



***Twenty Eighth Annual Report***  
**2016-17**



**Phyto Chem (India) Limited**

## *Factory Premises*



# Phyto Chem - Annual Report - 2016 - 17

## **Board of Directors**

Dr. P. Sreemannarayana	-	Chairman
Mr. Y. Nayudamma	-	Managing Director
Mr. Y. Janaki Ramaiah	-	Executive Director
Dr. Y. Venkateswarlu	-	Director
Mr. P. Anjaneyulu	-	Director
Mr. T. A. Choudary	-	Independent Director
Mr. N. Sudhakar	-	Independent Director
Mr. M. Balarama Krishnaiah	-	Independent Director
Mrs. S. Kavitha Rani	-	Independent Director

## **Auditors**

**M/s. T. Adinarayana & Co.,**  
Chartered Accountants,  
806, Raghava Ratna Towers,  
Chirag Ali Lane,  
**HYDERABAD - 500 001.**

## **Bankers**

**M/s. The Federal Bank Limited,**  
**Hyderabad Branch, Bank Street,**  
**HYDERABAD - 500 001.**

## **Common Share Transfer Agents** **(Physical & Electronic)**

**M/s. Bigshare Services Pvt. Limited,**  
306, 3rd Floor, Right Wing,  
Amrutha Ville,  
Opp: Yashoda Hospital,  
Raj Bhavan Road, Somajiguda,  
**Hyderabad - 500 082.**  
Phone No : 040-23374967.

## **Corporate Office**

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

## **Registered Office & Factory**

Survey No.628, Temple Street,  
**BONTHAPALLY - 502 313,**  
Gummadidala Mandal, Sangareddy District,  
Telangana State.



# Phyto Chem (India) Limited

## Notice

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of M/s Phyto Chem (India) Limited (CIN: L24110TG1989PLC009500) will be held on Monday, the 25th day of September, 2017 at 11:45 A.M. at the Registered Office of the Company at Survey No.628, Temple Street, Bonthapally - 502 313, Gummadidala Mandal, Sanagareddy District, Telangana State to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2017, 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 Mr. Anjaneyulu Prathipati (DIN:00377635), who retires by rotation and being eligible, offers himself for reappointment.
3. Appointment of M/s R.B. Associates, Chartered Accountants (FRN: 009112S), Hyderabad as the Statutory Auditors of the Company in place of retiring Auditors M/s T.Adinarayana & Co., Chartered Accountants (FRN: 000041S), Hyderabad.

**To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.**

**“RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder M/s R.B.Associates, Chartered Accountants (FRN:009112S), Hyderabad be and is hereby appointed as the Statutory Auditors of the Company in place of the retiring Auditors M/s T. Adinarayana & Co., Chartered Accountants (FR N:000041S), Hyderabad to hold the office of the Auditors from the conclusion this Annual General Meeting till the conclusion of Thirty Third Annual General Meeting subject to ratification of their appointment by the members at every Annual General Meeting on such remuneration as may be agreed upon by the Board of Directors and Auditors, in addition to reimbursement of out of pocket expenses in connection with the audit of the accounts of the Company”.

## **SPECIAL BUSINESS:**

### **4. Re-appointment of Mr. Ankamma Choudary Thotakura as a Non-Executive Independent Director of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ankamma Choudary Thotakura (DIN: 00036470), who was appointed as Non-Executive Independent Director of the Company by members in the AGM held on 29<sup>th</sup> September 2014 for a period of three consecutive years and whose term of office expires at this AGM and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for re-appointment for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for three consecutive years from this Annual General Meeting, not liable to retire by rotation.”

### **5. Re-appointment of Mr. Balarama Krishnaiah Mandava as a Non-Executive Independent Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Balarama Krishnaiah Mandava (DIN: 00036506), who was appointed as Non-Executive Independent Director of the Company by members in the AGM held on 29<sup>th</sup> September 2014 for a period of three consecutive

years and whose term of office expires at this AGM and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for re-appointment for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for three consecutive years from this Annual General Meeting, not liable to retire by rotation.”

## **6. Re-appointment of Mr. Nadendla Sudhakar as a Non-Executive Independent Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Nadendla Sudhakar (DIN: 00426897), who was appointed as Non-Executive Independent Director of the Company by members in the AGM held on 29<sup>th</sup> September 2014 for a period of three consecutive years and whose term of office expires at this AGM and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for re-appointment for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as Non Executive Independent Director of the Company to hold office for three consecutive years from this Annual General Meeting, not liable to retire by rotation.”

## **7. Re-appointment of Mrs. Sakhamuri Kavitha Rani as Non-Executive Independent Women Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Sakhamuri Kavitha Rani (DIN: 06942657), who was appointed as Non-Executive Independent Women Director of the Company by members in the AGM held on 29<sup>th</sup> September 2014 for a period of three consecutive years and whose term of office expires at this AGM and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for re-appointment for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as Non-Executive Independent Women Director of the Company to hold office for three consecutive years from this Annual General Meeting, not liable to retire by rotation.”

## **8. Appointment of Dr. G.S.R. Anjaneyulu as a Non-Executive Independent Director of the Company.**

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

“**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Dr G.S.R. Anjaneyulu (DIN:01874325), be and is hereby appointed as a Non-Executive Independent Director of the Company, to hold office for a term of three consecutive years from the conclusion of this Annual General Meeting and to receive remuneration by way of fees, reimbursement of expenses of participation in the meetings of the Board and/ or Committees and profit related commission in terms of applicable provisions of the Companies Act, 2013 as determined by the Board from time to time.”

## **9. Alteration of Object Clause of Memorandum of Association of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 4 and 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof for the time being in force, and the rules framed there under and pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015, consent of the Board of Directors of the Company be and is hereby accorded, subject to the approval of Shareholders in Annual General Meeting to merge the existing clauses 7 & 8 into as 7 and to append sub clause 8 afterwards, under clause III (A) of the Memorandum of Association of the Company:

7. To carry on the business to purchase, acquire, on lease or in exchange or in any other lawful manner any area, land, buildings, structures and to turn the same into account, develop layout, market, sell, buy the same and dispose of or maintain the same and to build townships, markets or other buildings, residential and commercial or conveniences thereon and to equip the same or part thereof with all or any amenities, installations and to deal with the same in any manner whatsoever and entering into contracts and arrangements of all kinds with builders, buyers, tenants and others and to establish, provide, maintain, design, build, conduct and undertake all types of projects on turnkey basis or otherwise including research and investigation work on commercial basis.

8. To carry on the business of manufacture, process, erect, fabricate, buy, sell, trade, contract, import and export of all kinds of electrical, electronics and Mechanical machinery, equipment, apparatus, accessories and all other kinds of home appliances including fans, electrical cookers, Micro Woven's, Kitchen Appliances, coolers, refrigerators, Air conditioners, water filters, lamps, engines, meters, dynamos, battery, voltage stabilizer, transformer and manufacture of other electrical, electronics or mechanical equipment of apparatus.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Mr. Y. Nayudamma, Managing Director of the Company be and is hereby authorized, on behalf of the Company, to do all such acts, deeds, matters and things as deem necessary, proper or

desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies, Telangana and Andhra Pradesh.

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

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

In supersession and continuation of the resolution passed in the last AGM held on 29th September, 2016, it is hereby

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

**RESOLVED FURTHER THAT** Mr.Y.Nayudamma, Managing Director (DIN:00377721) or Mr.Y.Janaki Ramaiah, Executive Director (DIN:06949910) of the Company be and is hereby authorized to do such acts and deeds as are necessary for giving effect to the resolution.

**For and on behalf of the Board**

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

**Place : Hyderabad**

**Date : 26<sup>th</sup> August, 2017**

# Phyto Chem - Annual Report - 2016 - 17

## 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 23-09-2017 to 25-09-2017 (both days inclusive) for the purpose of the meeting.
3. Members holding shares in physical form, in their own interest, are requested to dematerialise the shares to avail the benefits of electronic holding/ trading.
4. 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.
5. Members are requested to notify any change in their addresses to the Company immediately.

Members holding shares in electronic form are requested to advise change of address and their email IDs to their Depository Participants.

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

6. 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.
7. Members may also note that the Notice of the Annual General Meeting and the Annual Report will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Survey No.628, Temple Street, Bonthapally – 502 313, Gummadidala Mandal, Sangareddy District, Telangana State for inspection during normal business hours on all working days. Even after registering for e-communication, members are entitled to receive such communication in physical form upon making a request for the same by post at free of cost.
8. The details of the unpaid/unclaimed dividend declared for F.Y 2012-13 as on 29<sup>th</sup> September, 2014 and for F.Y 2013-14 as on 24<sup>th</sup> September, 2015 (the dates of respective previous Annual General Meetings) 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).

## 9. Voting through Electronic means

- The Company is pleased to provide members the facility to exercise their right to vote on the resolutions as set out in the Notice calling for the Annual General Meeting (AGM) by 'electronic means' and all the business may be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL), in compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014.
- Voting rights are reckoned on the basis of the shares registered in the names of the members / beneficial owners as on the record date fixed for this purpose viz., 18-09-2017.
- CS Puttaparthi Jagannatham, Corporate Advocate has been appointed as scrutinizer for conducting the e-Voting process in a fair and transparent manner.
- Members are requested to read the instructions given below:
- The E-Voting facility is available at the link:

EVSN (e – Voting Sequence Number)	Commencement of e-Voting	End of e-Voting
170828002	22-09-2017	24-09-2017

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

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

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

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

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



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

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

- \* Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- \* They should email a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](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.9. e above to cast vote.
- B. The e-voting period begins from 9:00 am on Friday, the 22<sup>nd</sup> September, 2017 and closes by 5:00 pm on Sunday, the 24<sup>th</sup> September, 2017. 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 Monday, 18<sup>th</sup> September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](https://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

D. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-Voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast "in favour" or "against", if any, forthwith to the Chairman of the Company.

E. The Results declared along with the Scrutinizer's Report will be placed on the Company's website [www.phytochemindia.com](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 normal business hours on all working days upto and including the date of the AGM.

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

**1. Mr. Anjaneyulu Prathipati – Director**

Mr. Anjaneyulu Prathipati, aged about 66 years, is a Graduate in Telecommunications Engineering. He has rich experience in Real Estate Operations and he is the promoter Director of the Company. He holds 64,400 Equity Shares in the Company and he is one of the Boards of Directors of M/s Rasasri Developers Private Ltd., M/s Rasasri Infrastructures Private Ltd., and M/s Prathipati Projects Private Ltd.

**2. Dr. G.S.R. Anjaneyulu**

Dr. G. S. R. Anjaneyulu, aged about 57 years, has done his Masters and Ph.D. in Chemistry from Maharshi Dayanad University, Rohtak, Haryana, PG Diploma in Indian Patent Law and Practice from IIPM (Mumbai). He has Research Experience of 32 years out of which about 25 years of experience he had in Industrial

Research & Development in reputed Pharmaceutical Companies like Ranbaxy Labs, Plant Organics, Suven Life Sciences, Vorin Labs, and Mylan Labs India.

**Explanatory Statement**

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

**Item No. 4,5,6 & 7**

Mr. Ankamma Choudary Thotakura, Mr. Balarama Krishnaiah Mandava, Mr. Sudhakar Nadendla and Mrs. Kavitha Rani Sakhamuri were appointed as Non Executive Independent Directors of the Company in the AGM held on 29<sup>th</sup> September 2014 for a period of Three consecutive years and their term of appointment expires in this AGM. They are being eligible and offering themselves for Re-appointment as Non-Executive Independent Directors of the Company and are proposed to be appointed as Non-Executive Independent Directors for a period of three consecutive years from this Annual General Meeting.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Ankamma Choudary Thotakura, Mr. Balarama Krishnaiah Mandava, Mr. Sudhakar Nadendla and Mrs. Kavitha Rani Sakhamuri for the office of the Director(s) of the Company.

