transfer	30200	0.70	30200	0.70
	c. At the End of the year	338306	7.86	338306	7.86
<b>3</b>	<b>Mr. Y. Janaki Ramaiah</b>				
	a. At the beginning of the year	97372	2.26	97372	2.26
	b. Date wise Increase/Decrease	-	-	-	-
	c. At the end of the year	97372	2.26	97372	2.26
<b>4</b>	<b>Mr. P. Anjaneyulu</b>				
	a. At the beginning of the year	64400	1.50	64400	1.50
	b. Date wise Increase/Decrease	-	-	-	-
	c. At the end of the year	64400	1.50	64400	1.50
<b>5</b>	<b>Mr. C.N. Chary</b>				
	a. At the beginning of the year	100	0.00	100	0.00
	b. Date wise Increase/Decrease	-	-	-	-
	c. At the end of the year	100	0.00	100	0.00
<b>6</b>	<b>Dr. Y. Venkateswarlu</b>				
	a. At the beginning of the year	95000	2.21	95000	2.21
	b. Date wise Increase/Decrease	-	-	-	-
	c. At the end of the year	95000	2.21	95000	2.21
<b>7</b>	<b>Mr. T.A. Choudary</b>				
	a. At the beginning of the year	184	0.00	184	0.00
	b. Date wise Increase/Decrease	-	-	-	-
	c. At the end of the year	184	0.00	184	0.00
<b>8</b>	<b>Mr. N. Sudhakar</b>				
	a. At the beginning of the year	500	0.01	500	0.01
	b. Increased on 26-09-2014 by Transfer	500	0.01	500	0.01
	c. At the end of the year	1000	0.02	1000	0.02
<b>9</b>	<b>Mr. M. Balarama Krishnaiah</b>				
	a. At the beginning of the year	-	-	-	-
	b. Date wise Increase/Decrease	-	-	-	-
	c. At the end of the year	-	-	-	-
<b>10</b>	<b>Mrs. S. Kavitha Rani</b>				
	a. At the beginning of the year	-	-	-	-
	b. Date wise Increase/Decrease	-	-	-	-
	c. At the end of the year	-	-	-	-

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### 5. INDEBTEDNESS:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	123642662	-	-	123642662
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	123642662			123642662
<b>Change in Indebtedness during the financial year</b>				
* Addition	17420503	1561685	-	18982188
* Reduction	-	-	-	-
<b>Net Change</b>	17420503	1561685		18982188
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	141063165	1561685	-	142624850
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	141063165	1561685	-	142624850

### 6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### A. Remuneration to Managing Director, Whole-Time Directors and/or manager:

S.No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Y.Nayudamma Managing Director	Y.Janaki Ramaiah Executive Director	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income -Tax Act, 1961	19,49,940	6,49,980	25,99,920
	(b) Value of perquisites u/s 17(2) Income -Tax Act, 1961	-	-	-
	( c ) Profits in lieu of Salary under section 17(3) Income - Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -as % of profit -others, specify....	-	-	-
5	Others, please specify	-	-	-
	<b>Total -A</b>	19,49,940	6,49,980	25,99,920
	Ceiling as per the Act	Rs. 30,00,000 p.a.	Rs. 30,00,000 p.a.	

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### B. Remuneration to other Directors :

S.No	Particulars of Remuneration	Name of Directors					Total Amount
		C.N. Chary	N.Sudhakar	T.A. Choudary	M.Balarama Krishnaiah	S.Kavitha Rani	
1	Independent Directors						
	a. Fee for attending Board, Committee meetings	18,500	28,500	23,500	23,500	13,500	1,07,500
	b. Commission	-	-	-	-	-	-
	c. Others, please specify	-	-	-	-	-	-
	Total -1	18,500	28,500	23,500	23,500	13,500	1,07,500
2	Other Non-Executive Directors						
	a. Fee for attending Board, Committee meetings	21,000	3,500	14,000	-	-	38,500
	b. Commission	-	-	-	-	-	-
	c. Others, please specify	-	-	-	-	-	-
	Total -2	21,000	3,500	14,000	-	-	-
	Total -B =1+2	39,500	32,000	37,500	23,500	13,500	38,500
	Overall Ceiling as per the Act	Not exceeding Rs.1.00 lakh each meeting per member					
	Total Managerial Remuneration = A+B						27,45,920

### C. Remuneration to key managerial personnel other than MD/Manager/WTD

S.N	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1	Gross salary				
a.	Salary as per provisions Contained in section 17(1) of the Income -tax Act, 1961	-	273996	42857	316853
b.	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	others, please specify	-	-	-	-
	Total	-	273996	42857	316853

Note: Mr. Y.Nayudamma is the Managing Director as well as CEO of the Company and his remuneration particulars are given in Table - A. Remuneration Particulars of Mr. Y.Janaki Ramaiah as CFO from 01-04-2014 to 31-07-2014 are given in the above Table - C and as Executive Director are given in Table - A. The Remuneration of Company Secretary is w.e.f 09-02-2015.

**7. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: None**



## Phyto Chem - Annual Report - 2014 - 15

### Secretarial Audit Report

Annexure - II

Form No. MR-3

for the Financial Year ended on 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
**M/s Phyto Chem (India) Limited,**  
Survey No. 628, Temple Street,  
Bonthapally - 502 313,  
Jinnaram Mandal, Medak District,  
Telangana State.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Phyto Chem (India) Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Phyto Chem (India) Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

## Phyto Chem - Annual Report - 2014 - 15

VI. And other applicable laws applicable to the Company

- i. Insecticides Act, 1968
- ii. Legal Metrology Act, 2009
- iii. The Petroleum Rules 2002

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India to the extent applicable under the Companies Act, 2013.
- ii. The Listing Agreements entered into by the Company with Stock Exchange.

We further report that the Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below.

- i. As required by the Companies Act 2013 and the Listing Agreement, the Company Secretary was appointed on 09-02-2015.
- ii. During the period covered under audit, six forms were filed late with the additional fee with the Registrar of Companies.

**We further report that :**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Puttaparthi Jagannatham & Co.  
Company Secretaries**

**Rama Bandaru  
Partner  
COP No.: 7739  
ACS No: 19456**

**Place : Hyderabad  
Date : 05th August, 2015**

***Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms integral part of this report.***

## Phyto Chem - Annual Report - 2014 - 15

### Secretarial Audit Report

Annexure: A

To  
The Members,  
**M/s Phyto Chem (India) Limited,**  
Survey No.628, Temple Street,  
Bonthapally - 502 313,  
Jinnaram Mandal, Medak District,  
Telangana State.

Our report of event date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Puttaparthi Jagannatham & Co.  
Company Secretaries**

**Rama Bandaru  
Partner  
COP No.: 7739  
ACS No: 19456**

**Place : Hyderabad  
Date : 05th August, 2015**

## Phyto Chem - Annual Report - 2014 - 15

### Annexure – III

#### Conservation of Energy, Technology Absorption, Foreign Exchange and Outgo.

Information under section 134 of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 and forming part of Board's Report for the year ended 31<sup>st</sup> March, 2015.

##### A. Conservation of Energy:

The Company has been putting regular efforts to improve Energy efficiency through Energy Conservation Measures.

##### i. Energy conservation measures taken:

- \* The Company has carried out various measures to optimize energy consumption.
- \* The Company has replaced conventional electrical cables, MCBs etc. with latest Electrical items.

##### ii. Impact of measures taken:

- \* Reduction in annual Diesel oil consumption.
- \* Continuous alertness of power saving.

##### iii. Steps taken for utilizing alternate sources of the energy:

- \* Company is evaluating the economic viability for installation of Solar Street Lights and Solar panels for Plant Lighting.

##### iv. Capital investment on Energy conservation equipments:

- \* Capital Expenditure has not been accounted for separately.

##### B. Technology Absorption:

Research and Development (R&D):

##### i. Effects in brief made towards Technology Absorption:

- \* The Company has adopted Indigenous Technology for manufacture of Pesticides formulations and no imported technology is involved.
- \* The Company has an In-house R&D division for improving the quality, productivity and for developing the new viable products.

##### ii. Benefits derived as a result of the above efforts:

- \* Improvement in product quality and productivity.
- \* Enhanced products range to address emerging market opportunities.

##### iii. Imported technology (imported during the last three years reckoned from the beginning of the financial year):

- \* Not applicable as no technology was imported during the last three years.

##### iv. Expenditure incurred on Research and Development:

- \* R & D Expenditure has not been accounted for separately.

##### C. Foreign Exchange Earnings and Outgo:

During the year, there were no exports. The export market for pesticide formulation is not encouraging due to thin margins and heavy competition from Technical Pesticide Manufacturers.

##### i. Total Foreign Exchange outflow:

Equivalent to Rs.862.13 lakhs (USD 14.09 lakhs) 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

DIN : 00426897

DIN : 00377721

Place : Hyderabad  
Date : 06th August, 2015

# Phyto Chem - Annual Report - 2014 - 15

## Corporate Governance Report

### 1. Company's Philosophy on Corporate Governance:-

The Board lays strong emphasis on attainment of high levels of transparency, accountability and integrity and the corporate actions, which balance the interest of the stakeholders. The Company has adopted a code of conduct for Members of the Board and Senior Management, who have all affirmed in writing their adherence to the Code.

### 2. Board of Directors:-

The Board of Directors comprises of 10 Directors of which 3 are Promoter Directors. viz. Dr.P.Sreemannarayana, Mr.Y. Nayudamma and Dr. Y. Venkateswarlu. Six Board Meetings were held during the period from April, 2014 to March, 2015 on the following dates:

26th May, 2014, 21st June, 2014, 29th July, 2014, 29th September, 2014, 12th November, 2014 and 9th February, 2015.

