



Twenty Third Annual Report 2011-12



PHYTO CHEM (INDIA) LIMITED



PHYTO CHEM (INDIA) LIMITED

BOARD OF DIRECTORS

Dr.P.Sreemannarayana	-	Chairman
Mr.Y.Nayudamma	-	Managing Director
Dr.Y.Venkateswarlu	-	Director
Mr.P.Anjaneyulu	-	Director
Mr.C.N.Chary	-	Director
Mr.T.A.Choudary	-	Director
Mr.N.Sudhakar	-	Director
Mr.M.Balaramakrishnaiah	-	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.
Abids Branch, Bank Street
HYDERABAD - 500 001.

COMMON SHARE TRANSFER AGENTS

(Physical & Electronic)

M/s. Bigshare Services Pvt. Limited.
G-10, Left Wing, Amrutha Ville,
Opp. Yashoda Hospital,
Somajiguda, Raj Bhavan Road,
Hyderabad - 500 082.
Phone No.:040-23374967.

CORPORATE OFFICE

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

REGISTERED OFFICE & FACTORY

Survey No.628, Temple Street,
BONTHAPALLY - 502 313,
Jinnaram Mandal, Medak District,
Andhra Pradesh.

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NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of M/s Phyto Chem (India) Limited will be held on Thursday, the 27th day of September, 2012 at 11.30 A.M. at the Registered Office of the Company at Survey No.628, Temple Street, Bonthapally-502 313, Jinnaram Mandal, Medak District, Andhra Pradesh to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012, Profit and Loss Account and Cash Flow Statement for the year ending on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr.P.Anjaneyulu, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr C.N.Chary, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution.

"RESOLVED that M/s. T. Adinarayana & Co., Chartered Accountants be and are hereby reappointed as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of Twenty Fourth Annual General Meeting at such remuneration as may be fixed by the Board of Directors and reimbursement of out of pocket expenses".

SPECIAL BUSINESS

5. Increase in borrowing powers to the Board of Directors

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

"RESOLVED that in supersession and modification of the Resolution passed at the Twenty Second Annual General Meeting of the Company held on 26th September, 2011 and pursuant to Section 293(1) (d) of the Companies Act, 1956, the consent be and is hereby granted to the Board of Directors of the Company to borrow for the purpose of its business apart from temporary loans obtained and/or to be obtained from the Company's Bankers in the ordinary course of business, a sum of money not exceeding Rs.45,00,00,000.00 (Rupees Forty Five Crores only) over and above the paid up capital of the Company, plus its free reserves, that is to say reserves not set apart for any specific purpose, from the Company's Bankers or from any Person or Persons, Firms, Bodies, Corporate or Financial Institutions by way of deposits, advances or other loans whether unsecured or secured by mortgage, charge, hypothecation or pledge of any or all the Company's Assets and properties, existing and future on such terms and conditions as the Board of Directors may from time to time deem fit."

6. Mortgage/Charging of the Assets of the Company for the increased Limits.

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



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“RESOLVED that pursuant to the provisions of the Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, the Consent of the Company be and is hereby granted to the Board of Directors of the Company for mortgaging and / or charging on such terms and conditions and at such time or times and in such form or manner, as they may think fit, the whole or substantially the whole of the undertaking or undertakings of the Company, as the case may be, in favour of Financial Institutions, Corporations, Banks and other Persons or entities whether in India or outside, which give, provide, guarantee or extend loans to the Company or in favour of Trustees of Debenture holders, to secure the amount of loans together with interest thereon, commitment charges, liquidated damages, premium on redemption, costs, charges, expenses and other monies, as may be thought expedient by the Board of Directors and in such manner as may be agreed to between the Board of Directors and the party or parties concerned for an amount not exceeding Rs.45.00 Crores.”

For and on behalf of the Board

Place : Hyderabad Y.Nayudamma
Date : 2nd August, 2012 Managing Director

NOTES :

1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting. A proxy form is enclosed.

2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item no.5 and 6 of the Notice as set out above, is annexed hereto.

3. The Register of Members and the Register of Share Transfers will remain closed from 25th September, 2012 to 27th September, 2012 (both days inclusive).

4 . Members desirous of seeking any information on the accounts are requested to write to the Company at least a week in advance to facilitate compilation of the information.

5. All documents referred to in the above notice are open for inspection at the Registered Office of the Company during office hours.

6. Pursuant to the requirement of Clause 49 of the Listing Agreement, a statement containing brief resume of the Directors who are seeking appointment /reappointment is annexed hereto.

Additional information in respect of the Directors seeking appointment / reappointment.

Mr. P.Anjaneyulu

Mr P Anjaneyulu aged about 60 years, is a Graduate in Telecommunications Engineering. He has rich experience in Real Estate operations. He holds 64,000 equity shares in the Company and he is on the Boards of M/s Rasasri Developers Private Ltd., and M/s Rasasri Infrastructures Private Ltd.

Mr. C.N.Chary

Mr C.N.Chary aged about 74 years, is a Chemical Engineer. He has worked for more than four decades in several Chemical related institutions. He holds 100 equity shares in the Company. He is Member of Audit Committee and Chairman of Remuneration Committee.

**THE EXPLANATORY STATEMENT
PURSUANT TO SECTION 173 OF THE
COMPANIES ACT, 1956**

ITEM NO..5

As per Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of a Public Company can not borrow money (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves (that is reserves not set apart for any specific purpose) without the consent of the Shareholders in the General Meeting. The Shareholders of the Company at the 22nd Annual General Meeting held on 26th September, 2011 authorised the Board of Directors to borrow upto Rs.25.00 Crores.