Mr. Ankamma Choudary Thotakura, Mr. Balarama Krishnaiah Mandava, Mr. Sudhakar Nadendla and Mrs. Kavitha Rani Sakhamuri are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declaration from Mr Ankamma Choudary Thotakura, Mr Balarama Krishnaiah Mandava, Mr Sudhakar Nadendla and Mrs Kavitha Rani Sakhamuri that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (LODR) Regulations, 2015.

Mr. Ankamma Choudary Thotakura, Mr. Balarama Krishnaiah Mandava, Mr. Sudhakar Nadendla and Mrs. Kavitha Rani Sakhamuri possess appropriate skills, experience and knowledge, inter alia, in the field of finance, accounts and administration. In the opinion of the Board, Mr. Ankamma Choudary Thotakura, Mr. Balarama Krishnaiah Mandava, Mr. Sudhakar Nadendla and Mrs. Kavitha Rani Sakhamuri fulfill the conditions for their appointment as Independent Directors as specified in the Act and the SEBI (LODR) Regulations, 2015 and they are independent of management.

Brief resumes of Mr. Ankamma Choudary Thotakura, Mr. Balarama Krishnaiah Mandava, Mr. Sudhakar Nadendla and Mrs. Kavitha Rani Sakhamuri, Nature of their expertise in specific functional areas and names of Companies in which they hold Directorship and Memberships/Chairmanships of Board Committees, shareholding as stipulated under SEBI (LODR) Regulations, 2015, are forming part of the Annual Report.

Based on the recommendation received from Nomination and Remuneration Committee and Keeping in view of vast expertise and knowledge, it is proposed to Reappoint. Mr. Ankamma Choudary Thotakura, Mr. Balarama Krishnaiah Mandava, Mr. Sudhakar Nadendla and Mrs. Kavitha Rani Sakhamuri as Non-Executive Independent Directors of the Company in terms of Section 149 read with Section 152 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. In terms of Section 149 read with Section 152 of the Companies Act, 2013, Mr. Ankamma Choudary Thotakura, Mr. Balarama Krishnaiah Mandava, Mr. Sudhakar Nadendla and Mrs. Kavitha Rani Sakhamuri are not liable to retire by rotation. If appointed, will hold office for a consecutive term of three years from the conclusion of this AGM.

Copy of the draft letters for respective appointments of Mr Ankamma Choudary Thotakura, Mr Balarama Krishnaiah Mandava, Mr Sudhakar Nadendla and Mrs Kavitha Rani Sakhamuri as Independent Directors This statement may also be regarded as a disclosure under SEBI (LODR) Regulations, 2015.

None of Directors or Key Managerial Personnel of the Company and/or their relatives except Mr. Ankamma Choudary Thotakura, Mr. Balarama Krishnaiah Mandava, Mr. Sudhakar Nadendla and Mrs. Kavitha Rani Sakhamuri respectively to whom the resolutions relate, are in any way, concerned or interested, financially or otherwise, in the resolutions.

The Board recommends the Special Resolutions set forth in Item Nos. 4,5,6 & 7 for approval of the shareholders.

### Item No. 8

The Board of Directors of your Company felt necessary to fill the vacancy caused due to the demise of Mr. C. N. Chary, Independent Director of the Company and after a detailed discussion with various institutions and professional, the Board found the profile of Dr. G. S. R. Anjaneyulu as an eligible and experienced candidature to act as Independent Director of the Company.

Dr. G. S. R. Anjaneyulu has done his Masters and Ph.D. in Chemistry from Maharshi Dayanad University, Rohtak, Haryana, PG Diploma in Indian Patent Law and Practice from IIPM (Mumbai). He has Research Experience of 32 years out of which about 25 years of experience he had in Industrial Research & Development in reputed Pharmaceutical Companies like Ranbaxy Labs, Plant Organics, Suven Life Sciences, Vorin Labs, and Mylan Labs India.

Apart from the above, his 22 Scientific articles were published in National, International Scientific journals and assigned as Inventor for more than 110 patents / patent applications (Patents granted: USA - 26, Europe - 9, India - 23, ROW - 9 Nos). Currently working as Executive Vice President & head of Supply Chain Management in M/s Laurus Labs and Director in M/s Sraim Labs Pvt Ltd.

Dr. G. S. R. Anjaneyulu was the Member of American Chemical Society for about 10 years and a Life member of Indian Pharmaceutical Association.

Dr. G. S. R. Anjaneyulu, being eligible and offering himself for appointment, is proposed to be appointed



# Phyto Chem (India) Limited

as a Non Executive Independent Director of the Company for a term of three consecutive years i.e., upto 31<sup>st</sup> Annual General Meeting of the Company. A notice has been received from a member proposing Dr. G.S.R. Anjaneyulu as a candidate for the office of Director of the Company. In the opinion of the Board, Dr. G.S.R. Anjaneyulu fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director.

The Board considers that his induction into the Board would be of immense benefit to the Company and it is desirable to avail the services of Dr. G.S.R. Anjaneyulu as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. G.S.R. Anjaneyulu as an Independent Director, for the approval by the shareholders of the Company.

Dr. G.S.R. Anjaneyulu does not hold any shares in the Company.

Except Dr. G.S.R. Anjaneyulu, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

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

The Board recommends the Special Resolutions set forth in Item No.8 for approval of the shareholders.

## Item No. 9

Your Board has to consider from time to time proposals for diversification into areas which would be profitable for the Company as part of diversification Plans. For this purpose, the object Clause of the Company, which is presently restricted in scope, require to be so made out as to cover a wide range of activities to enable your Company to consider embarking upon new Projects and Activities.

In this regard the Board of Directors of your Company has identified the areas and activities to be commenced and it is felt appropriate to involve in the business of home appliances products including electronics, electrical, mechanical and other apparatus.

For the above said purpose, the "Object" clause of the Memorandum of Association of the Company is being amended by merger of sub clauses 7 & 8 into as 7 and append sub clause 8 afterwards, of clause III (A) of the Memorandum of Association of the Company. The draft Copy of the Memorandum of Association of the Company is available for inspection at the registered office of the Company on any working day during Business Hours.

The Amendment shall be effective upon the registration of the Resolution with the Registrar of the Companies. The Board recommends the adoption of the Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.9 of the Notice.

The Board recommends the Special Resolutions set forth in Item No.9 for approval of the shareholders.

## Item No. 10

The approval of the shareholders was taken in the last AGM held on 29-09-2016. As about a year has elapsed since then, it is proposed to seek fresh approval from the Shareholders and hence this resolution. It is proposed to issue upto 90,00,000 (Ninety Lakhs Only) Equity shares of nominal value of Rs.10.00 each to the existing shareholders of the Company on Rights basis at such premium as may be deemed fit by the Board of Directors and allotment conditions shall be in the manner as may be decided by the Board in this behalf and as per guidelines.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the said resolution.

The Board recommends the Special Resolutions set forth in Item No.10 for approval of the shareholders.

**For and on behalf of the Board**

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

**Place : Hyderabad**

**Date : 26th August, 2017**

# Phyto Chem - Annual Report - 2016 - 17

## Directors' Report

**Dear Shareholders,**

Your Directors have pleasure to present the 28<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2017 along with Auditors' Report thereon.

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

The Financial Results for the year ended 31st March, 2017 are summarised as under:

(Rs. in lacs)

	<b>Current Year 2016-17</b>	<b>Previous Year 2015-16</b>
Sales / Income	5397.28	2671.31
Profit before Depreciation and Tax	145.02	47.87
Depreciation	31.17	30.65
Profit before Tax and prior period Adjustments	113.84	17.22
Provision for Tax:		
- Current Tax	38.35	5.57
- Deferred Tax	0.26	0.72
Profit after Tax	75.75	10.94
Prior Period Adjustments	0.00	0.70
Profit after Prior Period Adjustments	75.75	11.64

### **2. Performance:**

The Financial Year 2016-17 was very significant to the Company your Company has achieved a good turnover of Rs. 5397.28 lakhs during the year 2016-17 as against the turnover of Rs. 2671.31 lakhs during the previous year. The Company could make profit Rs. 113.84.00 lakhs during the Finanacial Year 2016-17 before taxes as against Rs. 17.22 lakhs during the previous year. After providing for prior period adjustments and taxes, the Company could make net profit of Rs. 75.75 lakhs during the Finanacial Year 2016-17 as against net profit of Rs. 11.64 lakhs during the Finanacial Year 2015-16. The profitability of the Company is good in the light of increased turnover and established market network in many parts of southern States in the Country.

During the year 2016-17, the turnover increased by 102.05 % as compared to the turnover of 2015-16. The ratio of Manufacturing Expenses to the Sales during the year 2016-17 is 80.21% as against 74.17% during 2015-16. The ratio of Administrative, Selling and other expenses to the total expenditure is 14.79% during the year 2016-17 as against 19.86% during 2015-16.

### **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 (India) Limited

Presently, the Company has Production Capacity of 90,00,000 Ltrs/Kgs per annum to manufacture various pesticides formulations and has established its marketing network in the states of Telangana, Andhra Pradesh, 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 a good turnover of Rs. 5370.15 lakhs during the year 2016-17 as against turnover of Rs. 2603.05 lakhs during the previous year; it is a result of strategic business restructuring of the Company to fulfill the market requirement. The Company has taken steps such as establishing new sales divisions and continuous introduction of new products in accordance with current needs of the farmers.

## **c. Prospects for the Financial Year 2017-18:**

The Company estimates a turnover of Rs. 65.65 crores during the current year 2017-18. 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 improving turnovers. 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 during the Financial Year 2017-18.

## **4. Dividend:**

In order to conserve its financial resources to meet its growth plan, your Board could not recommend any dividend for the year under review.

## **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, 2017 was Rs.17.84 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 at all levels.

## **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 2016 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 increased from Rs. 4,75,00,00,0 divided into 47,50,000 equity shares of Rs. 10/- each to Rs.13,50,00,000, divided into 1,35,00,000 equity shares of Rs.10/- each. The paid up share capital is Rs. 4,30,02,000, divided into 43,00,200 equity shares of Rs.10/- each. There were no other changes that have been made in the share capital of the Company during the year under review. Further details of Share Capital are mentioned at Notes - 2 of the Balance Sheet.

## **10. Reserves:**

The Reserves in Profit & Loss account as per last Balance Sheet is Rs.3,60,10,836 and the Company transferred the profits of Rs.75,75,124 for the financial year 2016-17 to Reserves & Surplus account. The balance in reserves and surplus available at the end of the year, 2016-17 is Rs. 4,35,85,959. Further details of Reserves & Surplus are mentioned at Notes - 3 of the Balance Sheet.

## **11. Details in respect of adequacy of internal financial controls with reference to the financial statements :**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls are adequate and effective during the period ended on 31st March, 2017.

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

The Company is not covered under the criteria mentioned in the provisions of Companies Act, 2013.

## **13. Deposits :**

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

## **14. 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.

## **15. 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.

## **16. 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.

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

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

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

The extract of Annual Return of the Company 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.

