

**BOARD OF DIRECTORS:**

**Mr. G.GANESH KUMAR** : MANAGING DIRECTOR

**Mr. SRIDHAR BHUPATHI RAJU** : DIRECTOR

**Mr. ASHISH UNIYAL** : DIRECTOR

**Mr. MURALI REDDY** : DIRECTOR

**Mr. G. RAMA RAJU** : DIRECTOR

**AUDITORS** : M/S P.S.N RAVISHANKER  
& ASSOCIATES  
Chartered Accountants  
Flat No 205, B-Block,  
II Floor, Kushal Towers,  
Khairatabad  
Hyderabad – 500 004

**BANKERS** : Bank of India  
Temple Street, Kakinada  
  
UTI Bank  
Jubilee Hills Branch  
  
State Bank of India  
Main Road, Kakinada

**REGISTERED OFFICE** : C21/A, Road No 9,  
Film Nagar, Jubilee Hills,  
Hyderabad – 500 033

**FACTORY** : Sarpavaram,  
Kakinada, E.G Dist, A.P.

**RESEARCH & DEVELOPMENT CENTRE** : 4-100, Drs. Colony  
Saroor Nagar, Hyderabad





## NOTICE

Notice is hereby given that the 12<sup>th</sup> Annual General Meeting of the Company will be held on Thursday, the 30<sup>th</sup> day of September, 2010 at 11.30 A.M at Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad 500 038 to transact the following business.

### ORDINARY BUSINESS

1. To receive consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010 and Balance Sheet as on that date along with the reports of Auditor's and Directors' thereon
2. To declare dividend on Equity Shares.
3. To appoint a director in place of Mr. Sridhar Bhupathi Raju who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to authorize the Board to fix their remuneration and in this regard to pass the following resolution with or without modification(s) as an Ordinary Resolution.

"RESOLVED THAT M/s. P. S. N. Ravishanker & Associates, Chartered Accountants, Hyderabad the retiring auditors be and are hereby reappointed as Auditors of the Company to hold the office up to the conclusion of next Annual General Meeting at a remuneration to be fixed by the Board of Directors

### SPECIAL BUSINESS :

5. To consider and if thought fit to pass the following resolution as an Ordinary Resolution.  
"RESOLVED THAT Sri G. Rama Raju, who was appointed as an Additional director of the Company with effect from 31.03.2010 under Articles of Association of the Company and who holds office under Section 260 of the Companies Act, 1956, up to date of this Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation."
6. To consider and if thought fit to pass the following resolution as a Special Resolution.

Noting of Change in designation of Sri. G. Ganesh Kumar as Whole Time Director :

"RESOLVED THAT pursuant to the provisions of Sections 198,309,310,314 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals and consents as may be required, the consent and approval of the members be and is hereby accorded to the appointment of Sri G. Ganesh Kumar, Managing Director as Whole Time Director of the Company not liable to retire by rotation for a period of five years with effect from 1st day of October 2010 on the remuneration, commission, perquisites, benefits, and other allowances as under:

A. Salary : Rs.1,00,000/- per month

B. Commission : @ 2% on the net profits of the Company for each/every financial year; and



C. Perquisites : In addition to the Salary and Commission, he shall be entitled to the allowances and other perquisites as set out below:

a) Housing

- i) Where accommodation in the company owned house is provided, he shall pay to the Company, by way of rent 10% of the salary;
- ii) Where hired accommodation is provided, the expenditure incurred by the Company on hiring furnished accommodation for him will be subject to a ceiling of 60% of salary;
- iii) In case, the Company does not provide accommodation, House rent allowance shall be paid @ 60% of the salary; and
- iv) The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of the salary.

b) Medical Reimbursement/Allowance for self and family: Reimbursement of expenses actually incurred for self and family or medical allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years.

c) Club fees: Fees of clubs, subject to a maximum of two clubs.

d) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company.

e) Gratuity payable, shall not exceed, half a month's salary, for each completed year of service.

f) He shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company; and

g) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

"RESOLVED FURTHER THAT the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Sri G. Ganesh Kumar, Whole Time Director as minimum remuneration during the currency of his tenure, in the event of loss or inadequacy of profits in any financial year for a period not exceeding 3 years."

7. To consider and if thought fit to pass the following resolution as a Special Resolution.

Appointment of Sri. G. Rama Raju as Managing Director of the Company :

"RESOLVED THAT pursuant to the provisions of Sections 198,269,309,310,314 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals and consents as may be required, the consent and approval of the members be and is hereby accorded to the appointment of Sri G. Rama Raju, Director as Managing Director of the Company not liable to retire by rotation for a period of five years with effect from 1st day of October 2010 on the remuneration, commission, perquisites, benefits, and other allowances as under:



- A. Salary : Rs.1,00,000/- per month
- B. Commission : @ 2% on the net profits of the Company for each/every financial year; and
- C. Perquisites : In addition to the Salary and Commission, he shall be entitled to the allowances and other perquisites as set out below:
- a) Housing
- i) Where accommodation in the company owned house is provided, he shall pay to the Company, by way of rent 10% of the salary;
  - ii) Where hired accommodation is provided, the expenditure incurred by the Company on hiring furnished accommodation for him will be subject to a ceiling of 60% of salary;
  - iii) In case, the Company does not provide accommodation, House rent allowance shall be paid @ 60% of the salary; and
  - iv) The expenditure incurred by the Company on gas, electricity, water and furnishing will be subject to a ceiling of 10% of the salary.
- b) Medical Reimbursement/Allowance for self and family: Reimbursement of expenses actually incurred for self and family or medical allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years.
- c) Club fees: Fees of clubs, subject to a maximum of two clubs.
- d) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company.
- e) Gratuity payable, shall not exceed, half a month's salary, for each completed year of service.
- f) He shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company; and
- g) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

"RESOLVED FURTHER THAT the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Sri G. Rama Raju, Managing Director as minimum remuneration during the currency of his tenure, in the event of loss or inadequacy of profits in any financial year for a period not exceeding 3 years."

BY ORDER OF  
For TYCHE INDUSTRIES LIMITED

Place : Hyderabad

Date : 31.05.2010

sd/-  
(G. Ganesh Kumar)  
Managing Director

**NOTES**

- (1) A Member entitled to attend the meeting and vote on poll is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company. The instrument of proxy, in order to be valid should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- (2) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special resolution is annexed hereto.
- (3) The Register of Members and Share Transfer Books will remain closed 27/09/2010 to 30/09/2010 (both days inclusive).
- (4) Members are requested to notify immediately any change in their address to the Company / Share Transfer Agents, CIL Securities Limited, 214 – Raghavaratna Towers, Chirag Ali Lane, Hyderabad – 500 001, quoting their Folio Number.

**EXPLANATORY STATEMENT**

Pursuant to Section 173(2) of the Companies Act, 1956

**Item No. 5 :**

Sri. G. Rama Raju was appointed as Additional Director of the Company on ~~31.03.2010~~ to hold office of Director till the conclusion of the ensuing Annual General Meeting. A notice in this regard has been received from one of the members proposing his appointment as Director of the Company. Hence this resolution is proposed.