#### The attendance of the Directors at Meetings, Number of other Directorships:

Sl. No.	Name of the Director	Designation	Category	Number of Board Meetings attended	Attendance at last AGM (Yes/No)	Other Directorships
1.	Dr.P. Sreemannarayana	Chairman	NE&NI	6	Yes	2
2.	Mr.Y. Nayudamma	M.D	E&NI	6	Yes	2
3.	Mr.Y.Janaki Ramaiah	E.D	E&NI	3	Yes	-
4.	Dr.Y. Venkateswarlu	Director	NE&NI	4	Yes	-
5.	Mr.P. Anjaneyulu	Director	NE&NI	1	No	3
6.	Mr.C.N. Chary	Director	NE & I	4	Yes	-
7.	Mr.T.A. Choudary	Director	NE & I	5	Yes	2
8.	Mr.N. Sudhakar	Director	NE & I	6	Yes	-
9.	Mr.M. Balarama Krishnaiah	Director	NE & I	5	Yes	8
10.	Mrs.S.Kavitha Rani	Director	NE & I	3	Yes	-

\* NE = Non-Executive I = Independent E = Executive NI = Non - Independent

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which they are Directors.

### 3. Audit Committee:-

The Company has a qualified and independent Audit Committee comprising five non-executive independent Directors, constituted in accordance with the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchange and Section 177 of the Companies Act, 2013. The role, terms of reference and authority and powers of the Audit Committee are in conformity with the requirements of Companies Act, 2013 and Listing Agreement. The Committee held 4 meetings during the year 2014-15 i.e on 26th May, 2014, 29th July, 2014, 12th November, 2014 and 9th February, 2015 and the attendance at the meetings was as under :

S.No.	Name of the Member	Attendance Particulars	Catagory
1.	Mr.N.Sudhakar	4	Chairman
2.	Mr.C.N.Chary	2	Member
3.	Mr.T.A.Choudary	3	Member
4.	Mr.M.Balarama Krishnaiah	3	Member
5.	Mrs.S.Kavitha Rani	2	Member

The Audit Committee discusses with the Statutory Auditors on the "Limited Review" of the quarterly / half-yearly / yearly accounts, the audit plan for the year, matters relating to compliance with accounting standards, the Auditors observations arising from the Annual Audit of the Company's accounts and other related matters. Mr N.Sudhakar, Chairman, Audit Committee was present in the last Annual General Meeting.

## Phyto Chem - Annual Report - 2014 - 15

### **4. Nomination and Remuneration Committee:-**

The nomenclature of Remuneration Committee has been changed to Nomination and Remuneration Committee.

The Nomination and Remuneration Committee comprises of Mr. C.N. Chary as Chairman and Mr. T.A.Choudary, Mr.N.Sudhakar & Mr.M.Balarama Krishnaiah as its Members and considers the remuneration of Executive Directors. The Committee held one meeting on 29-07-2014 during the year 2014-15 and all the members attended the meeting.

#### **Remuneration Policy :**

Remuneration Policy of the Company is summarised as follows :

#### **i. Policy for Selection and Appointment of Directors and their Remuneration :**

The Remuneration Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Executive Directors and their remuneration.

#### **ii. Criteria of selection of Non Executive Directors :**

The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Remuneration Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Remuneration Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The Remuneration Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- a. Qualification, expertise and experience of the Directors in their respective fields;
- b. Personal, Professional or business standing;
- c. Diversity of the Board.

In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

#### **iii. Remuneration :**

##### **a. For Managing Director and Executive Director :**

The total remuneration payable to Managing Director and Executive Director is subject to Share holders' approval and consists of Salary, allowances. Perquisites and benefits are in line with the Company's rules for Senior Managerial Personnel.

##### **b. For Non-Executive Directors:**

Sitting Fees is paid as per applicable provisions of the Companies Act, 2013 and rules made thereunder and the Articles of Association of the Company for attending meetings of the Board or any committees of the Board. The Directors are also reimbursed actual travel costs & incidental expenses incurred for attending such meetings or in connection with the Company's business. The Chairman of the Company is reimbursed the cost of travel and expenses incurred for attending Board and General Meetings.

## Phyto Chem - Annual Report - 2014 - 15

**The details of Remuneration of Directors during the period under review are as follows:**

Sl. No	Name of the Director	Relationship with other Directors	Sitting Fees Rs.	Commission on Profits Rs.	Salary & Allowances Rs.	Perquisites Rs.	Total Rs.
1.	Dr. P. Sreemannarayana	Relative	21000.00	—	—	—	21000.00
2.	Mr. Y. Nayudamma	Relative	—	—	1949940.00	—	1949940.00
3.	Mr.Y.Janaki Ramaiah	Relative	—	—	649980.00	—	649980.00
4.	Dr. Y. Venkateswarlu	Relative	14000.00	—	—	—	14000.00
5.	Mr. P. Anjaneyulu	Relative	3500.00	—	—	—	3500.00
6.	Mr. C.N. Chary	—	18500.00	—	—	—	18500.00
7.	Mr. T.A. Choudary	—	23500.00	—	—	—	23500.00
8.	Mr. N. Sudhakar	—	28500.00	—	—	—	28500.00
9.	Mr. M. Balarama Krishnaiah	—	23500.00	—	—	—	23500.00
10.	Mrs.S.Kavitha Rani	—	13500.00	—	—	—	13500.00

Sitting fee to Non-executive Directors is Rs. 3,500/- per each Board meeting & Rs.1500/- per each Committee meeting.

### 5. Performance Evaluation Committee :-

The Company has formed a Performance Evaluation Committee consisting of the following members and the committee has met 2 times during the financial year ended 31st March, 2015. The attendance record of the members at the meeting were as follows

Sl.No.	Name of the Member	Designation	No. of Meetings Attended
1.	Mr. N. Sudhakar	Chairman	2
2.	Mr. T. A. Choudary	Member	1
3.	Mr. C. N. Chary	Member	1

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of Judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

### Directors Performance Evaluation:

On evaluation of the performance of the Board, it has been evaluated that

- a. Mr. Y. Nayudamma as Managing Director and Mr.Y.Janaki Ramaiah as Executive Director of the Company have been playing pivotal role in the operations and the marketing of the Company's products and their contribution has been rated as good.
- b. The Non Executive Directors have given valuable suggestions and their constructive appreciation of the performance has yielded positive results and their contribution has been rated as good.
- c. Mrs. S. Kavitha Rani, Woman Director is overseeing the General welfare of the employees including Women employees and her contribution has been rated good.
- d. All other Independent Directors by their contribution and presence made justification to the corporate governance and there contribution has been rated as good.

The Directors expressed their satisfaction with the evaluation process and the ratings.

## Phyto Chem - Annual Report - 2014 - 15

### 6. Risk Management Committee :-

The Company has formed a business risk management committee consisting of the following members:

Sl.No.	Name of the Member	Designation	No.of Meetings Attended
1.	Mr. Y. Nayudamma	Managing Director	2
2.	Mr. N. Sudhakar	Member	2
3.	Mr. T.A. Choudary	Member	1

Business Risk and Management is ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimise risks and also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of :

- a. Oversight of risk management performed by the executive management;
- b. Reviewing the Business Risk and Management policy and framework in line with local legal requirements and SEBI guidelines;
- c. Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a predefined cycle;
- d. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks; Within its overall scope as aforesaid, the Committee shall review risks, trends, exposure and potential impact analysis and mitigation plan.

### 7. Independent Directors' Meeting :-

During the year under review, the Independent Directors met on 09-02-2015 inter alia, to discuss:

- a. Evaluation of the performance of the Non Independent Directors and the Board of Directors as a Whole;
- b. Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non Executive Directors;
- c. Evaluation of the quality, contents and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Except Mr. T. A. Choudary and Mr. M. Balarma Krishnaiah, all other Independent Directors were present in the meeting.

### 8. a. Stakeholders Relationship Committee :-

The nomenclature of Shareholder(s) / Investor(s) Grievance and Redressal Committee has been changed to Stakeholders Relationship Committee. The Stakeholders Relationship Committee comprises of Mr. T. A. Choudary as Chairman, Mr. C.N. Chary, Mr. N. Sudhakar and Mr.Y.Nayudamma as its Members. All the complaints were redressed and no complaints received during the year were pending either in the beginning or ending of the year. The details are given below :-

Sl. No	Nature of Complaints	No. of Letters Received	No. of Letters Resolved / Replied	Pending / Remarks
1.	No. of requests for Change of Address	35	35	0
2.	Non-receipt of Share Certs./ Bonus Shares	1	1	0
3.	Issue of Duplicate Share Certificates	8	8	0
4.	Non-receipt of Demat Confirmations / Rejections	0	0	0
5.	Revalidation of Refund Orders/ Dividend Warrants	32	32	0
6.	Other Letters	29	29	0



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During the year, there are no other investor's grievances pending in respect of transfers, revalidation of refund orders, letters from SEBI & Stock Exchange and Non-Receipt of Dividend Warrants.

### **b. Share Transfer Committee :-**

The Share Transfer Committee comprises of Mr. Y Nayudamma as Chairman, Mr.N.Sudhakar as Member and Mr.Y.Janaki Ramaiah, CFO as Convenor.

### **9. General Body Meetings:-**

The last three Annual General Meetings of the Company were held at the Registered Office of the Company at Survey No.628, Temple Street, Bonthapally - 502313, Jinnaram Mandal, Medak District, Telangana.

- i 27th September, 2012 at 11:30 A.M.
- ii 30th September, 2013 at 12:30 P.M.
- iii 29th September, 2014 at 11:45 A.M. respectively

No postal ballots were used / invited for voting at these meetings in respect of the special resolutions required to be passed, nor they are proposed at the ensuing Annual General Meeting.

### **10. Dematerialisation of Shares :-**

As on 31st March 2015, 72.08% Equity Shares have been dematerialised and 27.92% Equity Shares have not yet been dematerialised and they are in physical form. The shareholders are advised to contact the depository participants of National Securities Depository Services Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for dematerialising the shares of the Company (ISIN-INE 037C01010).

### **11. Disclosures :-**

#### **Pecuniary disclosure with regard to interested Directors:-**

#### **a. Disclosures on materially significant related party transactions of the Company of material nature, with its Promoters, the Directors or the management, their subsidiaries or relatives, that may have potential conflict with the interests of the Company at large:-**

None of the transactions with any of related parties was in conflict with interest of the Company.

#### **b. Details of non-compliance by the Company and the penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets during the last three years:-**

There were no instances of non-compliance of any matter related to Capital Market during the last three years.

#### **c. Compliance Certificate of the Auditors:**

Certificate of the Statutory Auditor's has been obtained on the compliance of the conditions of Corporate Governance in terms of Clause 49 of the Listing Agreement with stock exchanges and the same is annexed.