**19. Directors and Key Managerial Personnel:**

Mr. Ankamma Choudary Thotakura, Mr. Balarama Krishnaiah Mandava, Mr. Sudhakar Nadendla, and Mrs. Kavitha Rani Sakhamuri were appointed as Non Executive Independent Directors of the Company in the Annual General Meeting held on 29<sup>th</sup> September 2014 for a period of Three consecutive years and their term of appointment expires in the ensuing Annual General Meeting. They are being eligible and offering themselves for Re-appointment as Non-Executive Independent Directors of the Company and are proposed to be reappointed as Non-Executive Independent Directors for a period of three consecutive years from this Annual General Meeting.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, Mr. Anjaneyulu Prathipati (DIN:00377635), Director of the Company will retire by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting. During the year, the non-executive and Independent Directors of the Company had no pecuniary relationship or transactions with the Company. Mr. K. Srinivasa Rao was appointed as Alternate Director to Dr. Y. Venkateswarlu on 11<sup>th</sup> February 2017.

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

**20. 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 requisite criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**21. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015., 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 was carried out and has been explained in the Corporate Governance Report.

**22. Number of Meetings of the Board :**

Six meetings of the Board were held during the year. The details of the meetings of the Board are given in the Corporate Governance Report.

**23. 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.

**24. 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, 2017, the applicable accounting standards have been followed.
- b. The Directors have selected such accounting policies and applied them consistently and made Judgments 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, 2017 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 for the Financial Year ended 31st March, 2017 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.

## **25. CEO and CFO Certification :**

In accordance with the Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company have submitted a certificate for the year ended 31<sup>st</sup> March, 2017 to the Board of Directors which forms part of the Annual Report.

## **26. Auditors & Observations :**

M/s. T. Adinarayana & Co., Chartered Accountants, Hyderabad (FRN: 000041S) were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) held on 29<sup>th</sup> September, 2014. Their appointment for the above tenure expires at this Annual General Meeting, and hence, the Board of Directors of your Company is proposing to appoint M/s. R. B & Associates, Chartered Accountants, Hyderabad (FRN: 009112S) as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the Conclusion 33<sup>rd</sup> Annual General Meeting of the Company Subject to ratification of their appointment by members in every Annual General Meeting. It is further informed to the members that they have given their willingness to accept the appointment and intimated that they are not disqualified for appointment as per Section 139 of the Companies Act, 2013.

The Auditors' Report for the year ended 31<sup>st</sup> March, 2017 does not contain qualification, reservation or adverse remark on the accounts and related matters of the Company.

**Internal Auditor :** M/s R.B. Associates are the Internal Auditors for the year 2016-17. They have submitted quarterly reports to the Board. There are no material adverse comments.

## **27. 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.

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

The Nomination and Remuneration Committee has laid down the policy for Remuneration of Directors, KMP & other Employees and the criteria has been formulated by the Committee for determining Qualifications, Positive Attributes, and 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.

## **29. 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 or NSDL. The ISIN allotted to the Company's Equity shares is **INE 037C01010**.

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

## 30. 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, the Board of Directors had approved the Policy on Vigil Mechanism / Whistle Blower and the same is posted 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.

## 31. Secretarial Audit Report :

Pursuant to provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s Puttaparthi Jagannatham & Co., (P2008AP0/0900), Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report received is annexed herewith as Annexure-II.

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

## 32. Particulars of Employees

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### Particulars of Remuneration

Disclosures with respect to the remuneration of Directors and employees as required under Section 197(12) of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

### a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

#### i. Executive Directors :

Executive Directors	Ratio
Mr.Y.Nayudamma	11.29
Mr.Y.Janaki Ramaiah	5.64

#### ii. Non-Executive Directors :

Name of the Director	Ratio
Dr.P.Sreemannarayana	0.10
Dr.Y.Venkateswarlu	0.12
Mr.P.Anjaneyulu	0.10
Mr.C.N.Chary	0.10
Mr.T.A.Choudary	0.10
Mr.N.Sudhakar	0.22
Mr.M.Balarama Krishnaiah	0.16
Mrs.S.Kavitha Rani	0.16

The Company has not paid any remuneration to the Non-Executive Directors except Sitting Fee.

# Phyto Chem - Annual Report - 2016 - 17

**b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:**

There is no increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year.

**c. Percentage increase in the median remuneration of employees in the financial year: 1.09%**

**d. The number of permanent employees on the rolls of Company: 93**

**e. The explanation on the relationship between average increase in remuneration and Company performance:**

The increase in remuneration is in line with market trends. In order to ensure that the remuneration reflects Company's performance, the performance pay is linked to organizational performance. As per the Company's practice, annual increments to the Employees were sanctioned. Hence there is increase in the remuneration of the employees.

**f. Variations in the market capitalisation of the Company as at the closing date of the current financial year and previous financial year:**

Particulars	As at 31-03-2017	As at 31-03-2016
Closing rate of share at BSE (Rs.)	52.60	30.15
EPS (Rs.)	1.76	0.27
Market Capitalization (Rs in Lakhs)	2261.90	1296.51

**g. Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

The Company made an Initial Public Offer in the year 1995 at par price of Rs.10/- per each equity share. As on 31<sup>st</sup> March, 2017, the Market quotation for the Company's Equity shares at BSE Limited is Rs.52.60.

**h. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:**

There is no increase in the managerial remuneration and the increase in the salaries of the employees is about 4.00% which is due to sanction of annual increments to the employees. There are no increase in the managerial remuneration and there are no exceptional circumstances for the year.

**i. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:**

Name of the Person	Remuneration (Rs.in Lakhs)	Total Revenue (Rs.in Lakhs)	Remuneration as a % of total revenue
Mr.Y.Nayudamma	19.50	4694.25	0.42
Mr.Y.Janaki Ramaiah	9.75	4694.25	0.21
Mr.Mohammad Firoj	0.55	4694.25	0.01

**j. The key parameters for any variable component of remuneration availed by the Directors: Nil**

**k. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year : None.**

**l. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration paid to Key Managerial Personnel is as per the remuneration policy of the Company.



# Phyto Chem (India) Limited

## **33. Corporate Governance :**

The Company is committed to maintain and adhere to the good standards of Corporate Governance. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

## **34. 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.

## **35. 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.

## **36. 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 dedicated contribution, support and continued co-operation throughout the year at all levels.

**For and on Behalf of the Board**

**Place : Hyderabad**  
**Date : 04th August, 2017**

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

## **Management Discussion and Analysis**

M/s 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 Manufacturing facilities in the Company for pesticides formulations helped in producing good quality products and helped in reasonable turnovers even during the unfavourable Agri conditions. The growth in Real Estate activity across the Country is improving steadily.

The Company is a growing Indian Chemicals Company and mainly is in the business of Pesticides and in Real Estate activity in a small way. The Company's sustainability has been centered on enlarging its presence in high demand market.

The SWOT Analysis is as follows :

### **Strengths:**

- Brand building with quality, customized marketing approach, encouragement of the Government and new areas with irrigation facilities.
- Progressive growth in Real Estate and Infrastructure sectors.

### **Weakness:**

- Insufficient rainfall & unfavourable climatical conditions and severe competition from the big players.
- Inflation related Economy and non consistency of demand in Real Estate Business.

### **Opportunities:**

- Supportive policies from the Government in Agriculture Sector and increased product range.
- Government policies and enhanced purchasing power sparks good demand in the Real Estate.

### **Threats:**

- Heavy competition and change in Government policies and Bank rates.
- Inflation and interest rates influence the demand for Real Estate activities.

### **Financial Analysis:**

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

### **Future Outlook:**

- Continue to focus on product and quality development and to gain key market segments.
- Company ventures into diversification of new business areas.

### **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. The Company always considers human resources as an invaluable asset of the organisation.

### **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 : 04th August, 2017**



# Phyto Chem (India) Limited

Annexure-I

## Phyto Chem (India) Limited

### EXTRACT OF ANNUAL RETURN

Form No.MGT - 9

as on the financial year ended on 31st March, 2017

(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. Company Identification Number (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  | Company Limited by shares /<br>Indian Non-Government Company  |
| v. Address of the Registered office and<br>contact details                        | Survey No.628, Temple Street,<br>Bonthapally - 502 313, Gummadidala Mandal,<br>Sangareedy District,Telangana State.<br>Tel : 08458-275236, Fax : 040-23557714<br>E-Mail ID: info@phytochemindia.com   |
| vi. Whether Listed Company  | Yes   |
| vii. Name, Address and Contact details of Registrar<br>and Transfer Agent, if any | M/s Bigshare Services Pvt. Limited,<br>306, 3rd Floor, Right Wing,<br>Amrutha Ville, Opp : Yashoda Hospital,<br>Raj Bhavan Road, Somajiguda,<br>Hyderabad - 500 082.<br>Phone No.040-23374967, Fax : 040-23370295.<br>E-Mail ID: bsshyd1@bigshareonline.com |

#### 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	100 %

#### 3. Particulars of Holding, Subsidiary and Associate Companies: Not Applicable

# Phyto Chem - Annual Report - 2016 - 17

## 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, 2016)				No. of Shares held at the end of the Year (As on 31st March, 2017)				% 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	1626916	9682	1637598	38.08	1626916	9682	1636598	38.06	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / FI.s	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total = A - 1</b>	1627916	9682	1637598	38.08	1626916	9682	1636598	38.06	-
2. Foreign									
a. Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
b. Bodies Corporate	-	-	-	-	-	-	-	-	-
c. Institutions	-	-	-	-	-	-	-	-	-
d. any other	-	-	-	-	-	-	-	-	-
<b>Sub Total = A - 2</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter = A - 1+2</b>	1627916	9682	1637598	38.08	1626916	9682	1636598	38.06	-
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a. Mutual Funds	-	8500	8500	0.20	-	8500	8500	0.20	-
b. Banks / FI.s	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s).	-	-	-	-	-	-	-	-	-
e. Venture Capital Fund	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs.	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
<b>Sub Total = B - 1</b>	-	8500	8500	0.20	-	8500	8500	0.20	-
2. Non-Institutions									
a. Bodies Corp.	303195	9700	312895	7.28	290019	9700	299719	6.98	(0.30)
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-	-	-	-	-	-
i. Individual as Shareholders holding nominal share capital upto Rs.2.00 Lakhs	928708	805234	17733942	40.32	1013408	816934	1830342	42.56	2.04
ii. Individual as Shareholders holding nominal share capital in excess of Rs.2.00 Lakhs	257537	82100	339637	7.90	213606	210600	424206	9.86	(1.96)
c. Others	-	-	-	-	-	-	-	-	-
d. Non Resident Indians	6979	256200	263179	6.12	9356	81500	90856	2.11	(4.01)
e. Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
f. Foreign Nationals	-	-	-	-	-	-	-	-	-
g. Clearing Members	4449	-	4449	0.10	9979	-	9979	0.23	0.13
h. Trusts	-	-	-	-	-	-	-	-	-
i. Foreign Bodies	-	-	-	-	-	-	-	-	-
<b>Sub Total = B - 2</b>	1500868	1153234	2654102	61.72	1536368	1118734	2655102	61.74	-
<b>Total Public Shareholding = B - 1 + 2</b>	1500868	1161734	2662602	61.92	1536368	1127234	2663602	61.94	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total = (A+B+C)</b>	3128784	1171416	4300200	100	3163284	1136916	4300200	100	-