Sri. G. Ganesh Kumar, Managing Director of the Company is interested in the above resolution

**Item No. 6 & 7 :**

Sri. G. Rama Raju is having a vast experience of 30 Years in the pharma industry and to avail great services, the board is of the view that it is advisable to appoint him as Managing Director and to appoint Sri. G. Ganesh Kumar, existing Managing Director as Whole Time Director of the Company.

**Hence the above resolution.**

Sri. G. Rama Raju and Sri. G. Ganesh Kumar Directors of the Company are interested in the above resolution.

For and behalf of the Board of Directors of  
TYCHE INDUSTRIES LIMITED

Sd/-  
(G. GANESH KUMAR)  
Managing Director

Sd/-  
(G. RAMA RAJU)  
Director

Place : Hyderabad.,  
Date : 31/05/2009

**DIRECTORS' REPORT, MANAGEMENT DISCUSSION & ANALYSIS**

Dear Members,

Your Directors are pleased to present the 12th Annual Report for the year ended March 31, 2010. The Financial highlights of the year are as follows.

<b>FINANCIAL RESULTS</b>		
(Rs. in Lakhs)		
<b>Particulars</b>	<b>2009-2010</b>	<b>2008-2009</b>
Sales	3764.93	3146.99
Processing Charges	797.68	581.62
Other Income	6.17	116.70
Increase/(decrease) in stocks	168.13	7.98
Total Income	4736.91	3853.29
Operating Profit (PBD&T)	565.29	729.88
Depreciation	71.94	67.55
Profit Before Tax	493.35	662.33
Provision for Tax		
Current	110.00	78.00
Deferred	15.69	30.09
Profit after Tax	367.66	548.99
Prior Period items:		
Less: Income Tax previous years	1.88	0.22
Net Profit after tax	365.78	548.77
Transfer to General Reserve	36.8	54.9
Provision for Dividend and Dividend Tax	57.85	57.85
Earnings per share (Rs.)	3.57	5.35



## **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

### **REVIEW OF OPERATIONS:**

During the year under review, your company has achieved sales turnover 4562.61 Lakhs and net profit of Rs.367.66 lakhs when compared to previous year turnover of Rs. 3728.61 lakhs and Rs. 548.99 lakhs respectively.

### **SHARE CAPITAL:**

The Company has only one class of shares viz. equity share of Rs. 10/- of each. The total issued and subscribed capital of the company is Rs.1025.00 Lakhs. The shares of the company are listed on Bombay Stock exchange. The Scrip of the company is under compulsory demat.

### **DIVIDEND ON EQUITY SHARE CAPITAL:**

Your Directors are pleased to recommend 5% dividend i.e Re.0.50Paise per equity share of Rs.10/- each for each for the financial year 2009-2010. The total amount of dividend provided for the year is Rs.57,85,500 including Rs.840400/ as tax on dividend. The dividend if approved at the ensuing Annual General Meeting will be paid to the share holders whose names appear on the Register of Members of the Company as on 30th September 2010

### **LISTING :**

The above shares are listed on the Mumbai Stock Exchanges. The scrip of the Company is under compulsory Demat segment.

### **FIXED DEPOSITS:**

During the year your company has not invited or accepted any deposits from the public for which the provisions of section 58 A & 58 AA of the Companies Act, 1956 apply

### **RESERVES & SURPLUS:**

During the year under review the reserves and surplus stood at Rs 1888.08 lacs

### **FIXED ASSETS:**

The fixed assets of the company stood at Rs 1616.47. lakhs as at the end of the current year as compared to Rs 1534.53 lacs.of previous year.

### **NET CURRENT ASSETS:**

The net current assets of the Company have increased to Rs 1710.99 lakhs as on 31st March 2010 from Rs 1378.36 lacs as at 31st March 2009.

### **HUMAN RESOURCES:**

The company believes that the intrinsic strength is its people. The company has always paid special attention to recruitment and development at all categories of employees. Yours directors would like to place on record, their deep appreciation of all employees for rendering impeccable services.





**DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 read with the Articles of Association of the Company Sri. Sridhar Bhupathi Raju retire by rotation at the ensuring Annual General Meeting and being eligible, offer himself for re appointment.

During the year under review, Sri.G. Rama Raju was appointed as an Additional Director of the Company. Now the Board recommends for the regularisation of his appointment, as his rich experience in the pharma industry would benefit the Company.

**AUDITORS:**

The Auditors of the Company M/s P.S.N.Ravishanker & Associates, Hyderabad holds office till the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received letter from the auditors to the effect that their appointment as Auditors, if made, would be within the limits under Section 224 (1-B) of the Companies Act, 1956.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, Your Directors state:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the directors have selected such accounting estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the Financial Year.
- iii. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. That the directors have prepared the annual accounts on a going concern basis.

**EMPLOYEE PARTICULARS:**

The particulars of the employees as required in accordance with the provisions of section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 are NIL.

**DEPOSITS:**

During the year your company has not invited or accepted any deposits from the public for which the provisions of section 58 A & 58 AA of the Companies Act, 1956 apply.

**CONSERVATION OF ENERGY ETC.,**

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board Of Directors) Rules, 1988, the



particulars relating to the conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo have been given in the Annexure which forms part of this Report.

**CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement, your Company has to mandatorily comply with the requirements of Corporate Governance. A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions on Corporate Governance, form part of the Annual Report.

**PARTICULARS OF EMPLOYEES:**

The particulars of the employees as required in accordance with the provisions of section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of employees) Rules, 1975 are NIL.

**INDUSTRIAL RELATIONS:**

Industrial relation have been cordial and your directors appreciate the sincere and efficient services rendered by the employees of the Company at all levels towards the successful working of the Company.

**ACKNOWLEDGEMENTS:**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institutions, the Company's Bankers, the Government of Andhra Pradesh and shareholders during the year under review.

For and on Behalf of the Board of Directors of  
TYCHE INDUSTRIES LTD

Sd/-

(G.Ganesh Kumar)  
Managing Director

Sd/-

(G. RAMA RAJU)  
Director

Place: Hyderabad

Date: 31.05.2010

**ANNEXURE "A" TO THE DIRECTORS REPORT**

Particulars pursuant to Companies (Disclosure of particulars in the report of Board of Directors ) Rules, 1988.

<p><b>A. Conservation of Energy</b></p> <p>Energy conservation measures taken;</p> <p>a. Energy conservation measures taken;</p> <p>b. Impact of the measures at (a) and (b) above for reduction of energy;</p> <p>c. Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of productions of goods;</p> <p>d. Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the scheduled thereto.</p>	<p>The Company uses electric energy for its equipment such as computers, air conditioners and lighting. All possible measures have been taken to conserve energy.</p>
<p><b>B. Technology absorption</b></p> <p>e. Efforts made in technology absorptions as per Form B of annexure</p>	<p>NIL</p>
<p><b>C. Foreign Exchange Earning and outgo:</b></p> <p>i. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plan</p>	<p>Please refer information given in the notes to the annual accounts of the company in Schedule no 14 Notes to the accounts Item No 7.</p>



## REPORT ON CORPORATE GOVERNANCE

### 1) Company Philosophy

The Philosophy of the code of Governance of the Company is to conduct the business, while complying with legal and regular frame work, in a fair and transparent manner to enhance the stakeholders value.