#### **d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

The Company has fully complied with the mandatory requirements of Clause 49 of the listing agreement of the stock exchange. Further, the Company has adopted non-mandatory requirement of Clause 49 of the listing agreement, viz., Remuneration Committee of the Board which has been constituted to determine the remuneration package of the Executive Directors.

#### **e. The Management Discussion and Analysis is a part of this Annual Report.**

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### 12. Means of Communication:-

- a. The Company publishes its quarterly, half yearly and annual results in the Business Standard and Andhra Prabha (Telugu). These results are submitted to the stock exchange in accordance with the Listing Agreement. Management Discussion and Analysis Report forms part of Directors' report.
- b. Website : [www.phytochemindia.com](http://www.phytochemindia.com)
- c. Email Id : [investorsrelations@phytochemindia.com](mailto:investorsrelations@phytochemindia.com)

### 13. General information for members :-

#### a. Twenty Sixth Annual General Meeting :

Date, Time & Venue : Thursday, the 24th day of September, 2015 at 11:45 A.M.

Phyto Chem (India) Limited, Regd. Office : Survey No.628, Temple Street,  
Bonthapally - 502 313, Jinnaram Mandal, Medak District, Telangana.

#### b. Financial Calender:

Results	For 2014-15 were announced on	For 2015-16 will be announced by
First Quarter	29th July, 2014	14th August, 2015
Second Quarter/Half year	12th November, 2014	14th November, 2015
Third Quarter	9th February, 2015	14th February, 2016
Yearly - Audited Results	29th May, 2015	30th May, 2016

#### c. Dates of Book Closure :

22nd September, 2015 to 24th September, 2015 both days inclusive.

#### d. Dividend Payment Date : Not Applicable

#### e. i. Stock Exchanges where listed :

Bombay Stock Exchange Limited, P.J. Towers, Dalal Street, MUMBAI - 400 001.

#### ii. Stock Code (BSE) : 524808

#### f. Market Price Data :

The market price data High/Low during each month in the last financial year (2014-15) at the Bombay Stock Exchange Limited, Mumbai is as follows:-

Period	Bombay Stock Exchange Limited		
	High-in Rs.	Low-in Rs.	Volume - No.of Shares
April, 2014	14.00	10.46	41700
May, 2014	14.65	12.50	95397
June, 2014	15.85	13.11	28572
July, 2014	17.40	13.50	57971
August, 2014	20.00	15.00	22692
September, 2014	20.80	15.00	55925
October, 2014	20.65	14.20	5615
November, 2014	25.45	15.55	63383
December, 2014	28.45	21.15	17693
January, 2015	47.90	22.00	387492
February, 2015	39.00	27.45	180796
March, 2015	37.45	23.15	223476

## Phyto Chem - Annual Report - 2014 - 15

**g. Share Transfer Agent :**

M/s Bigshare Services Private Limited, 306, 3rd Floor, Right Wing, Amrutha Ville,  
Opp : Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad - 500 082, Ph.No. 040-23374967

**h. Distribution of Shareholding by ownership as on 31-03-2015**

Sl.No.	Shareholding Pattern	Shares	Shareholding %
1.	Promoters	1637622	38.08
2.	Indian Public	2025839	47.11
3.	NRIs	0	0.00
4.	Mutual Funds	8500	0.20
5.	Body Corporates	361972	8.42
6.	NRI - Non Promoters	266267	6.19
Total :		4300200	100.00

**i. Distribution of Shareholding by size as on 31-03-2015:**

Range of Shares	No. of Shareholders	No. of Shares	% of Shareholders	% of Holding
Upto 500	6569	886654	93.40	20.62
501-1000	209	179775	2.98	4.18
1001-2000	98	149769	1.39	3.48
2001-3000	40	98770	0.57	2.30
3001-4000	19	67101	0.27	1.56
4001-5000	15	69374	0.21	1.61
5001-10000	25	191524	0.36	4.46
10001 and above	58	2657233	0.82	61.79
Total:	7033	4300200	100.00	100.00

**j . Your Company has not issued any GDRs/ADRs/Warrants or any convertible instruments or ESOPS**

**k. Plant Location :**

Survey No.628, Temple Street, Bonthapally - 502 313. Jinnaram Mandal, Medak District, Telangana State.

**l. Compliance with clause 5A of the Listing Agreement :**

There are no shares issued pursuant to public issue or any other issue which remain unclaimed.

**m. Address for Correspondence :**

Shareholders Correspondence may be made with the Company's Share Transfer Agents at the address given at (g) above. In case of any difficulty, shareholders may contact Mr. Ashok Kumar Pipalwa, Compliance Officer at the Corporate Office at No. 8-3-229/23, First Floor, Thaherville, Yousufguda Checkpost, Hyderabad - 500 045, Telangana / at email : [compliances@phytochemindia.com](mailto:compliances@phytochemindia.com).

**The report has not covered the non-mandatory requirements of Clause 49 of the Listing Agreement.**

**Declaration by M.D. (CEO) of the Company on code of conduct**

**DECLARATION**

As provided under clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2015.

Place : Hyderabad,  
Date : 06th August, 2015

Y. Nayudamma  
Managing Director  
DIN : 00377721

## Phyto Chem - Annual Report - 2014 - 15

### Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

#### To the Board of Directors of M/s. Phyto Chem (India) Limited

We certify that :

We have reviewed the financial statements and the cash flow statement of M/s. Phyto Chem (India) Limited for the year ended March 31, 2015 and that to the best of our knowledge and belief:

- a. i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and the steps taken or proposed to be taken to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee:
  - i. Significant changes, if any, in internal control over financial reporting during the year;
  - ii. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. That there were no instances of significant fraud of which we have become aware and involvement therein, if any of management or other employees having a significant role in the Company's internal control system over financial reporting.

Place : Hyderabad,

Y. Nayudamma

Y. Janaki Ramaiah

Date : 06th August, 2015

Chief Executive Officer

Chief Financial Officer

## Phyto Chem - Annual Report - 2014 - 15

### Auditors' Report on Corporate Governance

To  
The Members of  
M/s Phyto Chem (India) Limited,

We have examined the compliance of conditions of Corporate Governance by M/s. Phyto Chem (India) Limited, for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Director and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For T. Adinarayana & Co.,  
Chartered Accountants  
Firm Regn. No. 000041S**

**Place: Hyderabad,  
Date : 06th August, 2015**

**Y.P. Rao  
Partner  
M.No.25266**

# Phyto Chem - Annual Report - 2014 - 15

## Independent Auditor's Report

To the members of M/s. Phyto Chem (India) Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Phyto Chem (India) Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the statement of Profit and loss, the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies' Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for the ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our Responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedure selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls systems over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its Profit and its cash flows for the year ended on that date.

## Phyto Chem - Annual Report - 2014 - 15

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) order, 2015 (the order ) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and accord to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the Basis of the written representations received from the Directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164(2) of the Act.
  - f. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - i. The Company does not have any legal pending matters which are to be disclosed in its Financial Statements (refer note No. 41).
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The Company does not have any amount required to be transferred to Investor Education and protection Fund during the year ended 31<sup>st</sup> March 2015.

**for T.ADINARAYANA & Co.  
Chartered Accountants  
Firm Regn.No.000041S**

**Place: Hyderabad  
Date: 29<sup>th</sup> May, 2015**

**Y.P. RAO  
Partner  
(M.No.25266)**

## Phyto Chem - Annual Report - 2014 - 15

### ANNEXURE TO THE AUDIT REPORT

(Annexure referred to in paragraph 1 of Independent Audit Report on the Financial Statements for the year ended 31<sup>st</sup> March, 2015)

**i. In respect of Company's Fixed Assets:**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

**ii. In respect of its inventory:**

- a. The inventories have been physically verified by the management during the year at reasonable intervals and in our opinion, the frequency of verification is reasonable.
  - b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 during the year. Therefore the provisions of clause 3 (iii) (a) & (b) of the Order are not applicable..
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in terms of the provisions of Section 73 and 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records and Audit) Rules, 2011 as amended prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- vii. a. According to the information and explanations given to us, the Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of these Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.



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b. Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, VAT and Cess which have not been deposited as on 31 March 2015 on account of dispute are given below:

S.No.	Statue	Nature of dues	Amount (Rs.)	Period	Forum where dispute is pending
1.	Sales Tax	Improper addition of turnover	Rs.10.22 lacs	2010-11 2011-12 & 2012-13	Appeal filed by the Company and matter is pending before the Appellate Authority

c. In our opinion and according to the information and explanations given to us, the Company does not have any amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Act and Rules thereunder.

viii. In our opinion and according to the information and explanations given to us, the Company does not have any accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not obtained any loan from financial institutions and debenture holders.

x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

xi. According to the information and explanations given to us, the Company has not obtained any term loan.

xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**for T.ADINARAYANA & Co.  
Chartered Accountants  
Firm Regn. No.000041S**

**Y.P. RAO  
Partner  
(M.No.25266)**

**Place: Hyderabad  
Date: 29<sup>th</sup> May, 2015**

## Phyto Chem - Annual Report - 2014 - 15

### Balance Sheet as at 31-03-2015

Particulars	Notes	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
<b><u>Equity and liabilities</u></b>			
<b>Shareholders' Funds:</b>			
Share Capital	2	43002000.00	43002000.00
Reserves and Surplus	3	<u>34846862.00</u>	<u>31159115.00</u>
		<u>77848862.00</u>	<u>74161115.00</u>
<b><u>Non-current Liabilities</u></b>			
Long term borrowings	4	17305187.00	19891301.00
Deferred Tax Liability	5	5115754.00	5813532.00
Trade payables		0.00	0.00
Other long term liabilities	6	3120000.00	1110000.00
Long term provisions		<u>0.00</u>	<u>0.00</u>
		<u>25540941.00</u>	<u>26814833.00</u>
<b><u>Current Liabilities</u></b>			
Short term borrowings	7	142624851.00	122165653.00
Trade payables	8	91403963.00	56160253.00
Other Current Liabilities	9	17894811.00	35614596.00
Short term provisions	10	<u>1655748.00</u>	<u>6805260.00</u>
		<u>253579373.00</u>	<u>220745762.00</u>
Total		<u>356969176.00</u>	<u>321721710.00</u>
<b><u>Assets</u></b>			
<b><u>Non-current Assets</u></b>			
<b>Fixed Assets</b>			
Tangible assets	11	36774768.00	42062972.00
Intangible assets		0.00	0.00
Capital work-in-progress		0.00	0.00
Non-current investments	12	3215668.00	3215668.00
Long term loans and advances	13	3529848.00	3740209.00
Trade receivables		0.00	0.00
Other non-current assets		<u>0.00</u>	<u>0.00</u>
		<u>43520284.00</u>	<u>49018849.00</u>
<b><u>Current Assets</u></b>			
Current Investments		0.00	0.00
Inventories	14	128693003.00	95144864.00
Trade receivables	15	174716221.00	168292446.00
Cash and Cash equivalents	16	4653551.00	4429480.00
Short term loans and advances	17	<u>5386117.00</u>	<u>4836071.00</u>
		<u>313448892.00</u>	<u>272702861.00</u>
Total		<u>356969176.00</u>	<u>321721710.00</u>

**Statement on Significant Accounting Policies** 1

The accompanying Notes are an integral part of the Financial Statements.