## 4. ii. Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01-04-2016			Shareholding at the end of the year as on 31-03-2017			% 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	Mr.Y. Nayudamma	338306	7.87	-	338306	7.87	-	-
2	Mrs.U. Ramadevi	162400	3.78	-	162400	3.78	-	-
3	Dr.P. Sreemannarayana	125100	2.91	-	125100	2.91	-	-
4	Mr.Y. Janakiramaiah	97372	2.26	-	97372	2.26	-	-
5	Dr.Y.Venkateswarlu	95000	2.21	-	95000	2.21	-	-
6	Mrs.P. Akkamma	84400	1.96	-	84400	1.96	-	-
7	Mrs.M. Nagendram	75800	1.76	-	75800	1.76	-	-
8	Mr.P. Nagaraja	70500	1.64	-	70500	1.64	-	-
9	Mr.Y. Prabhakara Rao	65200	1.52	-	65200	1.52	-	-
10	Mr.P. Anjaneyulu	64400	1.50	-	64400	1.50	-	-
11	Mrs.Y. Lakshmi Prasanna	55078	1.28	-	55078	1.28	-	-
12	Mrs.A. Ranga kumari	46000	1.07	-	46000	1.07	-	-
13	Mrs.T. Rajanee Devi	40500	0.94	-	40500	0.94	-	-
14	Mrs.J. Anjana Devi	39700	0.92	-	39700	0.92	-	-
15	Mrs.K. Subhashini	32700	0.76	-	32700	0.76	-	-
16	Mrs.M. Sreelakshmi Bhavani	32500	0.76	-	32500	0.76	-	-
17	Mrs.P. Umadevi	31000	0.72	-	31000	0.72	-	-
18	Mrs.Y. Nirmala Devi	30000	0.70	-	30000	0.70	-	-
19	Mr.K.R.Choudary	26300	0.61	-	26300	0.61	-	-
20	Mr.K. Srinivasa Rao	20000	0.47	-	20000	0.47	-	-
21	Mrs.K. Lakshmi Devi	18300	0.43	-	18300	0.43	-	-
22	Mr.Y. Anil Choudary	17600	0.41	-	17600	0.41	-	-
23	Mr.Y. Venkateswarlu	14400	0.33	-	14400	0.33	-	-
24	Mrs.R.Jyotsna	12500	0.29	-	12500	0.29	-	-
25	Mrs.K.Ramasasi	12000	0.28	-	12000	0.28	-	-
26	Mr.K.Koteswara Rao	8300	0.19	-	8300	0.19	-	-
27	Mrs.R.Vijaya Sasi	8176	0.19	-	8176	0.19	-	-
28	Mr.T.Venkateswarlu	8000	0.19	-	8000	0.19	-	-
29	Mr.P.Nageswara Rao	2500	0.06	-	2500	0.06	-	-
30	Mr.K. Srinivasu	1000	0.02	-	1000	0.02	-	-
31	Mr.U. Venkateswara Rao	900	0.02	-	900	0.02	-	-
32	Mr.Y.Venkateswara Rao	200	0	-	100	0	-	-
33	Mr.T.Ankamma Choudary	184	0	-	184	0	-	-
34	Mr.B.Srinivasa Rao	182	0	-	182	0	-	-
35	Mr.C.N.Chary	100	0	-	100	0	-	-
36	Mr.N.Sudhakar	1000	0.02	-	100	0	(0.02)	-
	<b>TOTAL</b>	<b>1637598</b>	<b>38.08</b>		<b>1636598</b>	<b>38.06</b>	-	-



# Phyto Chem - Annual Report - 2016 - 17

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

S.No.		Shareholding at the beginning of the year as on 01-04-2016		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	1637598	38.08	1637598	38.08
2	Promoters: a. Increase by transfer b. Decrease by transfer c. Increase by transfer	(1000)	(0.02)	1636598	38.06
3	At the end of the year - 31-03-2017	1636598	38.06	1636598	38.06

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year 01-04-2016		Shareholding at the end of the year 31-03-2017	
		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	Mr Kunam Jhansi Lakshmi	-	-	159600	3.71
3	Mr K.Rajesh Choudary	69411	1.61	69411	1.61
4	Mr.Venkateswarlu Chunduru	51000	1.19	51000	1.19
5	Mrs P. Himabindu	38021	0.88	38021	0.88
6	Mr Rasilaben Deepkbhai Gaudani	29626	0.69	29626	0.69
7	Mr Kashyap Mukeshabhai Prajapati	29544	0.69	29544	0.69
8	Mrs Anitha Gupta	-	-	24506	0.57
9	M/s Moneywise F.S Pvt Ltd	40357	0.93	24009	0.56
10	Mr.Bhaskar R.Ravi	24000	0.56	24000	0.56

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

S. NO	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year 01-04-2016		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	338306	7.87	338306	7.87
	b. Date wise Increase/Decrease	-	-	-	-
	c. At the End of the year	338306	7.87	338306	7.87
<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	0.002	100	0.002
	b. Date wise Increase/Decrease	-	-	-	-
	c. At the end of the year	100	0.002	100	0.002
<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	0.004	184	0.004
	b. Date wise Increase/Decrease	-	-	-	-
	c. At the end of the year	184	0.004	184	0.004
<b>8</b>	<b>Mr. N. Sudhakar</b>				
	a. At the beginning of the year	1000	0.02	1000	0.02
	b. Date wise Increase/Decrease	900	0.02	100	0.002
	c. At the end of the year	100	0.002	100	0.002
<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	-	-	-	-

# Phyto Chem - Annual Report - 2016 - 17

## 5. INDEBTEDNESS:

(in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01-04-2016)</b>				
i. Principal Amount	131962551	12104415	-	144066966
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	131962551	12104415		144066966
<b>Change in Indebtedness during the financial year - 2015-16</b>				
* Addition	28072975	-	-	28072975
* Reduction	-	2104415	-	2104415
<b>Net Change</b>	28072975	2104415		30177390
<b>Indebtedness at the end of the financial year (31-03-2016)</b>				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	160035526	1000000	-	170035526
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	160035526	1000000	-	170035526

## 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/WT/Manager		Total Amount (in Rs.)
		* Y.Nayudamma	* Y.Janaki Ramaiah	
		Managing Director	Executive Director	
1	Gross Salary			
	a. Salary as per provisions contained in section 17(1) of the Income -Tax Act, 1961	19,49,940	9,74,970	29,24,910
	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 -A	19,49,940	9,74,970	29,24,910
	Ceiling as per the Act	Rs. 30,00,000 p.a.	Rs. 30,00,000 p.a.	-

## 6. B. Remuneration to other Directors :

in.Rs.

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	18,000	38,000	17,000	28,000	28,000	1,29,000
	b. Commission	-	-	-	-	-	-
	c. Others, please specify	-	-	-	-	-	-
	Total -1	18,000	38,000	17,000	28,000	28,000	1,29,000
	Particulars of Remuneration	Name of Directors					
2	Other Non-Executive Directors	P. Sreemannarayana	P. Anjaneyulu	Y. Venkateswarlu			
	a. Fee for attending Board, Committee meetings	17,500	17,500	21,000	-	-	56,000
	b. Commission	-	-	-	-	-	-
	c. Others, please specify	-	-	-	-	-	-
	Total -2	17,500	17,500	21,000	-	-	-
	Total -B =1+2	35,500	55,500	38,000	28,000	28,000	1,85,000
	Overall Ceiling as per the Act	Not exceeding Rs.1.00 lakh each meeting per member					
	Total Managerial Remuneration = A+B						31,09,910

## 6. C. Remuneration to Key Managerial Personnel otherthan MD/WTD/Manager

in.Rs.

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	-	-	55,000	55,000
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	-	-	55,000	55,000

Note:

\* Mr. Y.Nayudamma is the Managing Director as well as CEO of the Company and his remuneration particulars are given in Table 6.A. above and Remuneration Particulars of Mr. Y.Janaki Ramaiah, Executive Director as well as CFO are also given in Table 6.A. above.

\*\* Mr. C.N.Chary is ceased to be the Director of the Company with effect from 11-02-2017 due to his death.

\*\*\* Mr. Mohammad Firoj was appointed as Company Secretary of the Company on 11-02-2017 and his remuneration is given above. However Mr. Ashok Kumar Pipalwa was the Company Secretary of the Company till 14-11-2016 and remuneration paid to him is Rs.1,80,833.00 during the year under review.

**7. Penalties / Punishments / Compounding of Offences: None**

# Phyto Chem - Annual Report - 2016 - 17

## **Secretarial Audit Report**

**Form No. MR-3**

Annexure - II

**for the Financial Year ended on 31st March, 2017**

*[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,  
Gumadidala Mandal, Sangareddy 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 (CIN: L24110TG1989PLC009500)** (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 authorized 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, 2017 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 ("the company") for the financial year ended on 31<sup>st</sup> March, 2017 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; - N.A
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - N.A
  - 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; - N.A
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - N.A



# Phyto Chem (India) Limited

- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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 Agreement(s) entered into by the Company with Stock Exchange(s)

**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.

## **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.

## **We further report that**

Our Audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance on the part of the Company.

**For M/s Puttaparthi Jagannatham & Co.  
Company Secretaries**

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

**Place : Hyderabad  
Date : 04th August, 2017**

***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.***

## Secretarial Audit Report

**Annexure: A**

To  
The Members,  
**M/s Phyto Chem (India) Limited,**  
Survey No.628, Temple Street,  
Bonthapally - 502 313,  
Gummadidala Mandal, Sangareddy 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. Where ever 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 M/s Puttaparthi Jagannatham & Co.  
Company Secretaries**

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

**Place : Hyderabad  
Date : 04th August, 2017**

## 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, 2017.

#### 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.991.56 lakhs (USD 14.77 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**

Place : Hyderabad

Date : 04th August, 2017

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



# Phyto Chem - Annual Report - 2016 - 17

## 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, 2016 to March, 2017 on the following dates:

30th May, 2016, 13th August, 2016, 30th August, 2016, 29th September, 2016, 14th November, 2016 and 11th February, 2017.

#### The Attendance of the Directors at Meetings and 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	5	Yes	2
2.	Mr. Y. Nayudamma	M.D	E&NI	6	Yes	4
3.	Mr. Y. Janaki Ramaiah	E.D	E&NI	6	Yes	1
4.	Dr. Y. Venkateswarlu	Director	NE&NI	6	Yes	-
5.	Mr. P. Anjaneyulu	Director	NE&NI	5	No	3
6.	Mr. C.N.Chary *	Director	NE & I	4	Yes	-
7.	Mr. T.A. Choudary	Director	NE & I	4	Yes	3
8.	Mr. N. Sudhakar	Director	NE & I	6	Yes	-
9.	Mr. M. Balarama Krishnaiah	Director	NE & I	6	Yes	7
10.	Mrs. S.Kavitha Rani	Director	NE & I	6	Yes	-

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

\* Mr. C.N.Chary is ceased to be the Director of the Company with effect from 11-02-2017 due to his death.

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

### 3. Code of Conduct :-

Pursuant to SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has suitably modified the 'Code of Conduct for Board of Directors and Senior Management' ("Code of Conduct") and is available on the Company's website. The Directors and senior management personnel have affirmed their compliance with the Code of Conduct as at 31st March, 2017.

### 4. Audit Committee:-

The Company has a qualified and independent Audit Committee comprising four non-executive independent Directors, constituted in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Four meetings during the year 2016-17 i.e on 30th May, 2016, 13th August, 2016, 14th November, 2016 and 11th February, 2017 and the attendance at the meetings was as under :

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

\* Mr. C.N.Chary is ceased to be the Member of the Audit Committee of the Company with effect from 11-02-2017 due to his death.

The Audit Committee discussed 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.

## 5. Nomination and Remuneration Committee:-

The Composition of Nomination and Remuneration Committee during the year 2016-17 and no meeting was held during the year 2016-17.

Sl.No	Name of he Member	Category
1.	Mr C.N.Chary *	Chairman
2.	Mr.T.A.Choudary	Member
3.	Mr.N.Sudhakar	Member
4.	Mr.M.Balarama Krishnaiah	Member

\* Mr.C.N.Chary, Member and Chairman of Nomination and Remuneration Committee of the Company is ceased to be the Chairman of Nomination and Remuneration Committee with effect from 11-02-2017 due to his death.