### 2) Board of Directors

Composition and Category of Directors:

Name	Category & Designation	Attendance at Last AGM	No. of meetings held during the last Financial Year 2009-2010	No. of meetings attended	No. of member-ships on boards of other Companies	No. of Board committees in which he is a member	No. of Board committees in which he is a Chairman.
Mr. G.Ganesh Kumar	Promoter- Managing Director	Present	6	6	4	NIL	NIL
Sri. G. Rama Raju	Promoter	Present	1	1	4	NIL	NIL
Mr. M.Murali Reddy	Independent Director	Present	6	5	Nil	NIL	NIL
Mr.Asish Uniyal	Independent	Present	6	5	Nil	NIL	NIL
Mr. Sridhar Bhupathi Raju (through Alt.Dir. Mr.Vikram Malhothra)	Independent	Present	6	6	Nil	NIL	NIL

#### Meetings of the Board of Directors:

During the Financial Year 2009-10, the Board of Directors met 6 (Six) .times, viz on ., 30.06.2009; 29/07/2009; 30/08/2009; 31/10/2009;29/01/2010 and 31/03/2010

### 3) Audit Committee

The Audit Committee comprising of the three independent directors met four times during the year and reviewed the financial statements before their submission to the management. The Audit Committee consists of -

1. Mr. M.Murali reddy - Chairman.
2. Mr. Sridhar Bhupathi Raju
3. Mr. Ashish Uniyal



The Audit Committee met 5 (five) times during the year on viz., on 30/06/2009; 29/07/2009 31/10/2009; 31/01/2010 and 31/03/2010

**4) Remuneration Committee**

The Remuneration Committee of the Company recommends to the board of Directors, the compensation of terms to Managing director, senior most management immediately below the Managing director.

The remuneration committee consists of:

- 1) Mr. Ashish Uniyal - Chairman
- 2) Mr.M.Murali Reddy
- 3) Mr.Sridhar Bhupathiraju

Non – Executive Directors: Non- Executive Directors are eligible for sitting fees for attending Board and Committee meetings. However they opted not to claim voluntarily.

**5) Investors' Grievance Committee/Share transfer committee :**

As a measure of good corporate governance and to focus on the shareholders' grievances and towards strengthening investor relations, an Investors' Grievance Committee / Share Transfer Committee has been constituted as a sub-committee of the Board, consisting of the following directors:

- 1) Mr Asish Uniyal - Chairman,
- 2) Mr.M.Murali Reddy
- 3) Mr.G.Ganesh Kumar, Managing Director to perform the following functions

**a) The functions of the committee(s) include:**

To specifically look into redressing investors' grievances pertaining to:

- 1) Transfer of shares
- 2) Dividends
- 3) Dematerialization of shares
- 4) Replacement of lost/stolen/mutilated share certificates
- 5) Non-receipt of rights/bonus/split share certificates.
- 6) Any other related issues

The subcommittee will also focus on strengthening investor relations.

**b) Others:**



Name and designation of compliance officer: Mr. G. Ganesh Kumar, Managing Director. There are no valid requests pending for share transfers as on the date of Directors' Report.

**6) Date, Venue and Time of the Annual General Meetings held since last 3 years.**

Date	Venue	Time	No. of Special Resolutions
30.09.2009	Sri Sagi Ramkrishnam Raju Community Hall, Madura Nagar, Hyderabad.	11.00 A.M.	1
30.09.2008	-do-	11.30 A.M.	NIL
30.09.2007	-do-	11.30 A.M.	1

**7) Disclosures**

There are no materially significant related party transactions, i.e., transactions, material in nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may potentially conflict with the interests of the Company at large.

**8) Means of Communication**

The Company is presently publishing the quarterly results in newspapers as per listing requirements.

**9) General Information for Shareholders**

- (a) Indicated in the Notice to our shareholders, the Annual General Meeting of the Company will be held on 30th September, 2010 at 11.30 A.M at Sagi Ramakrishnam raju community hall, Madhura Nagar, Hyderabad.
- (b) The Financial Year of the Company is 1st April to 31st March.
- (c) Date of book closure: From 27th September 2010 to 30th September 2010 (both days inclusive) for the purpose of the Annual General Meeting.
- (d) The shares of the Company are listed on the Bombay Stock Exchange, Mumbai.

The listing fees as on date have been paid to the above stock exchanges where the Company's shares are listed.

Stock Code :

BSE Code : 532384

: SIRISS # (Fully paid up)

: SIRIPP # (Partly Paid up)

- (d) Monthly high and low stock quotations during the year under review along with the performance



in comparison to broad-based indices:-

MONTHLY HIGH AND LOW QUOTATIONS QUOTED ON BSE DURING THE YEAR :

MONTH	HIGH	LOW
APRIL 09	12.20	8.53
MAY 09	15.61	10.05
JUNE 09	17.90	13.00
JULY 09	16.45	13.38
AUGUST 09	17.95	14.00
SEPTEMBER 09	18.80	13.10
OCTOBER 09	16.95	14.00
NOVEMBER 09	15.75	13.75
DECEMBER 09	19.20	14.55
JANUARY 10	20.95	17.50
FEBRUARY 10	20.95	16.20
MARCH 10	18.50	16.00

(e) As of March 31,2010 the distribution of our shareholding was as follows:

Category (no.of Shares) From to	No of Shareholders	%	No of Shares	%
Up to 5000	2410	94.25	1925417	18.78
5001-10000	73	2.85	5548990	5.41
10001-20000	29	1.13	4131460	4.03
20001-30000	15	0.59	3530740	3.44
30001-40000	6	0.23	2046040	2.00
40001-50000	4	0.16	1923180	1.88
50001-100000	7	0.28	4740260	4.63
100001 and above	13	0.51	61492350	59.99
Total	2557	100.00	102500000	100.00



**(f) Address for correspondence:**

Registered Office: C 21/A, Road No9, Film nagar, Jubilee Hills, Hyderabad

(i) Secretarial Department: C 21/A, Road No 9, Film Nagar Jubilee Hills, Hyderabad

(ii) Registrar and Transfer Agents: CIL Securities Ltd, 205,Raghava Ratna Towers, Chirag ali lane, Abids, Hyderabad

For and on Behalf of the Board of Directors of  
TYCHE INDUSTRIES LIMITED.

Sd/-  
(G.Ganesh Kumar)  
Managing Director

Sd/-  
(G. RAMA RAJU)  
Director

Place: Hyderabad  
Date: 31/05/2010

**Declaration on compliance with Code of Conduct.**

Compliance of code of conduct for directors and senior management personnel pursuant to the amended provisions of the Clause 49 of the Listing agreement.

The Board laid down a code of conduct for all Board members and Senior Management Personnel of the company at its meeting held on 31.07.2005.

All the Board Members and senior management personnel affirmed that they have complied with the said code of conduct on an annual basis in respect of the financial year ended 31.03.2010.