Per our Report of even date annexed.

**For T.Adinarayana & Co.,**  
Chartered Accountants  
Firm Regn. No. 000041S

**For and on behalf of the Board of Directors**

**Y.P.Rao**  
Partner, M.No. 25266  
Place : Hyderabad  
Date : 29th May, 2015

**C.N.Chary**  
Director  
DIN : 00625684

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

## Phyto Chem - Annual Report - 2014 - 15

### **Statement of Profit and Loss for the year ended 31st March 2015**

Particulars	Notes	Year Ended 31-03-2015 Rs.	Year Ended 31-03-2014 Rs.
<b><u>Continuing Operations</u></b>			
<b><u>Income</u></b>			
Revenue from operations (gross)	18	488029095.00	349990645.00
Less: Excise Duty		<u>57058994.00</u>	<u>40608391.00</u>
Revenue from operations (net)		430970101.00	309382254.00
Other Income	19	<u>4025926.00</u>	<u>540226.00</u>
Total Revenue -I		<u>434996027.00</u>	<u>309922480.00</u>
<b><u>Expenses</u></b>			
Cost of raw material and components consumed	20	342456406.00	217060185.00
Purchase of traded goods		0.00	0.00
(Increase)/ Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods	21	(17284977.00)	(10375154.00)
Employee Benefit Expenses	22	25541639.00	22161779.00
Other Expenses	23	53750252.00	50859254.00
Exceptional Items	24	<u>2714994.00</u>	<u>1126810.00</u>
Total -II		<u>407178314.00</u>	<u>280832874.00</u>
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) = I - II		27817713.00	29089606.00
Depreciation and Amortisation Expenses		3223380.00	3527148.00
Financial Costs	25	<u>16400574.00</u>	<u>16268747.00</u>
Profit Before Tax		<u>8193759.00</u>	<u>9293711.00</u>
<b><u>Tax Expenses</u></b>			
- Current Tax		2681036.00	2774240.00
- Deferred Tax		<u>52060.00</u>	<u>371123.00</u>
Total Tax Expenses		<u>2733096.00</u>	<u>3145363.00</u>
Profit for the year from continuing operations		5460663.00	6148348.00
Extraordinary Items	26	<u>96093.00</u>	<u>0.00</u>
Profit for the year		<u>5364570.00</u>	<u>6148348.00</u>

**Statement on Significant Accounting Policies: 1**

**The accompanying Notes are an integral part of the Financial Statements.**

Per our Report of even date annexed.

**For T.Adinarayana & Co.,  
Chartered Accountants  
Firm Regn. No. 000041S**

**For and on behalf of the Board of Directors**

**Y.P.Rao**  
Partner, M.No.25266  
Place : Hyderabad  
Date : 29th May, 2015

**C.N.Chary**  
Director  
DIN : 00625684

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

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	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
<b>Earnings Per Equity Share</b>		
Annualised earning per Equity Share have been calculated based on the net profit after tax and prior period adjustments of Rs.53.65 lacs (Previous year Rs.61.48 lacs) and number of Equity Shares in issue during the year of 43,00,200 (Previous year 43,00,200)	1.25	1.43
<b>Basic and diluted earning per share</b>		
Basic earnings per Equity Share have been computed by dividing net profit after tax and prior period adjustments by the number of Equity Shares outstanding for the period. Diluted earning per Equity Share does not arise since there is no additions to Equity Share Capital during the period.	—	—

### Statement on significant Accounting Policies and Notes forming part of the Financial Statements for the year ended 31st March, 2015

#### Notes - 1

#### Significant Accounting Policies:

- a. **Basis of Accounting:** The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation.
- b. **Use of Estimates:** The preparation of financial statements is in conformity with generally accepted accounting principles, which requires management to make estimates and assumptions that affect the reported amounts of such assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.
- c. **Fixed Assets : Fixed Assets** are stated at cost less depreciation and cost of assets includes acquisition and installation expenses which are directly attributable for bringing the assets into working condition.
- d. **Depreciation:** With effect from 01-04-2014 there has been a change in Policy for determination of depreciation amount as per provisions prescribed in Schedule II to the Companies Act, 2013 read with Section 123 of the "Act".  
  
Depreciation is calculated based on useful life of asset retrospectively from the date of acquisition of the relevant Fixed Assets. The depreciation for assets having residual life and carrying book value as on 01-04-2014 are being amortised over remaining residual life. The depreciation for assets whose useful life expired but has carrying book value are amortised as on 01-04-2014 by transferring to the opening Profit and Loss Account. From 01-04-2014 the existing assets with carrying book value and additions made thereafter shall be provided in accordance with useful life as prescribed in Schedule II of Companies Act, 2013.
- e. **Inventories :**
  - i. Stocks of raw materials, packing materials, house plots and consumables are valued at lower of cost and net realisable value. Rates are determined on FIFO basis
  - ii. Finished goods are valued at cost of conversion and other cost incurred in bringing the inventories to their present location and condition (plus other overheads) or net realisable value, whichever is lower.

## Phyto Chem - Annual Report - 2014 - 15

- f. **Revenue Recognition:** Revenue from sales of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the customer, which generally coincides with their delivery to customer. Sales are stated including sales tax and excise duty excluding returns.
- g. **Borrowing Costs :** Borrowing Costs are charged to profit & loss account, except in cases where the borrowings are directly attributable to the acquisition, construction or production of the qualifying asset.
- h. **Cenvat :** Cenvat benefit is accounted for by reducing from the purchase cost of raw materials and adjusted against the excise duty liability.
- i. **Excise Duty:** Excise Duty in respect of goods manufactured by the Company and lying in the Factory is accounted on accrual basis.
- j. **Investments :** Investments are stated at cost. All the investments are long term and diminution in market value is not considered unless diminution is permanent.
- k. **Foreign Currency Transaction :** Foreign currency transactions are recorded at the exchange rates prevailing as on the date of transaction. Earning or losses due to fluctuations in exchange rates are recorded as income or expenditure in the year of settlement and charged to Profit & Loss A/c.
- l. **Employees Benefits :**
  - I. **Short term employee Benefits :** All employee benefits payable within twelve months of rendering services are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards exgratia, performance pay etc., and the same are recognized in the period in which the employee renders the related service.
  - II. **Post Employment Benefits :**
    - 1. **Defined Contribution Plans :** Central Government Provident Fund Scheme is defined Contribution plan of the Company. The contributions paid or payable under the schemes are recognized during the period in which the employee renders the related service.
    - 2. **Defined Benefit Plans :** The employees' gratuity scheme is defined benefit plan of the Company. The present value of the obligations under such defined benefit plan is determined based on the actuarial valuation provided by LIC of India at the date of Balance Sheet. Necessary disclosures as required under AS15 are furnished in Notes to Financial Statements.
- m. **The Company has taken into consideration the Provisions AS28- Impairment of assets.** The Company assesses at the each Balance sheet date whether there is any indication that an asset may be impaired. If any such indication is there, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. If recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount.
- n. **Cash and Cash Equivalent:** Cash and cash equivalent in the cash flow statement comprises cash at bank and on hand short-term investments with an original maturity of three months or less.
- o. **Income Taxes :** Tax expense comprises current and deferred tax. Provisions for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between taxable and accounting income as accounted for using the tax rules and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realised.
- p. **Contingent Liabilities and Contingent Assets :** Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

## Phyto Chem - Annual Report - 2014 - 15

### Notes forming part of Financial Statements

	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
<b>Notes - 2</b>		
<b>Share Capital</b>		
a. Authorised Capital 47,50,000 of equity shares of Rs.10/- each (Previous year 47,50,000 equity shares)	47500000.00	47500000.00
b. Issued, subscribed and paid up capital of Rs.10/- each 43,00,200 of equity shares (fully paid) (Previous year 43,00,200 equity shares)	43002000.00 <u>43002000.00</u>	43002000.00 <u>43002000.00</u>
c. List of shareholders holding more than 5% of aggregate shares in the Company :	7.86%	7.16%
i. Mr.Y.Nayudamma: 3,38,306 shares		
d. The reconciliation of the number of Equity shares at the beginning of the year :	4300200	4300200
Add : Equity Shares Issued during the year :	Nil	Nil
Less : Equity Shares cancelled during the year :	Nil	Nil
Equity shares at the end of the year :	4300200	4300200
e. Rights, preferences and restrictions attached to shares:	--	--
Equity shares: The Company has one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. Except in case of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		

	AS AT 31-03-2015 Rs.	AS AT 31-03-2014 Rs.
<b>Notes - 3</b>		
<b>Reserves &amp; Surplus</b>		
a. Surplus balance in P/L account as per last balance sheet	31159115.00	30041787.00
Less: Depreciation on expired Assets	2426661.00	0.00
Add : Deferred Tax Income thereon	<u>749838.00</u>	<u>0.00</u>
	1676823.00	0.00
b. Add: Profit for the year	29482292.00	30041787.00
	<u>5364570.00</u>	<u>6148348.00</u>
	34846862.00	36190135.00
c. Less : Appropriations		
i. Proposed Dividend on Equity Shares	0.00	4300200.00
ii. Tax on Dividend	<u>0.00</u>	<u>730820.00</u>
	34846862.00	31159115.00