## 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, laws, 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.

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

# Phyto Chem - Annual Report - 2016 - 17

In case of reappointment 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 Shareholders' 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.

## 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	17500.00	—	—	—	17500.00
2.	Mr. Y. Nayudamma	Relative	—	—	1949940.00	—	1949940.00
3.	Mr.Y.Janaki Ramaiah	Relative	—	—	974970.00	—	974970.00
4.	Dr. Y. Venkateswarlu	Relative	21000.00	—	—	—	21000.00
5.	Mr. P. Anjaneyulu	Relative	17500.00	—	—	—	17500.00
6.	Mr. C.N. Chary *	—	18000.00	—	—	—	18000.00
7.	Mr. T.A. Choudary	—	17000.00	—	—	—	17000.00
8.	Mr. N. Sudhakar	—	38000.00	—	—	—	38000.00
9.	Mr. M. Balarama Krishnaiah	—	28000.00	—	—	—	28000.00
10.	Mrs. S.Kavitha Rani	—	28000.00	—	—	—	28000.00

Sitting fee to Non-executive Directors is Rs.3,500/- for each Board meeting, Rs.1500/- for each Audit Committee, and Rs.1000/- for each Stakeholders Relationship Committee Meeting, Independent Directors Meeting and Share Transfer Committee meetings.

\* Mr. C.N.Chary is ceased to be the Director of the Company with effect from 11-02-2017 due to his death.

## 6. Performance Evaluation Committee :-

The Company formed a Performance Evaluation Committee consisting of the following members and no meeting was held during the year 2016-17.

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

\* Mr. C.N.Chary is ceased to be the Member of the Performance Evaluation Committee of the Company with effect from 11-02-2017 due to his death.

## 7. Risk Management Committee :-

The Company has formed a business risk management committee consisting of the following members: and no meeting was held during the year 2016-17.

Sl.No.	Name of the Member	Designation
1.	Mr. Y. Nayudamma	Chairman
2.	Mr. N. Sudhakar	Member
3.	Mr. T.A. Choudary	Member

Business Risk and Management is ongoing process within the Organization. The Company has proper 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 :

- Oversight of risk management performed by the Executive Management;
- Reviewing the Business Risk and Management Policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a predefined cycle;
- 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.

## 8. Independent Directors' Meeting :-

During the year under review, the Independent Directors met on 11-02-2017 inter alia, to discuss the following items of business:

- Taken note of the Cessation Mr. C.N.Chary, Independent Director of the Company, consequent to his sad demise.
- Evaluation of the performance of the Non - Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non Executive Directors;
- 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 C.N.Chary and Mr T.A.Choudary, all other Independent Directors were present in the meeting.

## 9. a. 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. Consequent to death of Mr. C. N Chary on 05-02-2017, he ceased to be a member of Stakeholders Relationship Committee w.e.f 11-02-2017.

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	9	9	0
2.	Non-receipt of Share Certs./ Bonus Shares	0	0	0
3.	Issue of Duplicate Share Certificates	3	3	0
4.	Non-receipt of Demat Confirmations / Rejections	0	0	0
5.	Revalidation of Refund Orders/ Dividend Warrants	5	5	0
6.	Non - receipt of dividend warrant	5	5	0
7.	Other Letters	15	15	0

# Phyto Chem - Annual Report - 2016 - 17

During the year, there are no other investors grievances pending in respect of transfers, letters from SEBI & Stock Exchange

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

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

## **10. 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, Gummadidala Mandal, Sangareddy District, Telangana State.

- i 29th September, 2014 at 11:45 A.M
- ii 24th September, 2015 at 11:45 A.M
- iii 29th September, 2016 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.

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

As on 31st March 2017, 73.56% Equity Shares have been dematerialised and 26.44% Equity Shares have not yet been dematerialised and they are in physical form. The shareholders are advised to contact the depository participants i.e., National Securities Depository Services Ltd. (NSDL) or Central Depository Services (India) Ltd. (CDSL) for dematerialising the shares of the Company (ISIN-INE 037C01010).

## **12. 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 and no penalties or fines imposed by any Statutory Authorities.

#### **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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Stock Exchange. Further, the Company has adopted non-mandatory requirement of Listing Agreement viz., Nomination & 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.**



# Phyto Chem (India) Limited

## 13. Means of Communication:-

- 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Website : [www.phytochemindia.com](http://www.phytochemindia.com)
- Email Id : [investorsrelations@phytochemindia.com](mailto:investorsrelations@phytochemindia.com)

## 14. General information for members :-

### a. Twenty Eight Annual General Meeting :

Date, Time & Venue : Monday, the 25th day of September, 2017 at 11:45 A.M

M/s Phyto Chem (India) Limited, Regd. Office : Survey No.628, Temple Street, Bonthapally - 502 313, Gummadidala Mandal, Sangareddy District, Telangana State.

### b. Financial Calender:

Results	For 2016-17 were announced on	For 2017-18 will be announced by
First Quarter	13th August, 2016	14th August, 2017
Second Quarter/Half year	14th November, 2016	14th November, 2017
Third Quarter	11th February, 2017	14th February, 2018
Yearly - Audited Results	30th May, 2017	30th May, 2018

### c. Dates of Book Closure :

23th September, 2017 to 25th September, 2017 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 (2016-17) 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, 2016	39.95	29.50	132978
May, 2016	43.50	33.65	127935
June, 2016	41.90	33.00	56217
July, 2016	37.85	26.55	119833
August, 2016	29.60	22.10	47574
September, 2016	30.80	24.15	70797
October, 2016	34.10	26.40	33392
November, 2016	46.45	25.05	245199
December, 2016	60.35	47.20	128595
January, 2017	65.00	55.85	81152
February, 2017	64.00	42.00	111017
March, 2017	62.90	47.00	100407

# Phyto Chem - Annual Report - 2016 - 17

## 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 31-03-2017

Sl.No.	Shareholding Pattern	Shares	Shareholding %
1.	Promoters	1636598	38.06
2.	Indian Public	2254548	52.43
3.	Mutual Funds	8500	0.20
4.	Body Corporates	299719	6.97
5.	NRI - Non Promoters	90856	2.11
6.	Clearing Member	9979	0.23
Total :		4300200	100.00

## i. Distribution of Shareholding by size as on 31-03-2017:

Range of Shares	No.of Shareholders	No.of Shares	% of Shareholders	% of Holding
Upto 500	6531	880216	92.70	20.47
501-1000	237	202323	3.36	4.71
1001-2000	101	156308	1.43	3.63
2001-3000	42	103320	0.60	2.40
3001-4000	21	74585	0.30	1.73
4001-5000	12	54466	0.17	1.27
5001-10000	43	295382	0.61	6.87
10001 and above	59	2533600	0.84	58.92
Total:	7046	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. Gummadidala Mandal, Sangareddy District, Telangana State.

## l. Compliance with the Regulation 39(4) read with Schedule VI of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

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. Mohammad Firoj, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

## Declaration by M.D. (CEO) of the Company on Code of Conduct

### DECLARATION

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, 2017.

Place : Hyderabad,

Date : 04th August, 2017

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



# Phyto Chem (India) Limited

**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**  
**To**  
**The Board of Directors**  
**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, 2017 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,**  
**Date : 04th August, 2017**

**Y. Nayudamma**  
**Chief Executive Officer**

**Y. Janaki Ramaiah**  
**Chief Financial Officer**



## **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, 2017 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Regulations. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 M/s T. Adinarayana & Co.,  
Chartered Accountants  
Firm Regn. No. 000041S**

**Place: Hyderabad,  
Date : 04th August, 2017**

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

**Independent Auditors' Report**

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

**Report on the Financial Statements**

We have audited the accompanying Standalone financial statements of **M/s PHYTO CHEM (INDIA) LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, 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 Standalone 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 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for 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 misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under Section 143(10) of 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 control 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. 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 Standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Standalone 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 March 31, 2017, its Profit/Loss and its Cash Flows for the year ended on that date.

# Phyto Chem - Annual Report - 2016 - 17

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" 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 account 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
  - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report, and
  - g. With respect to the other matters to be included in the Auditor's 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 pending litigations which would impact on its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in Note No.17 to these financial statements as to the holding of specified Bank Notes on 8th November, 2016 and 30th December, 2016 as well as dealings in specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on our Audit procedures and relying on the management representation regarding the holding and nature of cash transactions including specified Bank Notes, we report that this disclosures are in accordance with the Books of Accounts maintained by the Company and as produced to us by the management.

**For M/s T.ADINARAYANA & Co.**  
**Chartered Accountants**  
**Firm Regn.No.000041S**

**Place: Hyderabad**  
**Date: 30<sup>th</sup> May, 2017**

**Y.P. RAO**  
**Proprietor**  
**M.No.25266**

## ANNEXURE - A

**(Annexure referred to in paragraph 1 of Independent Audit Report on the Financial Statements for the year ended 31<sup>st</sup> March, 2017)**

**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 have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- c. The title deeds of immovable properties are held in the name of the Company.

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

- a. The management has conducted the physical verification of inventory at reasonable intervals.
- b. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

**iii.** In our opinion the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

**iv.** In our opinion and according to the information and explanations given to us, there are no Loans Investments, Guarantees and Securities granted, in respect of which provisions of Sections 185 and 186 of the Companies, Act, 2013 are applicable hence not commented upon

**v.** The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

**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 information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

# Phyto Chem - Annual Report - 2016 - 17

- 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<sup>st</sup> March,2017 on account of dispute are given below:

S.No.	Statute	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 was remanded back by the Appellate Authority and the matter is pending before the regular CTO

viii. 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 and other Financial Institutions. The Company has not taken any loan from the government and has not issued any debentures.

ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013;

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

xiii. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the order are not applicable to the Company and hence not commented upon.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For M/s T.ADINARAYANA & Co.**  
**Chartered Accountants**  
**Firm Regn. No.000041S**

**Place: Hyderabad**  
**Date: 30<sup>th</sup> May, 2017**

**Y.P. RAO**  
**Proprietor**  
**M.No.25266**

## **“Annexure B” to the Independent Auditors’ Report**

[Referred to in paragraph 2(f) under “Report on other legal and regulatory requirements” of our Report of even date]

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of M/s Phyto Chem (India) Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s T.ADINARAYANA & Co.  
Chartered Accountants  
Firm Regn. No.000041S**

**Place: Hyderabad  
Date: 30<sup>th</sup> May, 2017**

**Y.P. RAO  
Proprietor  
M.No.25266**



# Phyto Chem (India) Limited

## Balance Sheet as at 31-03-2017

Particulars	Notes	AS AT 31-03-2017 Rs.	AS AT 31-03-2016 Rs.
<b><u>Equity and liabilities</u></b>			
<b><u>Shareholders' Funds:</u></b>			
Share Capital	2	43002000.00	43002000.00
Reserves and Surplus	3	43585959.00	36010836.00
		<u>86587959.00</u>	<u>79012836.00</u>
<b><u>Non-current Liabilities</u></b>			
Long term borrowings	4	13889445.00	15363739.00
Deferred Tax Liability	5	5161444.00	5187864.00
Other long term liabilities	6	6084588.00	6123501.00
Long term provisions		0.00	0.00
		<u>25135477.00</u>	<u>26675104.00</u>
<b><u>Current Liabilities</u></b>			
Short term borrowings	7	169529137.00	140909423.00
Trade payables	8	114568465.00	32454272.00
Other current liabilities	9	27659010.00	16032487.00
Short term provisions	10	3615622.00	541377.00
		<u>315372234.00</u>	<u>189937559.00</u>
Total		<u>427095670.00</u>	<u>295625499.00</u>
<b><u>Assets</u></b>			
<b><u>Non-current Assets</u></b>			
Property, Plant & Equipment			
Tangible assets	11	32512483.00	34972237.00
Intangible assets		0.00	0.00
Capital work-in-progress		0.00	0.00
Non-current investments	12	3165828.00	3165828.00
Long term loans and advances	13	3972877.00	3195404.00
Trade receivables		0.00	0.00
Other non-current assets	14	25000.00	25000.00
		<u>39676188.00</u>	<u>41358469.00</u>
<b><u>Current Assets</u></b>			
Current investments		0.00	0.00
Inventories	15	112638513.00	98440341.00
Trade receivables	16	265542056.00	147899291.00
Cash and Cash equivalents	17	1783630.00	2357960.00
Short term loans and advances	18	7455283.00	5569438.00
		<u>387419482.00</u>	<u>254267030.00</u>
Total		<u>427095670.00</u>	<u>295625499.00</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 M/s T.Adinarayana & Co.,**  
**Chartered Accountants**  
**Firm Regn. No. 000041S**