Sd/-

Date: 31/05/2010  
Place: Hyderabad

G.GANESH KUMAR  
MANAGING DIRECTOR

BOARD OF DIRECTORS:





## AUDITOR'S CERTIFICATE

To  
The Members of  
Tyche Industries Limited  
Hyderabad.500 033

We have examined the compliance of conditions regarding corporate governance by M/s Tyche Industries Limited for the year ended 31st March 2010, as stipulated in clause 49 of the listing agreement of the company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. 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, we certify that the company has complied with the conditions of corporate governance as stipulated in the above, mentioned listing agreement.

We state that generally no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company.

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

For P.S.N. RAVISHANKER & ASSOCIATED  
Chartered Accountants

Sd/-

Place: Hyderabad  
Date: 31/05/2010

(P. RAVI SHANKER)  
Partner



## **AUDITORS REPORT**

**To,  
The Members of  
M/s. TYCHE INDUSTRIES LIMITED,  
D.No. C-21/A, Road No.9, Film Nagar,  
Jubilee Hills,  
Hyderabad-500 033.**

**From:  
P.S.N. Ravi Shanker & Associates  
Chartered Accountants,  
Flat No.205, "Block"  
Kushal Towers,  
Khairatabad, Hyderabad-500 004.**

We have audited the attached Balance Sheet of M/s TYCHE INDUSTRIES LTD as at 31st March, 2010, the Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with audit standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I. As required by the Companies (Auditors Report) Order, 2003, issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956, we have enclosed a Statement on the matters specified in paragraphs 4 and 5 of the said order.
- II. Further to our statement referred to in paragraph 1 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of accounts as referred by law have been kept by the Company, so far as it appears from our examination of those books.
  - c) The Balance Sheet and Profit and Loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and Profit and Loss Account and the cash flow statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.



- e) On the basis of written representations received from the directors, as on 31-03-2010, and taken on record by the Board of directors, we report that none of the directors is disqualified as on 31.03.2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) In so far as it relates to the Balance Sheet of the state of affairs of the company as at 31st March, 2010; and
  - ii) In so far as it relates to the Profit & Loss Account of the Profit for the year ended on that date.
  - iii) In so far as it relates to the cash flow statement, of the cash flows for the year ended on that date.

For P.S.N. RAVISHANKER & ASSOCIATES  
Chartered Accountants

Sd/-  
(P. RAVISHANKER)  
Partner

Place: Hyderabad  
Date : 31-05-2010



**STATEMENT REFERRED TO IN THE AUDITORS REPORT**

- 1 a) The Company has maintained proper records to show full particulars including quantitative details and situation in respect of the fixed assets.
  - b) The fixed assets of the company have been broadly verified during the year by the management and we are informed that no material discrepancies were noticed on such verification.
  - c) The company has not disposed off substantial part of its fixed assets.
- 2 a) As explained to us, Physical verification of inventories has been conducted by the management during the year in respect of majority of the high value items at reasonable intervals.
  - b) The procedures of physical verification of inventory followed by the management appear to be generally reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The company is maintaining proper records of inventory and we are informed that no material discrepancies were noticed on such Physical verification.
3. During the year the company has not granted or taken secured/ unsecured loans to/from the parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, the internal control procedures existing in the company with regard to purchase of Inventory and Fixed Assets and for the sale of goods prima facie appear to be commensurate with the size of the company and the nature of its business.
5. During the year, there are no transactions that need to be entered into the register in pursuance of Section.301of the Act.
6. As per the information and explanations furnished to us, the Company has not accepted any deposits from the Public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sec.58A and 58AA of the Act and the Rules framed there under apply.
7. The company does not have any formal internal audit system during the year. However the internal control systems existing in the company cover some of the internal audit aspects also.
8. The company has maintained the records, which broadly meet the requirements of the Cost Records U/s.209 (1)(d) of the Companies Act, 1956. However, we have not examined the contents of these accounts and records in detail.
9. The undisputed dues including Provident fund, Investor education and protection fund, Employees State Insurance, Income-Tax, Sales tax, Wealth tax, Custom duty, Excise duty, Cess and other statutory dues have been deposited by the company during the year with the appropriate authorities.



10. The company has been registered for more than 5 years and there are no accumulated losses in the company as at 31.03.2010. The company has not suffered cash losses during the year and in the preceding financial year.
11. The company has not defaulted in repayment of loans taken from banks. The company has not raised any funds from financial institutions/debenture holders.
12. During the year the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of the special statute applicable to Chit Funds, Nidhi /mutual benefit fund / societies are not applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures and other investments.
15. As per the information and explanations furnished to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. During the year the company has not obtained any term loans.
17. The funds raised on short-term basis do not prima-facie appear to have been used for long-term investment and vice versa.
18. During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The company has not issued any debentures.
20. The company has not raised money through public issue during the year.
21. According to the information and explanations furnished to us, during the year, there was no fraud on or by the company that has been noticed or reported by the management.

For P.S.N.RAVISHANKER & ASSOCIATES  
Chartered Accountants

Sd/-  
(P. RAVI SHANKER)  
Partner

Place : Hyderabad,  
Date : 31 /05/2010

**BALANCE SHEET AS AT 31.03.2010**

	Schedule Nos.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>I. SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS:</b>			
i. SHARE CAPITAL	1	100,701,000	100,701,000
ii. RESERVES & SURPLUS	2	188,807,953	158,015,306
iii. DEFERRED TAX		12,476,215	10,907,315
<b>IV. SECURED LOANS</b>	3	1,400,674	
<b>TOTAL</b>		<b>303,385,842</b>	<b>269,623,621</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>a. FIXED ASSETS</b>			
i. GROSS BLOCK	4	161,647,127	153,452,556
ii. Less: DEPRECIATION		29,372,318	22,177,935
iii. NET BLOCK		132,274,810	131,274,621
<b>b. INVESTMENTS</b>	5	12,072	512,072
<b>c. CURRENT ASSETS, LOANS &amp; ADVANCES:</b>	6	224,601,358	207,415,171
<b>d. Less : CURRENT LIABILITIES &amp; PROVISIONS</b>	7	53,502,398	69,578,244
<b>e. NET CURRENT ASSETS</b>		171,098,960	137,836,927
Notes on accounts attached	14		
<b>TOTAL</b>		<b>303,385,842</b>	<b>269,623,621</b>

As per our report of even date  
for P.S.N.RAVISHANKER & ASSOCIATES  
Chartered Accountants