### **Notes - 4**

#### **Long Term Borrowings**

a. Term Loan (Secured)		
- From banks (Federal Bank Limited)	0.00	1477008.00
(Secured by hypothecation of Buildings, Plant & Machinery and further guaranteed by Managing Director in his personal capacity)		
b. Deferment of sales tax liability (Unsecured) (Commercial Taxes Department)	17305187.00	18414293.00
	<u>17305187.00</u>	<u>19891301.00</u>

## Phyto Chem - Annual Report - 2014 - 15

### Notes forming part of Financial Statements

	<b>AS AT 31-03-2015 Rs.</b>	<b>AS AT 31-03-2014 Rs.</b>
<b>Notes - 5</b>		
<b>Deferred Tax Asset / Liability (Net)</b>		
Deferred Tax Liability - Opening Balance	5813532.00	5442409.00
Deferred Tax Asset	749838.00	1159413.00
Deferred Tax Liability	<u>-52060.00</u>	<u>1530536.00</u>
Deferred Tax Liability (Net)	<u>-697778.00</u>	<u>371123.00</u>
Deferred Tax Liability - Closing Balance (Refer Note 39)	<u>5115754.00</u>	<u>5813532.00</u>
<b>Notes - 6</b>		
<b>Other Long Term Liabilities</b>		
Security Deposits	<u>3120000.00</u>	<u>1110000.00</u>
	<u>3120000.00</u>	<u>1110000.00</u>
<b>Notes - 7</b>		
<b>Short Term Borrowings</b>		
a. Loans repayable on demand		
- From Federal Bank (Secured Loans) - O.D./C.C (Secured by hypothecation of stock in Trade & Book debts and further guaranteed by Managing Director in his personal capacity)	139856512.00	99317756.00
- From Federal Bank (Secured Loans) - Term Loan - Current maturity of Long Term Loan (Secured by hypothecation of Buildings, Plant & Machinery and further guaranteed by Managing Director in his personal capacity)	1206654.00	2857143.00
b. Axis Bank, CBB, Hyderabad (Secured Loans) (Secured by hypothecation of immovable property)	0.00	19990754.00
c. Term Loan (Unsecured) - Bajaj Finance Ltd	<u>1561685.00</u>	<u>0.00</u>
	<u>142624851.00</u>	<u>122165653.00</u>
<b>Notes - 8</b>		
<b>Trade payables</b>		
Sundry Creditors		
- Amounts outstanding to SME (Refer Note 33)	0.00	0.00
- Outstanding to others	<u>91403963.00</u>	<u>56160253.00</u>
	<u>91403963.00</u>	<u>56160253.00</u>
<b>Notes - 9</b>		
<b>Other Current Liabilities</b>		
a. Amount due to vehicle loans - Current maturity of Long Term Loan	0.00	137731.00
b. Advances Received from Customers	5252064.00	4778901.00
c. Unclaimed Dividends F.Y 2012-13 & 2013-14 (Refer Foot Note)	1362590.00	738191.00
d. Other Current Liabilities	2313548.00	21921257.00
e. Liabilities for Expenses	<u>8966609.00</u>	<u>8038516.00</u>
	<u>17894811.00</u>	<u>35614596.00</u>
Foot Note : There are no amounts that have fallen due for transfer to Investor Education and Protection Fund		
<b>Notes - 10</b>		
<b>Short Term Provisions</b>		
a. Provision for Income Tax - F.Y.2014-15	2681036.00	
Less: Advance Tax Paid	<u>1025288.00</u>	
	1655748.00	0.00
b. Provision for Income Tax - F.Y.2013-14	0.00	1774240.00
c. Provision for proposed Dividend on Equity Shares	0.00	4300200.00
d. Provision for Dividend Tax	<u>0.00</u>	<u>730820.00</u>
	<u>1655748.00</u>	<u>6805260.00</u>

# Phyto Chem - Annual Report - 2014 - 15

## Notes forming part of Financial Statements

### Notes - 11 a. Tangible Assets

SL NO.	Assets	Non Current Assets				Fixed Assets				As on 31-03-2015 (Rs.)	As on 31-03-2014 (Rs.)
		Gross Block		Depreciation		As on 31-03-2015 (Rs.)	As on 31-03-2014 (Rs.)	As on 31-03-2015 (Rs.)	As on 31-03-2014 (Rs.)		
		As on 01-04-2014 (Rs.)	Additions (Rs.)	Deductions (Rs.)	As on 31-03-2015 (Rs.)						
1	Land	730705.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	730705.00	730705.00
2	Buildings	21033753.00	51659.00	0.00	669461.00	0.00	0.00	6638772.00	0.00	14446645.00	15063447.00
3	Plant & Machinery	37058176.00	132500.00	18947084.00	19055962.00	2005388.00	18947084.00	3364131.00	306837.00	14879461.00	18002214.00
4	Furniture	1503122.00	108089.00	317124.00	142051.00	0.00	317124.00	306837.00	0.00	987250.00	1021212.00
5	Vehicles	7357375.00	0.00	1982258.00	5375117.00	0.00	1982258.00	1708945.00	0.00	3666172.00	4237984.00
6	Office Equipment	1311856.00	43364.00	1187363.00	167857.00	0.00	1187363.00	47246.00	0.00	120611.00	92117.00
7	Generator	870650.00	0.00	827118.00	43532.00	0.00	827118.00	0.00	0.00	43532.00	119740.00
8	Electrical Equipment	2077040.00	0.00	760416.00	1316624.00	0.00	760416.00	469916.00	0.00	846708.00	949068.00
9	Lab Equipment	1830214.00	0.00	194894.00	548902.00	0.00	194894.00	653437.00	0.00	981883.00	1281312.00
10	Computers	1015483.00	26225.00	687783.00	353925.00	0.00	687783.00	282124.00	0.00	71801.00	565173.00
	<b>Total</b>	<b>74788379.00</b>	<b>361837.00</b>	<b>24904040.00</b>	<b>50246176.00</b>	<b>2426661.00</b>	<b>24904040.00</b>	<b>13471408.00</b>	<b>0.00</b>	<b>36774768.00</b>	<b>42062972.00</b>
	Previous Year	67546248.00	730419.00	61888.00	74788379.00	0.00	50955.00	32725407.00	0.00	42062972.00	38297033.00
b	Capital Work-in-progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c	Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>74788379.00</b>	<b>361837.00</b>	<b>24904040.00</b>	<b>50246176.00</b>	<b>2426661.00</b>	<b>24904040.00</b>	<b>13471408.00</b>	<b>0.00</b>	<b>36774768.00</b>	<b>42062972.00</b>

Refer Note No.: 42

### Notes - 12

#### Non-current Investments

##### a. Investments in Equity shares (Trade)

170	HDFC Bank	15045.00
500	Accelya Kate Solutions Ltd. of Rs.10/- each	49840.00
500	Hindustan Unilever Ltd. of Rs.10/- each	85440.00
48	Nextgen Animation Mediaa Ltd &	
120	Silverline Technologies	333359.00
3700	Anjani Portland Cement Ltd.	42540.00
1000	Trident Limited	37291.00
1000	Alok Industries Ltd.	70700.00
5000	Computech International	65942.00
1000	Ginni Filaments Ltd.	22830.00
70000	Bheema Cements Ltd. of Rs.10/- each	2377281.00
	Aggregate Book Value of Quoted Investments :	3100268.00
	(Aggregate Market Value : Rs. 22,40,680.00	
	Previous Year Market Value : Rs. 20,08,920.00 )	

##### b. Investments in Government Shares

##### c. Investments in Equity Shares (Non-trade)

500	Jeedimetta Effluent Treatment Ltd. of Rs.100/- each	65400.00
		50000.00
		3215668.00



## Phyto Chem - Annual Report - 2014 - 15

### Notes forming part of Financial Statements

<b>Notes - 13</b>	<b>AS AT 31-03-2015</b>	<b>AS AT 31-03-2014</b>
<b>Long Term Loans &amp; Advances</b>	<b>Rs.</b>	<b>Rs.</b>
a. Security Deposits	589494.00	964494.00
b. Other Advances (Unsecured) (Refer Foot Note)	2940354.00	2775715.00
Foot Note: Other advances do not include any amount due from Directors or other officers of the Company		
	3529848.00	3740209.00
<b>Notes - 14</b>		
<b>Inventories</b>		
a. Raw materials	50597659.00	37932383.00
b. Finished Goods	51163388.00	33550411.00
c. Packing Materials	17252956.00	13655070.00
d. House Plots	9679000.00	10007000.00
	128693003.00	95144864.00
<b>Valuation</b>		
a. Raw Materials, Packing Materials and House Plots are valued at lower of cost or net realisable value.		
b. Finished goods are valued at cost of conversion and other costs incurred in bringing the inventories to their present location and condition or net realisable value whichever is lower.		
<b>Notes - 15</b>		
<b>Trade Receivables (Unsecured considered good)</b>		
a. Debts outstanding for more than 6 months	79105131.00	65076385.00
b. Other Debts	95611090.00	103216061.00
	174716221.00	168292446.00
<b>Notes - 16</b>		
<b>Cash and Cash Equivalants (As per AS-3 Cash Flow statement)</b>		
1.a. Balances in Banks :		
- In Current Accounts	240036.00	206877.00
- In Deposit Account (margin money with banks, the maturity period of which is less than 3 months)	1550000.00	2380000.00
b. Cash on Hand	222925.00	304412.00
2. Other Bank balances		
a. In deposit account (margin money with banks, the maturity period of which is more than 3 months and less than 6 months)	1253000.00	800000.00
b. In earmarked accounts		
Balance held for Locker Deposit	25000.00	0.00
Balances held for Unclaimed Dividend	1362590.00	738191.00
	4653551.00	4429480.00
<b>Notes - 17</b>		
<b>Short Term Loans &amp; Advances</b>		
a. Advance for Raw Materials	4363897.00	4112987.00
b. Others (Refer Foot Note)	1022220.00	723084.00
Foot Note: Other advances do not include any amount due from any Directors or other officers of the Company		
	5386117.00	4836071.00