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

**Y.P.Rao**  
**Proprietor, M.No.25266**  
**Place : Hyderabad**  
**Date : 30th May, 2017**

**Mohammad Firoj**  
**Company Secretary**  
**M.No : 47400**

**Y.Janaki Ramaiah**  
**Executive Director & CFO**  
**DIN : 06949910**

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



# Phyto Chem - Annual Report - 2016 - 17

## Statement of Profit and Loss for the year ended 31st March 2017

Particulars	Notes	Year Ended 31-03-2017 Rs.	Year Ended 31-03-2016 Rs.
<b><u>Continuing Operations</u></b>			
<b><u>Income</u></b>			
Revenue from operations (gross)	19	537015379.00	260304985.00
Less: Excise Duty		67590290.00	30148105.00
Revenue from operations (net)		469425089.00	230156880.00
Other Income	20	2713006.00	6826109.00
Total Revenue - I		472138095.00	236982989.00
<b><u>Expenses</u></b>			
Cost of raw material and components consumed	21	335600991.00	140588882.00
Purchase of traded goods		0.00	0.00
Increase / Decrease in Inventories of Finished Goods, Work-in-Progress and Traded Goods	22	(7595554.00)	7091490.00
Employee Benefit Expenses	23	25821226.00	25653563.00
Other Expenses	24	86999061.00	41684339.00
Exceptional Items	25	145365.00	0.00
Total Expenses-II		440971089.00	215018274.00
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) = I - II		31167006.00	21964715.00
Depreciation and Amortisation Expenses		3117245.00	3064875.00
Financial Costs	26	16665337.00	17177392.00
Profit Before Tax		11384424.00	1722448.00
<b><u>Tax Expenses</u></b>			
- Current Tax		3835720.00	556640.00
- Deferred Tax		26420.00	72110.00
Total Tax Expenses		3809300.00	628750.00
Profit for the year from continuing operations		7575124.00	1093698.00
Extraordinary Items	27	0.00	70276.00
Profit for the year		7575124.00	1163974.00

### **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 M/s T.Adinarayana & Co.,**  
**Chartered Accountants**  
 Firm Regn. No. 000041S

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

**Y.P.Rao**  
 Proprietor, M.No.25266  
 Place : Hyderabad  
 Date : 30th May, 2017

**Mohammad Firoj**  
 Company Secretary  
 M.No : 47400

**Y.Janaki Ramaiah**  
 Executive Director & CFO  
 DIN : 06949910

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



# Phyto Chem (India) Limited

	For the year ended 31st March, 2017 Rs.	For the year ended 31st March, 2016 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.75.75 lacs (Previous year Rs.11.64 lacs) and number of Equity Shares in issue during the year of 43,00,200 (Previous year 43,00,200)	1.76	0.27
<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, 2017.

### Notes - 1

#### Significant Accounting Policies:

- 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.
- 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 and assumptions and such differences are recognised in the period in which the results are known / materialised / crystalised.
- Property, Plant & Equipment : Fixed Assets** are stated at cost less depreciation and cost of includes acquisition and installation expenses which are directly attributable for bringing the assets into working condition.
- Depreciation:** Depreciation is calculated on straight line method basis in accordance with useful life of assets in the manner prescribed in Schedule II of the Companies Act,2013 read with Section 123 of the "Act".
- 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 and working progress are valued at cost of conversion and other cost incurred bringing the inventories to their present location and condition (plus other overheads) or net realisable value, whichever is lower.
- 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 in nature.
- k. **Foreign Currency Transaction :** Foreign currency transactions are recorded at the exchange rates prevailing as on the date of transaction. Earnings 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 assess 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 and term deposits 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. **Provisions, Contingent Liabilities and Contingent Assets :** Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likely hood of outflow or resources is remote, no provision or disclosure is made. Contingent Assets are neither recognised nor disclosed in the financial statements.
- q. **Cash Flow Statement :** Cash Flow statement is prepared in accordance with the "Indirect Method" as explained in the Accounting Standard (AS) 3 - Cash Flow Statements.

## Notes forming part of Financial Statements

	AS AT 31-03-2017 Rs.	AS AT 31-03-2016 Rs.
<b>Notes - 2</b>		
<b>Share Capital</b>		
a. Authorised Capital 1,35,00,000 of equity shares of Rs.10/- each (Previous year 47,50,000 equity shares)	135000000.00	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 43002000.00	43002000.00 43002000.00
c. List of shareholders holding more than 5% of aggregate shares in the Company : i. Mr.Y.Nayudamma: No.of shares - 338306	7.87%	7.87%
d. The reconciliation of the number of Equity shares at the beginning of the year : Add : Equity Shares Issued during the year : Less : Equity Shares cancelled during the year : Equity shares at the end of the year :	4300200 Nil Nil 4300200	4300200 Nil Nil 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. 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 31-03-2017 Rs.	AS AT 31-03-2016 Rs.
<b>Notes - 3</b>		
<b>Reserves &amp; Surplus</b>		
a. Surplus balance in P/L account as per last balance sheet Less: Depreciation on expired Assets Add : Deferred Tax Income thereon	36010835.00 0.00 0.00 0.00	34846862.00 0.00 0.00 0.00
b. Add: Profit for the year	36010835.00 7575124.00 43585959.00	34846862.00 1163974.00 36010836.00

## Notes - 4

### Long Term Borrowings

Deferment of sales tax liability (Unsecured) (Commercial Taxes Department)	13889445.00 13889445.00	15363739.00 15363739.00
---	----------------------------	----------------------------

# Phyto Chem - Annual Report - 2016 - 17

## Notes forming part of Financial Statements

	AS AT 31-03-2017 Rs.	AS AT 31-03-2016 Rs.
<b>Notes - 5</b>		
<b>Deferred Tax Asset / Liability (Net)</b>		
Deferred Tax Liability - Opening Balance	5187864.00	5115754.00
Deferred Tax Asset	0.00	0.00
Deferred Tax Liability	26420.00	72110.00
Deferred Tax Liability (Net)	26420.00	72110.00
Deferred Tax Liability - Closing Balance (Refer Note 41)	5161444.00	5187864.00
<b>Notes - 6</b>		
<b>Other Long Term Liabilities</b>		
a. Trade Payables	0.00	1157524.00
b. Others		
i. Security Deposits	5995041.00	4370040.00
ii. Vehicle Loan from Financial Institutions	89547.00	595937.00
	6084588.00	6123501.00
<b>Notes - 7</b>		
<b>Short Term Borrowings</b>		
a. Loans repayable on demand		
- From Federal Bank (Secured Loans) - C.C	159529137.00	29945427.00
- From Federal Bank (Secured Loans) - Demand Loan (Secured by hypothecation of stock in Trade & Book debts and further guaranteed by Managing Director in his personal capacity)	0.00	100963996.00
b. Loan from the Director - Related Party (Unsecured)	10000000.00	10000000.00
	169529137.00	140909423.00
<b>Notes - 8</b>		
<b>Trade payables</b>		
Sundry Creditors - Less than 12 months		
- Amounts outstanding to SME (Refer Note 35)	0.00	0.00
- Outstanding to others	114568465.00	32454272.00
	114568465.00	32454272.00
<b>Notes - 9</b>		
<b>Other Current Liabilities</b>		
a. Term Loan (Secured) - Federal Bank Ltd	0.00	0.00
b. Term Loans (Unsecured) - From Financial Institutions - Current maturity	0.00	2104415.00
c. Amount due to vehicle loans - Current maturity of Long Term Loan	506390.00	457191.00
d. Sales Tax - Deferrment Liability - Current maturity of long term loan	1474294.00	1003767.00
e. Advances Received from Customers	6869124.00	4079179.00
f. Unclaimed Dividends F.Y 2012-13 & 2013-14 (Refer Foot Note)	1310561.00	1311161.00
g. Other Current Liabilities	4516267.00	0.00
h. Outstanding Liabilities	12982374.00	7076774.00
	27659010.00	16032487.00
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. Income Tax - F.Y. 2016-17	3835720.00	
Less: Advance Tax Paid & TDS	220098.00	
	3615622.00	0.00
b. Income Tax - F.Y.2015-16	0.00	556640.00
Less : TDS	0.00	15263.00
	3615622.00	541377.00

## Notes - 11 Non Current Assets Notes forming part of Financial Statements

### a. Property Plant & Equipment

Sl No.	Assets	Gross Block				Depreciation			Net Block as on 31-03-2017 (Rs.)	Net Block as on 31-03-2016 (Rs.)
		As on 01-04-2016 (Rs.)	Additions (Rs.)	Deductions (Rs.)	As on 31-03-2017 (Rs.)	As on 01-04-2016 (Rs.)	For the Period (Rs.)	Deductions (Rs.)		
1	Land	730705.00	0.00	0.00	730705.00	0.00	0.00	0.00	730705.00	730705.00
2	Buildings	2108547.00	0.00	0.00	2108547.00	7307233.00	688461.00	7975694.00	13108723.00	1378784.00
3	Plant & Equipment	18067234.00	389046.00	0.00	18456280.00	4380889.00	1217756.00	5598645.00	12857635.00	13666345.00
4	Furniture	1309201.00	0.00	0.00	1309201.00	450324.00	143487.00	59381.00	715390.00	858877.00
5	Vehicles	5768516.00	104802.00	0.00	5873318.00	1652063.00	630288.00	2282351.00	3559957.00	4116453.00
6	Office Equipment	344474.00	23440.00	0.00	367914.00	95673.00	52881.00	148554.00	219360.00	248801.00
7	Generator	43532.00	77700.00	0.00	121232.00	0.00	7382.00	7382.00	113851.00	43532.00
8	Electrical Equipment	1316624.00	8000.00	0.00	1324624.00	572276.00	103120.00	675396.00	649228.00	744348.00
9	Lab Equipment	1635320.00	54503.00	0.00	1689823.00	930718.00	282459.00	1213177.00	476646.00	704602.00
10	Computers	84219.00	0.00	0.00	84219.00	23829.00	11411.00	3520.00	48979.00	60390.00
	Total	50385242.00	657491.00	0.00	51042733.00	15413005.00	3117245.00	18530250.00	32572484.00	34972237.00
	Previous Year	50246176.00	1950352.00	1811286.00	50385242.00	13471408.00	3064875.00	15413005.00	34972237.00	36747668.00

## Notes - 12 Non-current Investments

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

170	HDFC Bank	15045.00
500	Hindustan Unilever Ltd. of Rs.10/- each	85440.00
48	Nextgen Animation Media 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 :  
(Aggregate Market Value : Rs. 23,01,886.00)  
Previous Year Market Value : Rs. 18,95,894.00)