For and behalf of the Board of Directors of  
TYCHE INDUSTRIES LIMITED

Sd/-  
(P.RAVI SHANKER)  
Partner

Sd/-  
(G.GANESH KUMAR)  
Managing Director

Sd/-  
(G. RAMA RAJU)  
Director

Place : Hyderabad.  
Date : 31/05/2010

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

PARTICULARS	Schedule Nos.		Amount as at 31.03.2010 Rs.		Amount as at 31.03.2009 Rs.
<b>INCOME</b>					
Sale of Goods					
- Export		130,710,149		214,515,169	
- Domestic		245,783,703		100,183,961	
Processing charges			376,493,852		314,699,130
Other Income	8		79,768,080		58,162,131
Increase/(decrease) in stocks	11		617,652		11,670,094
			16,812,547		798,621
<b>Total</b>			<b>473,692,131</b>		<b>385,329,976</b>
<b>EXPENDITURE</b>					
Raw Material Cost	12		283,666,210		205,783,672
Manufacturing cost	13		91,091,338		65,539,823
Personnel Cost	9		15,424,929		15,595,062
Operating and Administration cost	10		22,252,506		21,814,072
Finance cost			1,127,824		1,603,869
Remuneration to directors			3,600,000		1,800,000
Depreciation	5		7,194,382		6,755,302
Miscellaneous expenditure Written off			-		204,417
<b>Total</b>			<b>424,357,189</b>		<b>319,096,217</b>
Profit before taxation			49,334,942		66,233,759
Less: Provision for taxation					
- Current Tax			11,000,000		7,800,000
- Deferred Tax			1,568,900		3,009,000
- Fringe Benefit Tax			-		525,000
Profit after tax			36,766,042		54,899,759
Add/less: Excess/Short provision for income tax of previous years			(187,895)		(21,880)
Profit after tax and adjustments			36,578,147		54,877,879
Add.Profit Broughtforward from Previous Years			135,498,343		91,895,964
Profit available for appropriations			172,076,490		146,773,843
Less: Provision for Proposed Dividend			4,945,100		4,945,100
Less: Provision for Dividend tax			840,400		840,400
Less: Profit transferred to General Reserve			3,680,000		5,490,000
Balance carried forward to Balance Sheet			162,610,990		135,498,343
Earnings per Share					
Basic & diluted			3.57		5.35
Number of shares					
Basic & diluted			10,250,000		10,250,000
Notes on accounts attached	14				

As per our report of even date  
for P.S.N.RAVISHANKER & ASSOCIATES  
Chartered Accountants

For and behalf of the Board of Directors of  
TYCHE INDUSTRIES LIMITED

Sd/-  
(P. RAVI SHANKER)  
Partner

Place : Hyderabad.,  
Date : 31/05/2010

Sd/-  
(G. GANESH KUMAR)  
Managing Director

Sd/-  
(G. RAMA RAJU)  
Director



**TYCHE INDUSTRIES LIMITED**

SCHEDULES FORMING PART OF BALANCE SHEET		Amount as at 31.03.2010 Rs.	Amount as at 31.03.2009 Rs.
<b>Schedule - 1</b>			
<b>SHARE CAPITAL</b>			
Authorised Capital 11,000,000 Equity Shares of Rs. 10/- each		110,000,000	110,000,000
Issued, Subscribed & Paid up Capital 10,250,000 Equity Shares of Rs. 10/- each fully paid-up	102,500,000		102,500,000
Less : Calls unpaid on 359,800 Equity Shares @ Rs. 5/- each (Previous year 817,100 Equity shares @ Rs 5 each)	1,799,000	100,701,000	1,799,000 100,701,000
<b>Total</b>		100,701,000	100,701,000
<b>Schedule - 2</b>			
<b>RESERVES &amp; SURPLUS</b>			
<b>General Reserve</b>			
Balance at the beginning of the year		22,516,963	17,026,963
Add: Transfer from Profit & Loss Account		3,680,000	5,490,000
		26,196,963	22,516,963
Profit & Loss Account			
Credit Balance In Profit & Loss Account		162,610,990	135,498,343
<b>TOTAL</b>		188,807,953	158,015,306
<b>Schedule - 3</b>			
<b>SECURED LOANS</b>			
Bank of India - Cash Credit ( Refer :Notes on Accounts)		199090	0
Hire Purchase Loan - Kotak Mahindra prime ltd ( secured by Hypothecation of vehicle)		1201584	0
<b>TOTAL</b>		1400674	0





**TYCHE INDUSTRIES LIMITED**  
**Schedule - 4**  
**SCHEDULE OF FIXED ASSETS**

(Amount in Rs.)

Particulars	GrossBlock				Depreciation				NetBlock	
	As on	Additions during the year	Deletions/ Adjustments During the year	As on	Upto	For the year	Deletions/ Adjustments During the year	Upto	As on	As on
	01.04.2009	2009-2010	2009-2010	31.03.2010	31.03.2009	2009-2010	2009-2010	31.03.2010	31.03.2010	31.03.2009
Land-Freehold	19989030	0	0	19989030	0	0	0	0	19989030	19169130
Factory Buildings	29044695	0	0	29044695	3060691	970092	0	4030783.846	25013911	25984006
Plant & Machinery	70780569	5735975	0	76516544	8921756	4183081	0	13104837.28	63411706	61858813
Laboratory Equipment	12191162	349789	0	12540951	1843182	599824	0	2443006.934	10097944	10347980
Furniture & Office Equipment	7161749	757217	0	7918966	4794632	380726	0	5175358.324	2743607	2218067
Vehicles	7644219	335000	0	7979219	2552043	775638	0	3327681.545	4651537	5092176
Electrical Equipment	6641132	148727	0	6789859	1005631	285018	0	1290649.291	5499209	3963970
Sub total	153452556	7326708	0	160779264	22177935	7194382	0	29372317.67	131406947	128634143
Add:Capital work in progress		867863		867863	0	0	0	0	0	9719709
TOTAL	153452556	8194571	0	161647127	22177935	7194382	0	29372317	131406947	138353852



<b>TYCHE INDUSTRIES LTD</b> <b>Schedule 5</b> <b>INVESTMENTS</b>	Amount as at 31.03.2010 Rs.	Amount as at 31.03.2009 Rs.
Non trade		
I. Mutual Funds		
a) Franklin Templeton - Long- Term	0	0
(Previous year Market Value : 2,22,455 units @10.043/unit = Rs.23.20 lakhs)		
b) ICICI Prudential	12,072	12,072
(751 Units @Rs.11.83/ Unit = Rs 0.09 lakhs)		
II.Bonds		
8% bonds in UCO Bank	0	500,000
<b>Total</b>	<b>12,072</b>	<b>512,072</b>