## Phyto Chem - Annual Report - 2014 - 15

### Notes forming part of Financial Statements

	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
<b>Notes - 18</b>		
<b>Revenue from operation</b>		
a. Sale of Products	486029095.00	349990645.00
Less: Excise Duty	<u>57058994.00</u>	<u>40608391.00</u>
	428970101.00	309382254.00
b. Sale of House Plots	<u>2000000.00</u>	<u>0.00</u>
	<u>430970101.00</u>	<u>309382254.00</u>
<b>Notes - 19</b>		
<b>Other Income</b>		
a. Interest	250912.00	200774.00
b. Discounts	2796424.00	330423.00
c. Misc. Income	0.00	2161.00
d. Profit on Sale of Vehicles	0.00	6868.00
e. Exchange Fluctuations	593611.00	0.00
f. Job Work Charges	<u>384979.00</u>	<u>0.00</u>
	<u>4025926.00</u>	<u>540226.00</u>
<b>Notes - 20</b>		
<b>Cost of Material consumed:</b>		
a. Raw materials consumed		
Opening Stock	37932383.00	33929658.00
Add: Purchases	<u>337885637.00</u>	<u>203231915.00</u>
	375818020.00	237161573.00
Less: Closing Stock	<u>50597659.00</u>	<u>37932383.00</u>
	<u>325220361.00</u>	<u>199229190.00</u>
b. Packing materials consumed		
Opening Stock	13655070.00	15940710.00
Add: Purchases	<u>20833931.00</u>	<u>15545355.00</u>
	34489001.00	31486065.00
Less: Closing Stock	<u>17252956.00</u>	<u>13655070.00</u>
	<u>17236045.00</u>	<u>17830995.00</u>
	<u>342456406.00</u>	<u>217060185.00</u>
<b>Notes - 21</b>		
<b>Changes in Inventories of Finished Goods</b>		
Opening Stock	43557411.00	33182257.00
Closing Stock	<u>60842388.00</u>	<u>43557411.00</u>
Net (increase) / decrease	<u>(17284977.00)</u>	<u>(10375154.00)</u>
in Pesticides :	(17612977.00)	
in House Plots :	<u>328000.00</u>	
	<u>(17284977.00)</u>	
<b>Notes - 22</b>		
<b>Employee Benefits Expense</b>		
<b>a. Salaries and wages</b>		
Factory Salaries & Wages	3582659.00	2648779.00
Office Staff - Salaries	2079093.00	2438365.00
Salaries - Marketing	8801855.00	7692655.00
Office Staff TA & DA	52633.00	119200.00
Marketing staff TA & DA	<u>4155136.00</u>	<u>3571986.00</u>
	<u>18671376.00</u>	<u>16470985.00</u>

## Phyto Chem - Annual Report - 2014 - 15

### Notes forming part of Financial Statements

	For the year ended 31st March, 2015 Rs.	For the year ended 31st March, 2014 Rs.
<b>b. Directors' Remuneration</b>		
Directors' Remuneration	2400000.00	1800000.00
Bonus	199920.00	149940.00
Directors' TA & DA	401681.00	318663.00
Directors' Sitting Fee	146000.00	124500.00
	<u>3147601.00</u>	<u>2393103.00</u>
<b>c. Contribution to PF and ESI</b>		
Provident Fund	1275658.00	1132355.00
ESI	434509.00	402726.00
Earn Leaves	250000.00	225000.00
Staff Welfare	937415.00	774371.00
Bonus	625080.00	590261.00
Gratuity	200000.00	172978.00
	<u>3722662.00</u>	<u>3297691.00</u>
	<u>25541639.00</u>	<u>22161779.00</u>
<b>Notes - 23</b>		
<b>Other Expenses</b>		
Consumption of Stores & Spares	60048.00	75011.00
Power & Fuel	1015625.00	1345042.00
Rent	1132348.00	867698.00
Factory Maintainance	1064141.00	1313308.00
Insurance	370724.00	470071.00
Rates & Taxes	39672.00	59103.00
Audit Expenses - Statutory Audit & Tax Audit	50000.00	50000.00
Audit Expenses - Internal Audit	45000.00	45000.00
Selling & Distribution Expenses	18455959.00	16617010.00
Net Loss/ (Gain) on foreign currency transaction & translation	0.00	5618618.00
Freight Charges Inward	2850643.00	2396816.00
Import Clearing Charges	1862211.00	442013.00
Safety Devices	155715.00	178970.00
First Aid & Medical Expenses	4026.00	12071.00
ED, EC & SHEC on difference in Opening & Closing of Finished goods	442614.00	649792.00
Administration Expenses	4529748.00	4231355.00
Sales Taxes	21671778.00	16487376.00
	<u>53750252.00</u>	<u>50859254.00</u>
<b>Notes - 24</b>		
<b>Exceptional Items</b>		
Bad Debts	2714994.00	1126810.00
	<u>2714994.00</u>	<u>1126810.00</u>
<b>Notes - 25</b>		
<b>Financial Cost</b>		
Interest paid to Banks	15149614.00	15103932.00
Other borrowing costs	1250960.00	1164815.00
	<u>16400574.00</u>	<u>16268747.00</u>
<b>Notes - 26</b>		
<b>Extraordinary Items</b>		
Prior Period Adjustments	96093.00	0.00
	<u>96093.00</u>	<u>0.00</u>

## Phyto Chem - Annual Report - 2014 - 15

### Notes forming part of Financial Statements

#### **Notes - 27**

##### **Contingent Liabilities:**

##### **1. Claims against the Company not acknowledged as debt.**

The Company has appealed against the decision of CTO for the improper addition of turnover for the Financial Years 2010-11, 2011-12 & 2012-13. The appeal is pending with Appellate Authority. The disputed tax in respect of this appeal is Rs.1021615. Since the management is hopeful to get favourable decision, no provision is made in the books of accounts.

	<b>For the year ended 31st March, 2015 Rs.</b>	<b>For the year ended 31st March, 2014 Rs.</b>
<b>Notes - 28</b>		
Remuneration - Managing Director	19,49,940	19,49,940
Remuneration - Executive Director	<u>6,49,980</u>	<u>0</u>
	<u>25,99,920</u>	<u>19,49,940</u>

#### **Notes - 29**

##### **Auditors Remuneration:**

Audit Fee (Statutory & Internal)	90,000	90,000
Tax Audit fee	5,000	5,000
Service Tax	<u>11,742</u>	<u>11,742</u>
	<u>1,06,742</u>	<u>1,06,742</u>

#### **Notes - 30**

The present balance of Sales Tax liability is of Rs.1,73,05,187/- accumulated in view of sanction of deferment by the Government of Andhra Pradesh is shown under unsecured loans (Long Term Borrowings).

#### **Notes - 31**

Confirmation of balances of certain parties for amounts due to them / due from them as per the accounts of the Company have not been received. However the values in the book of accounts are final as it is indicated that the balances will be treated as final if balance confirmation is not made before particular date.

#### **Notes - 32**

In the opinion of Board of Directors of the Company, current assets, loans and advances and deposits are approximately of the value stated in the accounts, if realized in ordinary course of business, unless otherwise stated. The provisions for all known liabilities are adequate and not in excess of the amounts reasonably necessary.

#### **Notes - 33**

Disclosure in respect of principal and interest pertaining to the Micro, Small and Medium Enterprises Dev. Act, 2006 based on available details is as under

<b>Particulars</b>	<b>Amount in Rs.</b>
Principal amount due as on 31.03.2015	—
Interest on above and unpaid interest	—
Interest paid	—
Payment made beyond the appointed date	—
Interest due and payable for the period of delay	—
Interest accrued and remaining unpaid at the year end	—
Amount of further interest due and payable in succeeding year	—

Note : There are no outstanding amounts to MS & ME as on 31-03-2015.

#### **Notes - 34**

The Company has gained Rs.5,93,611.00 (net) due to fluctuations in foreign exchange rate and the same is credited to P&L A/c.

#### **Notes - 35**

No provision has been made in the books of accounts for the diminution in the market value of quoted shares as it is felt that the diminution is not permanent in nature.

## Phyto Chem - Annual Report - 2014 - 15

### Notes forming part of Financial Statements

#### Notes - 36

#### **Disclosure pursuant to Accounting Standards 15 (Revised 2005)**

##### **Employee Benefits:**

##### **A. Defined Contribution Plan:**

Contribution to defined contribution plan recognized as expenditure in profit and loss account is as under:  
The provident fund contributions are remitted to Regional Provident Fund Commissioner, Hyderabad.

##### **B. Defined Benefit Plan:**

The Company has Employees Group Gratuity Fund through a policy with LIC and contributes to the fund through annual premium determined based on actuarial valuation using projected unit credit method as on 31-03-2015. The Company has funded current service cost obligation and contribution made are recognized as expenses. The disclosure in respect of funded defined benefit obligation as by Accounting Standard 15 is given below:

<b>i.</b>	<b>Table showing changes in present value of obligation as on 31-03-2015:</b>	Rs.
	Present value of obligation as at beginning of the year	1584019.00
	Interest cost	126722.00
	Current service cost	167789.00
	Benefits paid	0.00
	Actuarial (gain) / loss on obligations	(294511.00)
	Present value of obligations as at end of year	1584019.00
<b>ii.</b>	<b>Table showing changes in fair value of plan assets as on 31-03-2015:</b>	
	Fair value of plan assets as at beginning of the year	845102.00
	Expected return on plan assets	76059.00
	Contributions	167789.00
	Benefits paid	0.00
	Actuarial (gain)/ loss on plan assets	NIL
	Fair value of plan assets as at end of year	1088950.00
<b>iii.</b>	<b>Table showing in fair value of plan assets</b>	
	Fair value of plan assets as at beginning of the year	845102.00
	Actual return on plan assets	76059.00
	Contributions	167789.00
	Benefits paid	0.00
	Fair value of plan assets as at end of year	1088950.00
	Funded status	(495069.00)
	Excess of actual over estimated return on plan assets	NIL
	(Actual rate of return = Estimated rate of return as ARD falls on 31 <sup>st</sup> March, 2015)	
<b>iv.</b>	<b>Actuarial (gain) / loss recognized as on 31-03-2015</b>	
	Actuarial (gain) / loss on obligations	(294511.00)
	Actuarial (gain) / loss for the year- plan assets	NIL
	Total (gain) / loss for the year	(294511.00)
	Actuarial (gain) / loss recognized in the year	(294511.00)
<b>v.</b>	<b>a Financial Assumptions</b>	
	Discount rate	8.00%
	Salary Escalation	4.00%
	<b>b Demographic Assumption</b>	
	Retirement age of the employees of the Company is assumed at 58 years.	