### b. Investments in Government Shares

### c. Investments in Equity Shares (un quoted)

500 Jeedimella Effluent Treatment Ltd., of Rs.100/- each

15045.00	
85440.00	
333359.00	
42540.00	
37291.00	
70700.00	
65942.00	
22830.00	
2377281.00	
3050428.00	
65400.00	
50000.00	
3165828.00	
3165828.00	

# Phyto Chem - Annual Report - 2016 - 17

## Notes forming part of Financial Statements

	AS AT 31-03-2017 Rs.	AS AT 31-03-2016 Rs.
<b>Notes - 13</b>		
<b>Long Term Loans &amp; Advances</b>		
a. Security Deposits	1089494.00	589494.00
b. Other Advances (Unsecured) (Refer Foot Note)	2883383.00	2605910.00
Foot Note: Other advances do not include any amount due from Directors or other officers of the Company		
	<u>3972877.00</u>	<u>3195404.00</u>
<b>Notes - 14</b>		
<b>Other Non Current Assets</b>		
Security Deposit with Federal Bank	25000.00	25000.00
	<u>25000.00</u>	<u>25000.00</u>
<b>Notes - 15</b>		
<b>Inventories</b>		
a. Raw materials	30882390.00	27673461.00
b. Finished Goods	51667453.00	44071899.00
c. Packing Materials	20409670.00	17015981.00
d. House Plots	9679000.00	9679000.00
	<u>112638513.00</u>	<u>98440341.00</u>
<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 - 16</b>		
<b>Trade Receivables (Unsecured considered good)</b>		
a. Debts outstanding for more than 6 months	99463323.00	54343848.00
b. Other Debts	166078733.00	93555443.00
	<u>265542056.00</u>	<u>147899291.00</u>
<b>Notes - 17</b>		
<b>Cash and Cash Equivalents (As per AS-3 Cash Flow Statement)</b>		
1.a. Balances in Banks :		
- In Current Accounts	254263.00	371669.00
- In Deposit Account (margin money with banks, the maturity period of which is less than 3 months)	0.00	650000.00
b. Cash on Hand	218806.00	25130.00
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 12 months)	0.00	0.00
b. In earmarked accounts		
Balances held for Unclaimed Dividend	1310561.00	1311161.00
	<u>1783630.00</u>	<u>2357960.00</u>
<b>Details of Specified Bank notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the table below:</b>		
	Specified Bank notes	Other denomination notes Total
Closing Cash in hand as on 08th November,2016	0.00	39,218.06
Add: Permitted receipts	0.00	20,01,900.00
Less: Permitted Payments	0.00	10,03,677.00
Less: Amount deposited in Banks	0.00	9,54,500.00
Closing Cash in Hand as on 30th December,2016		<u>82,941.06</u>
		<u>82,941.06</u>
<b>Notes - 18</b>		
<b>Short Term Loans &amp; Advances (Unsecured considered good)</b>		
a. Advance for Raw Materials	3335005.00	5187293.00
b. Others (Refer Foot Note)	4120278.00	382145.00
Foot Note: Other advances do not include any amount due from any Directors or other officers of the Company		
	<u>7455283.00</u>	<u>5569438.00</u>

## Notes forming part of Financial Statements

### **Notes - 19**

#### **Revenue from operations**

	For the year ended 31st March, 2017 Rs.	For the year ended 31st March, 2016 Rs.
a. Sale of Products	537015379.00	260304985.00
Less: Excise Duty	67590290.00	30148105.00
	469425089.00	230156880.00
b. Sale of House Plots	0.00	0.00
	469425089.00	230156880.00

### **Notes - 20**

#### **Other Income**

a. Interest	0.00	113161.00
b. Discounts	2124197.00	2903724.00
c. Profit on Sale of Investments	0.00	449179.00
d. Price Variation	315140.00	2636355.00
e. Sale of Expired Assets (Plant & Machinery)	0.00	85000.00
f. Excise Duty Difference in Opening & Closing of Finished Goods	0.00	638690.00
g. Misc. Income	273669.00	0.00
	2713006.00	6826109.00

### **Notes - 21**

#### **Cost of Material Consumed:**

a. Raw Materials Consumed		
Opening Stock	27673461.00	50597659.00
Add: Purchases	318996081.00	107757700.00
	346669542.00	158355359.00
Less: Closing Stock	30882390.00	27673461.00
	315787152.00	130681898.00
b. Packing Materials Consumed		
Opening Stock	17015981.00	17252955.00
Add: Purchases	23207528.00	9670010.00
	40223509.00	26922965.00
Less: Closing Stock	20409670.00	17015981.00
	19813839.00	9906984.00
	335600991.00	140588882.00

### **Notes - 22**

#### **Changes in Inventories of Finished Goods**

Opening Stock	53750899.00	60842389.00
Closing Stock	61346453.00	53750899.00
Net (increase) / decrease	(7595554.00)	7091490.00
in Pesticides :		
in House Plots :	0.00	
	(7595554.00)	

### **Notes - 23**

#### **Employee Benefits Expense**

##### **a. Salaries and wages**

Factory Salaries & Wages	3904258.00	3350433.00
Office Staff - Salaries	2395991.00	2232995.00
Marketing - Salaries	9165681.00	9137913.00
Office and Marketing Staff TA & DA	3664497.00	3981339.00
	19130427.00	18702680.00



# Phyto Chem - Annual Report - 2016 - 17

## Notes forming part of Financial Statements

	For the year ended 31st March, 2017 Rs.	For the year ended 31st March, 2016 Rs.
<b>b. Directors' Remuneration</b>		
Directors' Remuneration	2700000.00	2700000.00
Bonus	224910.00	224910.00
Directors' TA & DA	338775.00	546104.00
Directors' Sitting Fee	185000.00	148000.00
	<u>3448685.00</u>	<u>3619014.00</u>
<b>c. Contribution to PF and ESI</b>		
Provident Fund	1360070.00	1348193.00
ESI	427403.00	448457.00
Earn Leaves	0.00	0.00
Staff Welfare	674332.00	673891.00
Bonus	598755.00	657198.00
Gratuities	181554.00	204130.00
	<u>3242114.00</u>	<u>3331869.00</u>
	<u>25821226.00</u>	<u>25653563.00</u>
<b>Notes - 24</b>		
<b>Other Expenses</b>		
Customs Duty	20158805.00	4767987.00
Consumption of Stores & Spares	82544.00	76584.00
Power & Fuel	1007663.00	799285.00
Rent	1273503.00	1107840.00
Factory Maintenance	1368987.00	1067094.00
Insurance - mfg	217606.00	243279.00
Rates & Taxes	72897.00	78281.00
Audit Fee - Statutory Audit & Tax Audit	60000.00	60000.00
Audit Fee - Internal Audit	60000.00	60000.00
Selling & Distribution Expenses	23765473.00	10981414.00
Net Loss on foreign currency transaction & translation	1796808.00	2515321.00
Freight Charges Inward	4006006.00	1805268.00
Import Clearing Charges	2349955.00	512020.00
Safety Devices	81113.00	95289.00
First Aid & Medical Expenses	5333.00	13974.00
ED, EC & SHEC on difference in Opening & Closing of Finished goods	155301.00	0.00
Loss on Sale of Vehicles	0.00	138008.00
Administration Expenses	5677400.00	4845523.00
Sales Taxes	24859667.00	12517172.00
	<u>86999061.00</u>	<u>41684339.00</u>
<b>Notes - 25</b>		
<b>Exceptional Items</b>		
Bad Debts	145365.00	0.00
	<u>145365.00</u>	<u>0.00</u>
<b>Notes - 26</b>		
<b>Financial Cost</b>		
Interest paid to Banks	16242246.00	16169189.00
Other borrowing costs	423091.00	1008203.00
	<u>16665337.00</u>	<u>17177392.00</u>
<b>Notes - 27</b>		
<b>Extraordinary Items</b>		
Prior Period Adjustments	0.00	-70276.00
	<u>0.00</u>	<u>-70276.00</u>

## Notes forming part of Financial Statements

### **Notes - 28**

#### **Contingent Liabilities:**

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

The Company has appealed against the decision of CTO for the improper addition of turnovers for the Financial Years 2010-11, 2011-12 & 2012-13. Appeal filed by the Company was remanded back by the Appellate Authority in favour of the Company and the matter is pending before the regular CTO. The disputed tax in respect of this appeal is Rs.10,21,615/-. Since the management is hopeful to get favourable decision, no provision is made in the books of accounts.

### **Notes - 29**

	For the year ended 31st March, 2017 Rs.	For the year ended 31st March, 2016 Rs.
Remuneration - Managing Director	19,49,940	19,49,940
Remuneration - Executive Director	9,74,970	9,74,970
	<u>29,24,910</u>	<u>29,24,910</u>

### **Notes - 30**

#### **Auditors Remuneration:**

Audit Fee (Statutory & Internal)	1,10,000	1,10,000
Tax Audit Fee	10,000	10,000
Service Tax	17,400	17,400
	<u>1,37,400</u>	<u>1,37,400</u>

### **Notes - 31**

The Sales Tax Deferment Liability of Rs.1,63,67,506/- relates to the amount accumulated in view of sanction of deferment by the Government of Andhra Pradesh. Out of the total amount, Rs.1,48,93,212/- is shown under unsecured loans (Long Term Borrowings) and current maturity of Rs.14,74,294/- is shown in other Current Liabilities.

### **Notes - 32**

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 - 33**

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 - 34**

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

Particulars	Amount in Rs.
Principal amount due as on 31-03-2017	—
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 31-03-2017

### **Notes - 35**

The Company has suffered a loss of Rs.17,96,808.00 (net) due to fluctuations in foreign exchange rate and the same is debited to P&L A/c.

## 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 31-03-2017. 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. Table showing changes in present value of obligation as on 31-03-2017 :</b>	Rs.
Present value of obligation as at beginning of the year	1874561.00
Interest cost	149965.00
Current service cost	182881.00
Benefits paid	(25269.00)
Actuarial (gain) / loss on obligations	237262.00)
Present value of obligations as at end of year	2419400.00
<b>ii. Table showing changes in fair value of plan assets as on 31-03-2017 :</b>	
Fair value of plan assets as at beginning of the year	1201505.00
Expected return on plan assets	98170.00
Contributions	0.00
Benefits paid	(25269.00)
Actuarial (gain)/ loss on plan assets	NIL
Fair value of plan assets as at end of year	1274406.00
<b>iii. Table showing in fair value of plan assets</b>	
Fair value of plan assets as at beginning of the year	1201505.00
Actual return on plan assets	98170.00
Contributions	0.00
Benefits paid	(25269.00)
Fair value of plan assets as at end of year	1274406.00
Funded status	(1144994.00)
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, 2017)	
<b>iv. Actuarial (gain) / loss recognized as on 31-03-2017</b>	
Actuarial (gain) / loss on obligations	(237262.00)
Actuarial (gain) / loss for the year- plan assets	NIL
Total (gain) / loss for the year	(237262.00)
Actuarial (gain) / loss recognized in the year	(237262.00)
<b>v. a. Financial Assumptions</b>	
Discount rate	8.00%
Salary Escalation	6.00%
<b>b. Demographic Assumption</b>	
Retirement age of the employees of the Company is assumed at 58 years.	