<b>TYCHE INDUSTRIES LIMITED</b>				
<b>Schedule - 6</b>				
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			Amount as at 31.03.2010 Rs.	Amount as at 31.03.2009 Rs.
<b>A. CURRENT ASSETS</b>				
1. Raw materials (Valued at cost being lower of cost or market price)			20843242	23406734
Work in process (valued at cost of Raw materials plus proportionate overheads)			26618068	4733533
Finished Goods (valued at cost being lower of cost or market price)			2449370	7521358
Stores & Other Consumables (including capital items) (Valued at cost being lower of cost or market price)			17082922	5145648
2. Sundry Debtors - Unsecured considered good outstanding				
- for less than Six Months period	113114938			86246512
- for more than Six Months period	0	113114938		0
3. CENVAT and Cess balances			5005235	7155875
4. Cash on hand			1669127	1267998
5. (a) Bank balances with Scheduled banks				
i. In Current accounts			4098846	41083217
ii. In In Deposit Accounts			1510451	3010823
iii. In Dividend Account			384225	384225
(b) Bank balances with other banks				
In Current account at USA, PNC bank			438702	388457
5. Intercorporate Deposits (Including Accrued interest)			2339299	2339299
6. Interest accrued on Deposits with bank and others			189542	461335
7. Other Receivables			4297135	2061196
8. TDS receivable			3552521	1798775
9. Advance Tax				
-Income Tax	7000000			4000000
-Fringe Benefit Tax	0	7000000		70000
10. AP VAT & CST Receivable			1347263	3384252
<b>Total (A)</b>			<b>211920888</b>	<b>194459237</b>
<b>B. LOANS &amp; ADVANCES</b>				
Recoverable in cash or kind for value to be received, considered good				
i. Advances to employees			611510	588377
ii. Advance for capital goods and service providers			1778241	1142161
iii. Advance for Raw materials			4505572	7280302
iv. Other Advances			3055379	1052239
v. Deposits with Govt & Non govt organisations			2464346	2497302
vi. Prepaid Expenses			285420	395553
<b>Total (B)</b>			<b>12680470</b>	<b>12955934</b>
<b>Total (A) + (B)</b>			<b>224601358</b>	<b>207415171</b>

TYCHE INDUSTRIES LTD Schedule - 7		Amount as at 31.03.2010 Rs	Amount as at 31.03.2009 Rs
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>A. CURRENT LIABILITIES</b>			
a. Creditors for Raw material		26,320,321	41,618,075
b. Creditors for Capital goods		4,347,317	7,928,221
c. Liabilities for expenses		1,746,530	1,423,573
d. Statutory Dues	721,458	2,912,767	1,428,776
e. Other current liabilities	414,728	822,173	2,501,309
f. Tax payable	1,776,581	183,565	183,565
<b>B. PROVISIONS:</b>			
a. Provision for Proposed Dividend		4,945,100	4,945,100
b. Excess provision for Dividend of Previous years.		384,225	384,225
c. Provision for Dividend tax		840,400	840,400
e. Provision for taxation- Current Tax		11,000,000	7,800,000
f. Provision for tax- Fringe benefit tax		-	525,000
<b>Total</b>		<b>53,502,398</b>	<b>69,578,244</b>

TYCHE INDUSTRIES LTD SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT		Amount as at 31.03.2010 (Rs)	Amount as at 31.03.2009(Rs)
<b>Schedule- 8</b>			
<b>OTHER INCOME</b>			
a. Interest on Fixed Deposits with banks and others		87807	408808
b. Interest on Inter Corporate Deposits		0	155341
c. Exchange Gain/(loss)		0	10657676
d. Micellaneous Income		489199	448269
e. Profit on sale of Asset		40646	0
<b>Total</b>		<b>617652</b>	<b>11670094</b>



TYCHE INDUSTRIES LTD SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT		Amount as at 31.03.2010 (Rs)	Amount as at 31.03.2009(Rs)
<b>Schedule- 9</b>			
PERSONNEL COST			
a. Salaries, wages, allowances & Other benefits		15015575	15004552
b. Staff Welfare Expenses		409354	590510
	Total	15424929	15595062
<b>Schedule- 10</b>			
OPERATING AND ADMINISTRATION EXPENSES			
A Advertisement		149786	240360
B Travelling Conveyance & Incidental charges		4007899	2168918
C Rent		473410	193351
D Professional Fees		1217134	583550
E Fees & Taxes		573867	369651
F Business Promotion Charges		264673	2689415
G Books & Periodicals		21284	22715
H Computer Maintenance		51318	57611
I Insurance		653763	499175
J Auditor's Remuneration		166995	110360
K Printing & Stationery		444419	440297
L Postage, Courier charges		135412	170132
M Telephone & Internet charges		711275	817781
N Vehicle Maintenance		891771	978803
O Electricity & Office Maintenance		1123690	2608195
P Freight, clearing, sales commission and forwarding expenses		5806149	7607612
Q Other Administrative Expenses		2169494	2057989
R Exchange (Gain)/loss		2378665	0
S Donations		1011500	0
T Loss on sale of asset		0	198157
	Total	22252506	21814072



<b>TYCHE INDUSTRIES LTD</b>		Amount as at	Amount as at
<b>Schedule:11</b>		31.03.2010	31.03.2009
<b>Increase / Decrease in Inventories :</b>			
a	Work in Process		
	Opening Stock	4733533	3797988
	Closing Stock	26618068	4733533
	Increase/(Decrease) in Work in Process	21884535	935545
	<b>Sub total (A)</b>		
b	Finished Goods		
	Opening Stock	7521358	7658282
	Closing Stock	2449370	7521358
	Increase/(Decrease) in Finished Goods	-5071988	-136924
	<b>Sub total (B)</b>		
	<b>Total Increase /( Decrease) in Stocks</b>	<b>(A+B)</b>	<b>16812547</b>
			<b>798621</b>
<b>Schedule:12</b>			
<b>RAWMATERIAL CONSUMED</b>			
a	Opening stock	23406734	18132013
b	Add: Purchases	281102718	211058393
c	Less: Closing Stock	20843242	23406734
	<b>Raw material consumption</b>	<b>283666210</b>	<b>205783672</b>
<b>Schedule:13</b>			
<b>Manufacturing Expenses</b>			
a	Manufacturing Wages	6212312	4707107
b.	Power& fuel	26143830	23627935
c	Chemicals &Packing material consumed	22812203	13467218
d.	Stores consumables & other expenses	763384	1108201
e	Plant Repairs & Maintainance	26302819	19415090
f	Lab expenses	8856788	638937
G	Processing charges	0	2575334
	<b>TOTAL</b>	<b>91091338</b>	<b>65539823</b>

**TYCHE INDUSTRIES LIMITED****NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET  
ALONG WITH SIGNIFICANT ACCOUNTING POLICIES****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:**

The Statement of Significant accounting policies forms integral part of the financial statements.

**ACCOUNTING ASSUMPTIONS :****a) Accounting Systems:**

These Financial Statements have been prepared under the historical Cost convention in accordance with the generally accepted accounting principles applicable, accounting standards and the provisions of the Companies Act, 1956 as adopted consistently by the company, on the basis of going concern with revenues recognized and expenses accounted for on their accrual, including provisions/adjustments for committed obligations and amounts determined as payable or receivable during the year.

**b) Fixed Assets:**

Fixed Assets are stated at historical cost of acquisition, which is inclusive of freight, installation charges, duties and incidental expenses, less depreciation to date.

**c) Current Assets:**

In the opinion of Board of Directors, save as otherwise stated, the Current Assets, Loans & advances have been stated at value realizable in the course of business as a going concern.

**d) Liabilities:**

In the opinion of Board of Directors provisions have been made for all known Liabilities.

**e) Depreciation:**

Depreciation on fixed assets is provided on the basis of Straight Line Method at the rates provided in Schedule-XIV of the Companies Act, 1956 for the period of the usage of the assets.