## Phyto Chem - Annual Report - 2014 - 15

### Notes forming part of Financial Statements

#### Notes - 37

#### **Segment Reporting as per Accounting Standard 17:-**

The Company has identified Geographical as primary segment. The Company is manufacturing pesticide formulations and operating its activity in Telangana, Andhra Pradesh and other states in India. The details of Segment Revenue, Expenditure, Assets and Liabilities are as under.

#### **A. Primary Segment Information (Geographical Segment Reporting)**

Particulars	For the year 2014-15 (Rs. in Lacs)				For the year 2013-14 (Rs. in Lacs)			
	AP & TG	Maharashtra	Others	Total	A.P.	Maharashtra	Others	Total
Sales	4181.07	466.38	232.84	4880.29	2857.73	456.56	185.62	3499.91
Segment Expenses	<u>3370.96</u>	<u>376.02</u>	<u>187.73</u>	<u>3934.70</u>	<u>2141.01</u>	<u>342.05</u>	<u>139.08</u>	<u>2622.14</u>
Segment Revenue	810.11	90.36	45.11	945.59	716.72	114.51	46.54	877.77
Unallocated								
Corporate Expenses				<u>739.91</u>				<u>627.55</u>
				<u>205.68</u>				<u>250.22</u>
Interest expenses				<u>164.01</u>				<u>162.69</u>
Operating profit				<u>41.67</u>				<u>87.53</u>
Add : Other Income				<u>40.26</u>				<u>5.40</u>
				<u>81.93</u>				<u>92.93</u>
Less : Income Tax				<u>27.33</u>				<u>31.45</u>
Profit from ordinary Activity				<u>54.60</u>				<u>61.48</u>
Priond Period Adjustment				<u>0.96</u>				<u>0.00</u>
Profit after tax				<u>53.64</u>				<u>61.48</u>
Segment Assets	2499.91	202.15	332.02	3034.09	2150.32	151.26	332.79	2634.37
Unallocated								
Corporate Assets				<u>537.03</u>				<u>582.85</u>
Total				<u>3571.12</u>				<u>3217.22</u>
Segment Liabilities	964.52	1.18	0.86	966.56	606.81	0.84	1.74	609.39
Unallocated Corporate Liabilities				<u>2604.56</u>				<u>2607.83</u>
Total				<u>3571.12</u>				<u>3217.22</u>

#### **B. Information about Secondary Segment (Business Segment) :-**

The main activity of the Company is to manufacture pesticide formulations and to market in various places in India. Though it has marketed some house plots during the year, the volume of business is non-reportable.

## Phyto Chem - Annual Report - 2014 - 15

### Notes forming part of Financial Statements

#### Notes - 38

**Related party disclosures :** The Company has the transactions with the following related parties on account of shareholdings by key management personnel and their relatives .

#### **A. Particulars of Associate Company :**

<u>Name of the Related Party</u>	<u>Nature of Relationship</u>
1. M/S. Rasasri Developers Private Ltd., Bangalore.	Associate Company
2. M/S. Rasasri Infrastructures Private Ltd., Hyderabad.	Associate Company

#### **B. Key Management Personnel :**

<u>Name of the Related Party</u>	<u>Nature of Relationship</u>
Dr.P.Sreemannarayana	Chairman
Mr.Y.Nayudamma	Managing Director
Mr.Y.Janaki Ramaiah	Director
Mr.P.Anjaneyulu	Director

#### **C. Transactions with Associate Company :**

	31-03-2015	31-03-2014
1. Advance for capital works/Unsecured loan		
i. Rasasri Infrastructures Pvt. Ltd	---	42,97,234
ii. Rasasri Developers Private Ltd	---	1,30,56,644

#### **D. Details of Transactions relating to persons referred to in Item No. (B) above.**

1. Mr.Y. Nayudamma - Remuneration	19,49,940.00	19,49,940.00
2. Mr.Y.Janaki Ramaiah - Remuneration	6,49,980.00	0.00
3. Dr.P.Sreemannarayana - Sitting Fee	21,000.00	16,500.00
4. Mr. P. Anjaneyulu - Sitting Fee	3,500.00	16,500.00

#### Notes - 39

The Company follows Accounting Standard (AS22) "Accounting for Taxes on Income" as notified by Companies Accounting Standard Rules, 2006. The Company has deferred tax liability with difference in depreciation in block of fixed assets as per tax books and financial books. The calculations of deferred tax liability is as under.

	2014-15	2013-14
	(In Rs.)	
Deferred Tax Liability (opening balance)		58,13,532.00
Add: Deferred Tax Liability for the year :		
Depreciation as per Companies Act	3223380.00	
Provision for leave encashment	<u>250000.00</u>	
	3473380.00	
Depreciation as per IT Act.	<u>3641860.00</u>	-168480.00
Less : Deferred Tax Asset		-52060.00
on depreciation transferred to		
Retained Earnings:	2426661.00	<u>749838.00</u>
Deferred Tax Liability (Net)		<u>-697778.00</u>
Deferred tax liability as on 31-03-2015		<u>51,15,754.00</u>

#### Notes - 40

#### **Impairment of Fixed Assets:**

The Company assessed at the Balance Sheet date, the value of the Fixed Assets in order to comply with the provisions of A.S-28. The Company was of the opinion that the assets of the Company will generate adequate benefits in future. The Company has arrived to this opinion considering the present condition of the assets and its withstanding capacity even for increased capacity by four times to that of present capacity. The Company has also considered net cash flow before tax and also present value of future cash flow. The future cash flows were taken into account based on the budgeted turnovers fixed for future five years in recent budget meeting. In view of continuous profits, the discounting rate is taken at 15%. In view of this position, the Company has felt that the "Value in use" of the Fixed Assets is more than carrying cost of the fixed assets, hence no provision for impairment of Loss of Fixed Assets has been made.

## Phyto Chem - Annual Report - 2014 - 15

### Notes forming part of Financial Statements

#### **Notes - 41**

##### **Pending Legal Matters:**

The Company has filed several cheque bouncing suits against its customers and the matters are pending at various levels in the Courts. No suit against the Company which creates financial commitment to the Company was filed.

#### **Notes - 42**

##### **Depreciation on Fixed Assets :**

The Company has revised the useful life of its Fixed Assets to comply with the useful life as mentioned under Schedule II of the Companies Act, 2013. The carrying amount of the Fixed Assets as on 1st April, 2014 has been depreciated over the remaining revised useful life of the Fixed Assets. Consequently, the carrying value of assets whose useful lives are already exhausted as on 1st April 2014 amounting to Rs.24.27 lakhs and Deferred tax of Rs.7.50 lakhs thereon have been adjusted with the opening balance of Reserves as on 1st April 2014. Had there not been any change in the useful life of Fixed Assets, the Depreciation for the year ended March, 2015 would have been higher by Rs.4.85 lakhs and thereby the Profit would have been lower to this extent.

#### **Notes - 43**

**Additional information pursuant to by way of notes to the Schedule III to the Companies Act, 2013.**

##### **A. Value of Imports calculated on CIF basis by the Company:**

	Year ended 31-03-2015 (Rs. in lacs)	Year ended 31-03-2014 (Rs. in lacs)
i. Raw materials :	1258.32	402.84
ii. Components and spare parts :	Nil	Nil
iii. Capital Goods :	Nil	Nil

##### **B. Expenditure in foreign currency during the Financial year on account of royalties, knowhow, professional, consultation and other matters : NIL**

##### **C. Total value of imported raw material consumed during the Financial year and the total value of indigeneous raw materials and the percentage of each to the total consumption:**

##### **I. Raw material consumption (Product wise):**

	Year ended 31-03-2015 (Rs. in lacs)	Year ended 31-03-2014 (Rs. in lacs)
a. Technicals	3010.45	1755.52
b. Solvents, Emulsifiers & others	241.75	236.77
Total	3252.20	1992.29

##### **II. Raw material Consumption (Percentage)**

	Year ended 31-03-2015			Year ended 31-03-2014		
	Qty. (Kgs)	Rs. in Lacs	Percentate of Consumption	Qty. (Kgs)	Rs. in Lacs	Percentate of Consumption
a Imported	290631	1379.20	13.72	82,175	554.17	3.44
b Indigeneous	1828319	1873.00	86.28	23,04,543	1,438.12	96.56
Total	2118950	3252.20	100.00	23,86,718	1,992.29	100.00

##### **D. Earnings in foreign exchange : Nil**



## Phyto Chem - Annual Report - 2014 - 15

### Notes forming part of Financial Statements

<b>Notes - 44</b>	<u>31-03-2015</u>			<u>31-03-2014</u>
<b>A. Particulars of capacity, Production and sales</b>				
i. <b>Installed Capacity (Ltrs)</b>	90,00,000.00			90,00,000.00
ii. <b>Production (Ltrs)</b>				
Pesticides Formulations	18,97,766.00			23,06,317.00
iii. <b>Sales</b>	(Ltrs/Kgs)	Rs.	(Ltrs/Kgs)	Rs.
		(in Lacs)		(in Lacs)
1. Pesticides Formulations	18,24,665.00	4860.29	22,55,611.00	3499.91
2. Real Estate (Sft.)	1640	<u>20.00</u>	---	---
		<u>4880.29</u>		<u>3499.91</u>
<b>B. Details of Opening and Closing Stock:</b>				
	<b>Qty.</b>	<b>Rs.</b>	<b>Qty</b>	<b>Rs.</b>
<b>Finished Goods</b>	<b>(Ltrs/Kgs)</b>	<b>(in lacs)</b>	<b>(Ltrs/Kgs)</b>	<b>(in lacs)</b>
Pesticides Formulations				
Opening Stock	1,80,510.000	335.50	1,29,804.000	231.75
Closing Stock	2,53,611.000	511.63	1,80,510.000	335.50
<b>Land</b>				
Opening Stock	50,035.00 (Sft)	100.07	50,035.00 (Sft)	100.07
Closing Stock	48,395.00 (Sft)	96.79	50,035.00 (Sft)	100.07

#### **Notes - 45**

Previous year figures have been regrouped / rearranged / reclassified wherever necessary.