## 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 few 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 2016-17 (Rs. in Lacs)					For the year 2015-16 (Rs. in Lacs)				
	AP	TS	MH	Others	Total	AP	TS	MH	Others	Total
Sales	1428.68	3172.73	581.22	187.52	5370.15	901.49	1196.50	384.99	120.07	2603.05
Segment Expenses	1145.92	2544.79	466.19	150.41	4307.30	668.66	887.48	285.56	89.06	1930.75
Segment Revenue	282.76	627.94	115.03	37.11	1062.85	232.83	309.02	99.43	31.01	672.30
Unallocated										
Corporate Expenses					809.49					551.56
					253.36					120.74
Interest expenses					166.65					171.77
Operating profit					86.71					-51.03
Add : Other Income					27.13					68.26
					113.84					17.23
Less : Income Tax					38.09					6.29
Profit from ordinary Activity					75.75					10.94
Period Adjustment					0.00					0.70
Profit after tax					75.75					11.64
Segment Assets	967.35	2141.77	299.59	373.10	3781.81	651.76	1313.55	199.23	298.86	2463.40
Unallocated										
Corporate Assets					489.15					492.85
Total					4270.96					2956.25
Segment Liabilities	7.19	1156.25	2.50	0.67	1166.61	5.27	369.16	1.87	0.61	376.91
Unallocated Corporate Liabilities					3104.35					2579.34
Total					4270.96					2956.25

#### **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. It has no reportable secondary segment.

# Phyto Chem - Annual Report - 2016 - 17

## 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 :** Not Applicable.

**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.P.Anjaneyulu	...	Director
Mr.Y.Janaki Ramaiah	...	Director

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

Mr.P.Anjaneyulu, Director - Unsecured Loan	1,00,00,000.00	Nil
--	----------------	-----

**D. Details of Remuneration/Sitting Fee paid 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	9,74,970.00	9,74,970.00
3. Dr.P.Sreemannarayana - Sitting Fee	17,500.00	17,500.00
4. Mr.P.Anjaneyulu - Sitting Fee	17,500.00	10,500.00

### 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.

		2016-17 (In Rs.)
Deferred Tax Liability (Opening Balance)		51,87,864.00
Add: Deferred Tax Liability for the year :		
Depreciation as per Companies Act		31,17,245.00
Depreciation as per IT Act.	30,21,191.00	
Gratuity	1,81,554.00	32,02,745.00
		85,500.00
Deferred Tax Liability (Net)		26,420.00
Deferred Tax Liability as on 31-03-2017		51,61,444.00

### Notes - 40

**Impairment of Fixed Assets:**

As stipulated in AS -28, the Company assessed potential generation of economic benefits from the business assets and is of the view that assets employed in continuing business are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly, the management is of the view that no Impairment provision is called for in the accounts.



# Phyto Chem (India) Limited

## 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 Hon'ble Courts. No suit against the Company which creates financial commitment to the Company was filed.

### **Notes - 42**

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

	<b>Year ended 31-03-2017 (Rs. in lacs)</b>	<b>Year ended 31-03-2016 (Rs. in lacs)</b>
i. Raw materials :	1536.09	440.13
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 indigenous raw materials and the percentage of each to the total consumption:**

##### **I. Raw Material Consumption (Product wise):**

	<b>Year ended 31-03-2017 (Rs. in lacs)</b>	<b>Year ended 31-03-2016 (Rs. in lacs)</b>
a. Technicals	2973.73	1192.30
b. Solvents, Emulsifiers & others	184.14	114.52
Total	3157.87	1306.82

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

	Year ended 31-03-2017			Year ended 31-03-2016		
	Qty. (Kgs)	Rs. in Lacs	Percentage of Consumption	Qty. (Kgs)	Rs. in Lacs	Percentage of Consumption
a Imported	288481	1482.66	15.57	115165	507.99	9.97
b Indigeneous	1564124	1675.21	84.43	1040423	798.83	90.03
Total	1852605	3157.87	100.00	1155588	1306.82	100.00

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

# Phyto Chem - Annual Report - 2016 - 17

## Notes forming part of Financial Statements

### Notes - 43

<b>Notes - 43</b>		<u>31-03-2017</u>	<u>31-03-2016</u>	
<b>A. Particulars of capacity, Production and sales</b>				
<b>i. Installed Capacity (Ltrs)</b>		90,00,000.000	90,00,000.000	
<b>ii. Production (Ltrs)</b>				
Pesticides Formulations		14,42,368.000	10,20,281.000	
<b>iii. Sales</b>	(Ltrs/Kgs)	Rs.	(Ltrs/Kgs)	Rs.
		(in Lacs)		(in Lacs)
1. Pesticides Formulations	14,20,718.00	5370.15	10,53,496.00	2603.05
2. Real Estate (Sft.)	--	--	--	--
		<u>5370.15</u>		<u>2603.05</u>

### **B. Details of Opening and Closing Stock:**

	Qty. (Ltrs/Kgs)	Rs. (in lacs)	Qty (Ltrs/Kgs)	Rs. (in lacs)
<b>Finished Goods</b>				
Pesticides Formulations				
Opening Stock	2,20,397.000	440.72	2,53,611.000	511.63
Closing Stock	2,42,047.000	516.67	2,20,397.000	440.72
<b>Land</b>				
Opening Stock	48,395.00 (Sft)	96.79	48,395.00 (Sft)	96.79
Closing Stock	48,395.00 (Sft)	96.79	48,395.00 (Sft)	96.79

### Notes - 44

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

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

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

**Mohammad Firoj**  
Company Secretary  
M.No : 47400

**Y. Janaki Ramaiah**  
Executive Director & CFO  
DIN : 06949910

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

**Place : Hyderabad**

**Date : 30th May, 2017**

## Cash flow statement for the year 2016-17

	2016-17 (Rs. In Lacs)	2015-16 (Rs. In Lacs)
<b>A. Cash flow from operating activities:</b>		
Profit before Tax and Extraordinary item after adjusting depreciation transferred to retained earnings	113.84	17.22
<b>Adjustment for:</b>		
Depreciation	31.17	30.64
Depreciation on expired assets (Tfd to retained earnings)	---	---
Interest paid	166.65	171.77
Less : Other Income	(27.13)	(68.26)
Operating Profit before working capital changes	284.53	151.37
<b>Adjustment for:</b>		
Trade and other receivables		266.33
Inventories	(1337.28)	302.53
Trade Payables and Other Liabilities & short term provisions	968.15	(577.93)
Cash generated from operations	(84.60)	142.30
Interest paid	(166.65)	(171.77)
Direct Taxes paid & provided	(38.09)	(6.29)
Cash flow before extraordinary items	(289.34)	(35.76)
Decreasing in deferred tax liability	(0.26)	0.72
Extraordinary items (prior period adjustments)	---	0.70
<b>Net cash flow from operating activities</b>	<b>(289.08)</b>	<b>(34.34)</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of Fixed Assets	(6.57)	(19.50)
Sale of Vehicles	---	5.50
Sale of Investments and other Fixed Assets (Expired)	---	1.90
Add : Other Income	27.13	68.26
Increase in Non-Current deposits	(7.78)	3.35
<b>Net cash used in investing activities</b>	<b>12.78</b>	<b>59.51</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of share capital (State Subsidy)	---	---
Proceeds from short term borrowings	286.20	(57.74)
Proceeds from long term borrowings	(15.12)	9.86
<b>Net cash used in financing activities</b>	<b>271.08</b>	<b>(47.88)</b>
 Net increase in cash and cash equivalents (A+B+C)	 (5.74)	 (22.71)
Cash and Cash equivalents (Opening Balance)	23.57	46.28
Cash and Cash equivalents (Closing Balance)	17.83	23.57



# Phyto Chem - Annual Report - 2016 - 17

## Cash flow statement for the year 2016-17

	2016-17 (Rs. In Lacs)	2015-16 (Rs. In Lacs)
Cash and cash equivalents as above	17.83	23.57
Balances with banks (In deposit accounts whose maturity period is more than 3 months)	<u>0.00</u>	<u>0.00</u>
Cash & Bank balances (Closing)	<u>17.83</u>	<u>23.57</u>

Notes : 1. The Cash Flow statement has been prepared under Indirect Method as set out in the Accounting Standard -3 on "Cash Flow statements" notified by Companies Accounting Standards Rules, 2006 (as amended).

2. Comparative figures have been regrouped / rearranged / reclassified wherever necessary.

Per our Report of even date annexed.

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

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

**Y. P.Rao**  
**Proprietor, M.No.25266**

**Mohammad Firoj**  
**Company Secretary**  
**M.No : 47400**

**Y. Janaki Ramaiah**  
**Executive Director & CFO**  
**DIN : 06949910**

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

**Place : Hyderabad**

**Date : 30th May, 2017**



# Phyto Chem (India) Limited



## Phyto Chem (India) Limited

(CIN: L24110TG1989PLC009500)

Survey No.628, Temple Street, Bonthapally - 502 313,  
Gummadidala Mandal, Sangareddy District, Telangana State.

### Attendance Slip

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

### 28th Annual General Meeting on 25th September, 2017

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 28<sup>th</sup> Annual General Meeting of the Company at Registered Office of the Company at Survey No.628, Temple Street, Bonthapally-502 313, Gummadidala Mandal, Sangareddy District, Telangana State on Monday, 25<sup>th</sup> September, 2017 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 Regulation 44 of the SEBI (LODR) Regulations, 2015, 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 18<sup>th</sup> September, 2017 (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:

EVSN (E-Voting Sequence Number)	USER ID	PASSWORD
170828002	Please refer Notes No.9 d & 9 e of e-voting instructions in the Notice.	

The e-voting period commences from 9:00 a.m. on 22<sup>nd</sup> September, 2017 and ends on 24<sup>th</sup> September, 2017 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 18<sup>th</sup> September, 2017, 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 25<sup>th</sup> September, 2017.

# Phyto Chem - Annual Report - 2016 - 17



## Phyto Chem (India) Limited

(CIN: L24110TG1989PLC009500)

Survey No.628, Temple Street, Bonthapally - 502 313,  
Gummadidala Mandal, Sangareddy 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, Gummadidala Mandal, Sangareddy 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			
	or failing him			
2	Name			
	Address	Signature		
	E- Mail ID			
	or failing him			
3	Name			
	Address	Signature		
	E- Mail ID			
	or failing him			

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 28th Annual General meeting of the Company, to be held on the 25th day of September, 2017 at 11:45 A.M. at the Registered Office of the Company at Survey No.628, Temple Street, Bonthapally-502 313, Gummadidala Mandal, Sangareddy District, Telangana State and at any adjournment thereof in respect of such resolutions as are indicated below:



## Phyto Chem (India) Limited

Resolutions	For	Against
1. Consider and adopt the Audited Financial Statements, Reports of the Board of Directors and Auditors		
2. Re-appointment of Mr. Anjaneyulu Prathipati as Director who retires by rotation		
3. Appointment of Statutory Auditors of the Company		
4. Re-appointment of Mr. Ankamma Choudary Thotakura as a Non-Executive Independent Director of the Company.		
5. Re-appointment of Mr. Balarama Krishnaiah Mandava as a Non-Executive Independent Director of the Company		
6. Re-appointment of Mr. Nadendla Sudhakar as a Non-Executive Independent Director of the Company.		
7. Re-appointment of Mrs. Sakhamuri Kavitha Rani as Non-Executive Independent Women Director of the Company.		
8. Appointment of Dr. G.S.R. Anjaneyulu as a Non-Executive Independent Director of the Company.		
9. Alteration of Object Clause of Memorandum of Association of the Company.		
10. Approval of Rights Issue to existing Shareholders		

Affix  
Revenue  
Stamp

Signed this .....day of .....2017

Signature of Shareholder.....

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

## Route Map to Registered Office - AGM on 25-09-2017



## Laboratory and Factory



## Range of Products



Printed Matter

If undelivered, Please return to :



**Phyto Chem (India) Limited**

**CIN : L24110TG1989PLC009500**

Survey No. 628, Temple Street, Bonthapally - 502 313,  
Gummadidala Mandal, Sangareddy, District, Telangana State.

Leo Printers @ 9866353646