**f) Revenue Recognition:**

Revenues from Sale of goods Manufactured by the company are recognized as and when the significant risks and rewards of ownership are transferred to the buyer. The major activity of the company during the year is only manufacturing of chemicals, bulk drugs and drug intermediaries.

**g) Foreign Currency Transactions:**

Transactions in foreign exchange are accounted for at the exchange rates prevailing on the date of the transactions. Gains/losses arising out of fluctuations in exchange rates are accounted for on realization of the monies, in the profit & loss account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at year-end rates the resultant exchange difference is recognized in the profit and loss account further non-monetary assets are recorded at the rates prevailing on the date of the transaction.



**(h) Retirement Benefits:**

The company's liability towards retirement benefits in the form of provident fund is charged to the revenue expenditure as and when paid. The contribution in respect of provident fund is charged at its actual as per Employee's Provident fund and Miscellaneous provision Act, 1952 as amended from time to time. The company liability in the form of Gratuity and Encashment of leave salary is charged to revenue expenditure as and when paid, as per the policy of the company and no specific provision is made in books of account in this regard as mandated by ICAI.

**i) Segmental Reporting.**

The company has income from only one segment of manufacturing and processing of Fine chemicals.

**j) Earnings per Share**

(Amount. in Rupees)

Particulars	As on 31-03-2010	As on 31-03-2009
Earnings available to Shareholders	3,65,78,147	5,48,77,879
Number of Equity Shares issued	1,02,50,000	1,02,50,000
Basic & diluted Earnings per Share	3.57	5.35

**k) Investments:**

The surplus funds of the company are deployed in the units of the mutual funds to earn income thereon. These investments are in the nature of Long term Non trade investments and as such are shown under the head 'INVESTMENTS' in the balance sheet as per details given in the Schedule- III.

- i) In compliance with the Accounting standard relating to "Accounting for Taxes on Income" issued by ICAI, Deferred Tax liability (Net) accruing during the year amounting to Rs 15.68 lacs has been provided in the profit and loss account.

**m) IMPAIRMENT OF ASSETS:**

As required by the Accounting standard "Impairment of Assets", issued by the institute of chartered accountants of India, the company assesses at each balance sheet date whether there is any indication that an asset may be impaired. The Management confirms that there has been no such impairment loss during the year.

**3. VALUATION OF INVENTORY:**

The company has adopted the Policy to value the Raw materials, stores and spares and finished goods at cost, Work-in-process is valued at cost of Raw materials plus proportionate overheads as per AS 2 issued by ICAI. Cost includes all charges incurred for bringing the goods to the location of the manufacturing facilities.



**4. SECURED LOANS:**

The company has availed fund based limits in the form of Rs 10.00 crores (interchangeable cash credit limit of Rs 6.00 crores, EPC limit of Rs 6.00 crores, FBP limit of Rs 6.00 crores) and non fund based limit of Rs 1.00 crores in the form of Letters of credit (Inland/ foreign) against hypothecation of stocks of raw materials, work in process, finished goods, & book debts from Bank of India & Secured by other assets & also secured by personal guarantee of Managing director and collateral securities of assets with negative lien on net block other than assets mentioned below:

- 1) 3.00 acres of individual land with godown situated at S.Y 94/1, Sarpavaram Village, Kakinada.
- 2) Plot No 31 & 32 in S.Y 92 admeasuring 520 sq yards and 487 sq yards respectively belonging to company.

**5. DETAILS OF CAPACITY, PRODUCTION:  
(AS CERTIFIED BY THE MANAGEMENT)**

(Units in MTs/ Kgs)

Sl. No.	Particulars	Current Year (12 Months)			Previous Year (12 Months)		
		Licensed Capacity	Installed Capacity	Actual Production	Licensed Capacity	Installed Capacity	Actual Production
1	Glucosamine	360 Mts	360.00 Mts	223.67	360 Mts	360.00 Mts	330.49
2	CPH	50Mts	30Mts	20.66	50Mts	30Mts	31.95
3	Recemic setraline	N.A	N.A	58.42	N.A	N.A	57.30
4	Tetrolone	N.A	N.A	179.46	N.A	N.A	8.00
5	Tamsolosin	N.A	N.A	0.11	N.A	N.A	0.05
6	Setraline Mandalate	N.A	N.A	2.76	N.A	N.A	N.A

**6. DETAILS OF FINISHED GOODS PRODUCTION, TURNOVER  
(AS CERTIFIED BY THE MANAGEMENT)**

(Rupees in lakhs)

Sl. No.	Product Name	Current Year 2009-2010 (12 Months)			Previous Year 2008-2009 (12 Months)		
		Production (Qty.-Kgs/ MTs)	Sales (Qty.-Kgs/ MTs)	Sales Value(RS) In Lakhs	Production (Qty.-Kgs/ MTs)	Sales (Qty.-Kgs/ MTs)	Sales Value(RS) In Lakhs
1	Glucosamine	223.67	217.38	1280.95	330.49	321.57	1763.87
2.	Recemic Setraline	58.42	56.11	960.86	57.30	50.25	893.88
3	CPH	20.66	20.66	195.90	31.95	32.32	300.86
4	Tetrolone	179.46	164.00	1022.62	8.00	8.00	52.00
5	Tamsolosin	0.11	0.11	96.73	0.05	0.05	54.28
6	Setraline Mandalate	2.76	2.76	71.76	N.A	N.A	N.A



**7. DETAILS OF RAW MATERIAL CONSUMED  
(AS CERTIFIED BY THE MANAGEMENT)**

Sl No.	Product	CURRENT YEAR 2009-10 (12 Months)		PREVIOUS YEAR 2008-09(12 Months)	
		Quantity in MTs	Value (Rupees in lakhs)	Quantity in MTs	Value (Rupees in lakhs)
1	Dry Prawn and Wet Shell.	3523.48	184.73	2610.03	142.98
2	Cooked Shell	385.65	680.02	549.54	812.37
3	Other chemicals consumed	--	1960.03	--	1096.1
4	Other chemicals consumed at R&D	--	11.88	--	6.39
	Total		2836.66		2057.84

**8. FOREIGN EXCHANGE TRANSACTIONS:  
(AS CERTIFIED BY THE MANAGEMENT)**

Earnings and Expenditure in Foreign Currency

Particulars	2009-2010 Rupees (lacs)	2008-2009 Rupees (lacs)
Foreign exchange earned	1286.47	2084.43
Foreign exchange spent	98.40	11.23
Foreign exchange expenditure- Capital	NIL	12.39

**9. CONTINGENT LIABILITIES: -NIL-**

**10. DETAILS OF TRAVELLING EXPENDITURE:**

Particulars	2009-2010 Amount (Rs in lakhs)	2008-2009 Amount (Rs in lakhs)
Domestic & Foreign (Directors and others)	40.07	21.69

**11. CAPITAL COMMITMENTS: NIL**

**12. DIRECTOR'S REMUNERATION:**

(Amount in Lacs)

Particulars	Years	
	2009-10	2008-09
Managing Director	36.00	18.00

**13. STATUTORY AUDITOR'S REMUNERATION IN RESPECT OF:**

(Amount in Rupees)

Particulars	2009-10	2008-09
Audit Fee.	1,50,000	1,00,000

**14. CONFIRMATION OF BALANCES:**

The balances outstanding on account of sundry debtors/sundry creditors/advances are subject to confirmation from the respective parties.