Per our Report of even date annexed

**For T. Adinarayana & CO.,  
Chartered Accountants  
Firm Regn. No. 000041S**

**Y.P. Rao  
Partner  
M.No.25266**

**For and on behalf of the Board of Directors**

**C. N. Chary  
Director  
DIN : 00625684**

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

**Place : Hyderabad  
Date : 29th May, 2015**

## Phyto Chem - Annual Report - 2014 - 15

### Cash flow statement for the year 2014-15

<b>A. Cash flow from operating activities:</b>	<b>2014-15 (Rs. In Lacs)</b>	<b>2013-14 (Rs. In Lacs)</b>
Profit before Tax and Extraordinary item after adjusting depreciation transferred to retained earnings (81.94-24.27)	57.67	42.63
<b>Adjustment for:</b>		
Depreciation	32.23	35.27
Depreciation on expired assets (Tfd to retained earnings)	24.27	---
Interest paid	151.50	151.04
Less : Other Income	(40.26)	(5.40)
Operating Profit before working capital changes	<u>225.41</u>	<u>223.54</u>
<b>Adjustment for:</b>		
Trade and other receivables	(67.61)	(335.35)
Inventories	(335.48)	(120.92)
Trade Payables & Other Liabilities	143.85	244.57
Cash generated from operations	(33.83)	11.84
Interest paid	(151.50)	(151.04)
Direct Taxes paid & provided	(19.83)	(27.74)
Cash flow before extraordinary items	(205.16)	(166.94)
Decreasing in deferred tax liability	(7.00)	---
Extraordinary items (deferred tax)	(0.96)	(3.71)
<b>Net cash flow from operating activities</b>	<u>(213.12)</u>	<u>(170.65)</u>
<b>B. Cash flow from investing activities:</b>		
Purchase of Fixed Assets	(3.62)	(73.04)
Purchase of Investments	---	---
Sale of Fixed Assets	---	0.18
Add : Other Income	40.26	5.33
Increase in Non-Current deposits	(4.53)	(3.80)
<b>Net cash used in investing activities</b>	<u>32.11</u>	<u>(71.33)</u>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of share capital (State Subsidy)	---	---
Proceeds from short term borrowings	204.59	265.94
Proceeds from long term borrowings	(25.86)	(23.06)
<b>Net cash used in financing activities</b>	<u>178.73</u>	<u>242.88</u>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	(2.28)	0.90
Cash and Cash equivalents (Opening Balance)	36.29	35.39
Cash and Cash equivalents (Closing Balance)	<u>34.01</u>	<u>36.29</u>

## Phyto Chem - Annual Report - 2014 - 15

### Cash flow statement for the year 2014-15

#### Reconciliation of Cash & Cash equivalents with Balance Sheet:

	2014-15 (Rs. In Lacs)	2013-14 (Rs. In Lacs)
Cash and cash equivalents as above	34.01	36.29
Balances with banks (In deposit accounts whose maturity period is more than 3 months)	<u>12.53</u>	<u>8.00</u>
Cash & Bank balances as per Note No.16	<u>46.54</u>	<u>44.29</u>

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 29th May, 2015

C. N. Chary  
Director  
DIN : 00625684

Y. Nayudamma  
Managing Director  
DIN : 00377721

- Notes : 1. The Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow statements", issued by the Institute of Chartered Accountants of India.
2. Previous figures have been regrouped / rearranged/reclassified wherever necessary.

#### Auditors' certificate

We have verified the above Cash Flow Statement of M/s. Phyto Chem (India) Ltd., derived from the Audited Annual Financial Statements for the year ended 31st March, 2015 and found the same drawn in accordance with and also with the requirements of Clause 32 of the Listing Agreement with Bombay Stock Exchange.

For T. Adinarayana & Co.,  
Chartered Accountants  
Firm Regn. No. 000041S

Place : Hyderabad  
Date : 29th May, 2015

Y.P.Rao  
Partner  
M.No.25266

## Phyto Chem - Annual Report - 2014 - 15



### Phyto Chem (India) Limited

(CIN: L24110TG1989PLC009500)

Survey No.628, Temple Street, Bonthapally - 502 313,  
Jinnaram Mandal, Medak District., Telangana State.

#### Attendance Slip

**The Company does not have the practice of providing gifts to  
Members at the Annual General Meeting**

#### 26th Annual General Meeting on September 24, 2015

1. Name & Registered Address of the  
Sole / first named Shareholder :
2. Name(s) of the Joint Shareholder(s) (if any) :
3. Registered Folio No./ DP ID / Client ID No. :
4. Number of Shares held :

I certify that I am a member / Proxy for the member of the Company. I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company at Registered Office of the Company at Survey No.628, Temple Street, Bonthapally-502 313, Jinnaram Mandal, Medak District, Telangana on Thursday, 24<sup>th</sup> September, 2015 at 11.45 A.M.

Member's / Proxy's Name in Block Letters

Member's / Proxy's Signature

#### SUBJECT : E-VOTING

In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules") and clause 35B of the Listing Agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 17<sup>th</sup> September, 2015 (End of Day) being the cut-off date (i.e. record date for the purpose of Rule 20(3)(vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Central Depository Services Limited (CDSL).

The e-voting particulars are set out below:

<b>EVSN (E-Voting Sequence Number)</b>	<b>USER ID</b>	<b>PASSWORD</b>
<b>150819036</b>	<b>Please refer Notes No.10 d &amp; 10 e of e-voting instructions in the Notice.</b>	

The e-voting period commences from 9:00 a.m. on 21<sup>st</sup> September, 2015 and ends on 23<sup>rd</sup> September, 2015 by 5:00 p.m. The members of the Company, holding shares either in physical or demat form, as on the cut-off date of 17<sup>th</sup> september, 2015, may cast their vote electronically.

For instructions on e-voting, please read the attached Notice of the Annual General Meeting. This communication forms an integral part of the Notice for convening the Annual General Meeting of the Company to be held on 24<sup>th</sup> September, 2015.

## Phyto Chem - Annual Report - 2014 - 15



**Phyto Chem (India) Limited**  
(CIN: L24110TG1989PLC009500)

Survey No.628, Temple Street, Bonthapally - 502 313,  
Jinnaram Mandal, Medak District., Telangana State.

### Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule, 2014.

CIN	L24110TG1989PLC009500
Name of the Company	Phyto Chem (India) Limited
Corporate office	No.8-3-229/23, First Floor, Thaherville, Yousufguda Checkpost, Hyderabad - 500 045, Telangana State.
Registered office	Survey No.628, Temple Street, Bonthapally-502 313, Jinnaram Mandal, Medak District, Telangana State.
Name of the Member(s)	
Registered Address	
Email Id	
Folio No / Client ID	DP ID:

I/ We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1	Name		
	Address	Signature	
	E- Mail ID		
	of failing him		
2	Name		
	Address	Signature	
	E- Mail ID		
	of failing him		
3	Name		
	Address	Signature	
	E- Mail ID		
	of failing him		

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 26th Annual General meeting of the Company, to be held on the 24th day of September, 2015 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 and at any adjournment thereof in respect of such resolutions as are indicated below:

## Phyto Chem - Annual Report - 2014 - 15

Resolutions	For	Against
1. Consider and adopt the Audited Financial Statements, Reports of the Board of Directors and Auditors		
2. Re-appointment of Dr. Sreemannarayana Prathipati who retires by rotation		
3. Ratification of the Appointment of Auditors		

Affix  
Revenue  
Stamp

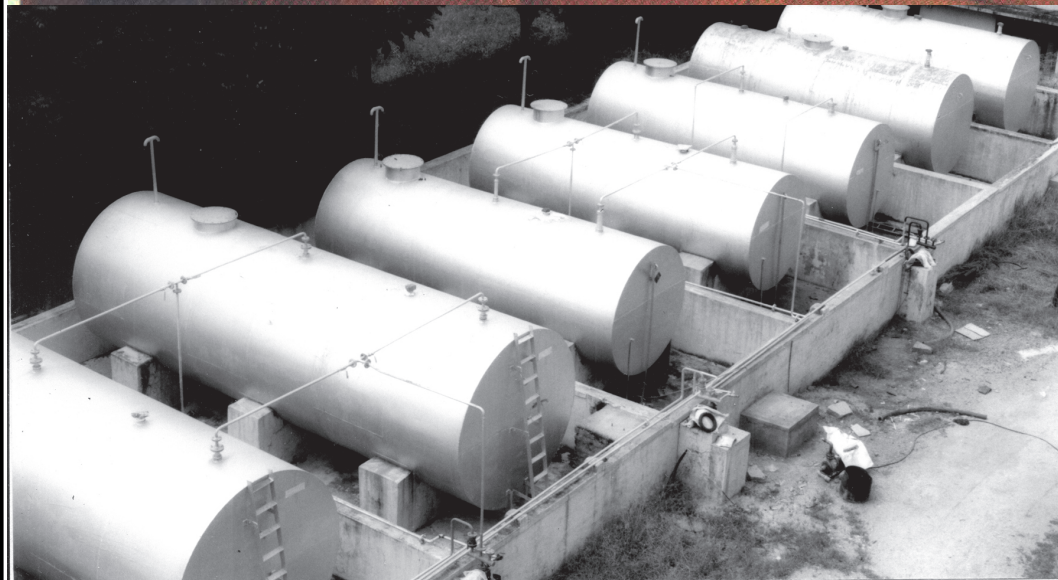
Signed this .....day of .....2015

Signature of Shareholder.....

Signature of Proxy holder(s).....

**Phyto Chem - Annual Report - 2014 - 15**

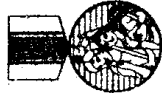
*Laboratory and Factory*



Range of Products



*Manufacturers of Quality Pesticides*



*Enriching The Nation with Green Fields for Golden Harvest*



Printed Matter

If undelivered, Please return to :



**Phyto Chem (India) Limited**

**CIN : L24110TG1989PLC009500**

Survey No. 628, Temple Street, Bonthapally - 502 313,  
Jinnaram Mandal, Medak District, Telangana State.

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