**15. MICRO, SMALL AND MEDIUM UNITS DUES:**

As per the information and explanations available with the company there are no dues to Micro, small and medium enterprises, as defined in the Micro, small and medium enterprises Development Act, 2006, to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made

**16. PREVIOUS YEAR FIGURES:**

Previous year figures are regrouped wherever necessary to make them comparable with that of current year classification.

**17. ROUNDING OFF:**

Paise have been rounded off to the nearest rupee.

**18. OTHER PROVISIONS OF SCHEDULE-VI:**

Other provisions of Schedule-VI of the Companies Act, 1956 are not applicable to the company.

As per our report of even date  
for P.S.N.RAVISHANKER & ASSOCIATES  
Chartered Accountants

For and behalf of the Board of Directors of  
TYCHE INDUSTRIES LIMITED

Sd/-  
(P. RAVI SHANKER)  
Partner

Sd/-  
(G. GANESH KUMAR)  
Managing Director

Sd/-  
(G. RAMA RAJU)  
Director

Place : Hyderabad.,  
Date : 31/05/2010



### Cash Flow Statement for the Year Ended March 31, 2010

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
<b>A Cash Flows from Operating Activities</b>		
Net Profit/(loss) before taxation	49,334,942	66,233,759
<b>Adjustments for:</b>		
Depreciation & Loss on sale of Assets	7,194,382	6,953,459
Deferred Revenue expenses written off.	-	204,417
Interest and other income to be shown seperately	(617,652)	(564,149)
Foreign Exchange loss	2,378,666	(10,657,676)
Operating profit/(loss) before working capital changes	58,290,338	62,169,810
(Increase)/Decrease in Trade and other receivables	(55,495,018)	(12,400,230)
Increase/ ( decrease) Trade payables and other payables	(29,931,877)	29,733,643
(Increase)/Decrease in Loans & advances and Current Assets	(275,464)	(12,625,101)
Cash generated/outflow from operations	(27,412,022)	66,878,122
Net Cash Flow from Operating Activities	(27,412,022)	66,878,122
<b>B Cash Flows from Investing Activities</b>		
Sale/(Purchase) of Fixed Assets-Net	(44,581,974)	(16,831,303)
Sale/(Purchase) of Investments- Net	-	1,911,945
Income from Mutual Funds	-	496,634
Net Cash used for Investing Activities	(44,581,974)	(14,422,724)
<b>C Cash Flows from Financing Activities</b>		
Interest Income	617,652	564,149
Dividend paid	(4,945,100)	(4,945,100)
Proceeds from loans raised during the year	1,400,674	-
Net Cash Flow from Financing Activities	(2,926,774)	(4,380,951)
Net Increase/(decrease) in Cash and Cash equivalents during the Year	(38,033,367)	17,915,197
Cash and Cash equivalents at the beginning of the Year	46,134,719	28,219,522
Cash and Cash equivalents at the end of the Year	8,101,352	46,134,719

Note : Figures in brackets indicate decrease/outflow

For and behalf of the Board of Directors of  
TYCHE INDUSTRIES LIMITED

Place : Hyderabad  
Date : 31/05/2010

Sd/-  
(G. GANESH KUMAR)  
Managing Director

Sd/-  
(G. RAMA RAJU)  
Director

We have examined the Cash Flow Statement of M/s. Tyche industries Limited for the year ending 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the Listing Agreement with Stock Exchange and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company dealt with in our report of 31.05.2010 to the members of the Company.

As per our report of even date  
for P.S.N.RAVISHANKER & ASSOCIATES  
Chartered Accountants

Place : Hyderabad  
Date : 31/05/2010

Sd/-  
(P. RAVI SHANKER)  
Partner

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

1. Registration Details :	Registration No. 29809/1998-99	
	State Code : 01	
	Balance Sheet Date : 31-03-2010	
2. Capital Raised During the year :	Public Issue : NIL	Right Issue : NIL
	Bonus Issue NIL	Private Placement: NIL
	Promoters : NIL.	
3. Position of Mobilisation and Deployemnt of Funds (Amount in Rs. Lakhs)	Sources of Funds:	
	Total Liabilities : 3033.86	Total Assets : 3033.86
	Paid up Capital : 1007.01	Reserves&Surplus:1888.08
	Share Application Money : NIL	
	Deffered Tax : 124.76	
	Secured Loans: 14.01	Unsecured Loans: NIL
	Applicarion of Funds	
	Net Fixed Assets: 1322.75	Investments: 0.12
	Net Current Assets: 1710.99	Misc. Expenditure:NIL
	Accumulated Losses:NIL	
4. Performance of Company (Amount in Rs. Lakhs)	Turnover: 4736.92	Expenditure : 4243.57
	Profit Before Tax: 493.35	Profit After Tax: 367.66
	Earnings per share : 3.57	Dividend Rate : 5%
5. Generic names of principal products/services of the company (As per Monetary Terms)	Manufacturing of Fine Chemicals	



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**TYCHE INDUSTRIES LTD**  
Regd.Office C 21/A, Road No 9 Film Nagar Jubilee Hills, Hyderabad - 033

Regd. Folio No

No.of Shares Held

**PROXY FORM**  
**Annual General Meeting 2009-2010**

I/We ..... of .....  
.. in the district of ..... Being a member / Members  
of the above named company. Hereby appoint Mr./Ms/Kum ..... in the  
district of ..... As my/our proxy to attend and vote for me/us on my/our behalf at the  
12<sup>th</sup> Annual General Meeting of the Company to be held at Sagi Ramakrishna Raju Community Hall Madhura  
Nagar,Hyderabad-38 on Thursday the 30<sup>th</sup> September 2010 at 11.30 A.M and at any adjournment thereof.

Signed this the ..... Day of .....2010

Address .....

Signature.....

Affix  
Re.1/-  
Revenue  
Stamp

Note: The proxy to be valid has to be duly completed and must be deposited at the Registered Office of the  
Company not less than 48 hours before the time for holding the meeting. A proxy need not be a member of  
the Company.

.....CUT HERE.....

**TYCHE INDUSTRIES LTD**  
Regd.Office C 21/A, Road No 9 Film Nagar Jubilee Hills,Hyderabad - 033  
**ATTENDENT SLIP**

I Here by record my presence at the 12<sup>th</sup> Annual General Meeting of the Company being held at Sagi  
Ramakrishnam RajuCommunity Hall, Madhura Nagar, Hyderabad on Thursday the 30<sup>th</sup> September 2010 at  
11.30 A.M.

.....  
Full name of the shareholder(In Block letters) ..... Signature

Folio No ..... No.of Shares held.....

.....  
Full Name of the Proxy(in block letters) ..... \*Signature

(To be filled if the proxy attends instead of the member)  
Note: Shareholders attending the meeting in person of by proxy are requested to complete the attendance slip  
and hand over at the entrance of the meeting hall.

\* To be signed at the time of Meeting.



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