As the Company's operations have gone up, there is increased requirement for Capital and working capital requirements and the Company may, therefore, avail further loans from the Banks/Financial Institutions or any other Lenders for business purposes. Hence, it is considered necessary to enhance the borrowing limits of the Board of Directors from the present Rs.25.00 Crores to Rs.45.00 Crores and hence this resolution.

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

None of the Director is concerned or interested in the Resolution

ITEM NO.6

Section 293 (1) (a) of the Companies Act, 1956 provides inter-alia that the Board of Directors of the Company shall not, except with the consent of the Company in General Meeting sell, lease or dispose the whole or substantially the whole of the undertaking or undertakings of the Company. As the mortgaging of the Company's properties for borrowing loans may amount to disposing of the Company's properties, approval of the Shareholders in the General Meeting is required and hence this resolution.

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

None of the Director is concerned or interested in the Resolution.

For and on behalf of the Board

Place: Hyderabad,

Y.Nayudamma

Date : 2nd August, 2012

Managing Director



PHYTO CHEM (INDIA) LIMITED

DIRECTORS' REPORT

Dear Shareholders,
Your Directors have pleasure in presenting the Twenty Third Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2012.

1. FINANCIAL RESULTS :

The Financial Results for the year ended 31st March, 2012 are summarised as under:

	(Rs. in lacs)	
Particulars	2011-12	2010-11
Sales / Income	3063.07	3390.37
Profit before depreciation and tax	176.40	112.68
Depreciation	24.46	23.94
Profit before Tax	151.94	88.75
Provision for Tax :		
- Current Tax	59.17	32.76
- Deferred Tax`	(1.80)	(2.09)
Profit after Tax	94.57	58.08
Prior Period Adjustments	0.12	0.00
Profit after Prior Period Adjustments	94.69	58.08

2. REVIEW OF OPERATIONS :

Your Company achieved turnover of Rs. 3063.07 lacs during the year 2011-2012 as against turnover of Rs.3390.37 lacs during the previous year and the Company has earned net profit of Rs. 94.57 lacs during 2011-2012 as against net profit of Rs.58.08 lacs during 2010-2011. After providing for prior period adjustments, the Company could make net profit of Rs.94.69 lacs during 2011-2012 as against net profit of Rs.58.08 lacs during 2010-2011. In spite of insufficient rain fall, improved network has helped the Company to maintain reasonable turnovers in the existing scenario. Company hopes fare better on the real estate and pesticides front during the current financial year. .

During the year 2011-12, the turnover decreased by 9.65% as compared to the turnover of 2010-11. The ratio of Manufacturing Expenses to the Sales during the year 2011-2012 is 78.77% as against 77.15% during 2010-2011. The ratio of Administrative, Selling and other expenses to the total expenditure is 20.39% during the year 2011-2012 as against 22.48% during 2010-2011. As on date, the Company's deployment of funds in Real estate is Rs. 100.07 lacs. However during the year, the Company has effected the sale of House plots to the extent of Rs. 22.75 lacs.

3. DIVIDEND

To conserve resources, the Board could not recommend any Dividend for the year 2011-12.

4. FIXED DEPOSITS:

Your Company has not accepted any deposits from the Public during the year.

5. AUDITORS :

M/s T. Adinarayana & Co., Chartered Accountants, Hyderabad, the Auditors of the Company retire at the conclusion of this Annual General Meeting and are recommended for reappointment. They have signified their willingness to accept the reappointment and have confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956.

6. DIRECTORS:

Mr P.Anjaneyulu and Mr C.N.Chary, Directors retire by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment. The approval of Shareholders is being sought now for their reappointment as per the provisions of the Companies Act, 1956.

7. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect

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to Directors' Responsibility Statement, it is hereby confirmed :

I. That in the preparation of the accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures:

II. That the Directors have selected such accounting policies and applied them consistently made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for the year under review:

III. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities:

IV. That the Directors have prepared the annual accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

8. RISK MANAGEMENT:

The Company proposes to evolve risk management mechanism as per the size and nature of Company's business.

9. INSURANCE:

Your Company's assets are adequately insured against the risk from fire, riots, earthquake, terrorism etc.

10. CORPORATE GOVERNANCE:

The Corporate Governance Report in terms of Clause 49 of the Listing Agreement is enclosed to this Report.

11. SECRETARIAL COMPLIANCE IN TERMS OF SECTION 383A OF COMPANIES ACT, 1956:

Secretarial Compliance certificate issued by M/s.Puttaparthi Jagannatham & Co., Company Secretaries is enclosed and forms part of this report.

12. PERSONNEL:

None of the Employees is covered under Sec.217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended.

13. PARTICULARS REGARDING ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO :

As required by Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, the relevant data pertaining to consumption of Energy, Technology Absorption, Foreign Exchange earnings and outgo are given in the Annexure to this report.

14. PAYMENT OF LISTING FEE:

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

15. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation for the esteemed support and co-operation received from M/s The Federal Bank Limited, Abids branch, Hyderabad. Your Directors also acknowledge the support and encouragement received from both Central and State Governments and also thank the Dealers, Distributors and Institutional Customers for their patronisation, support, feed back and encouragement. The Board also records its appreciation for the committed and dedicated services rendered by the employees and workers of the Company. The Board also thank the Shareholders for their support and confidence reposed in us.

For and on Behalf of the Board

N.Sudhakar
Director

Y.Nayudamma
Managing Director

Place : Hyderabad,
Date : 2nd August, 2012



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ANNEXURE TO DIRECTORS' REPORT : FORM A

The following are the particulars of the Company, as required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

Form for Disclosure of Particulars with respect to Conservation of Energy.

A. POWER AND FUEL CONSUMPTION:

	Current Year 31-03-2012	Previous year 31-03-2011
i. Electricity		
Purchased Units	72,429	73,271
Total amount (Rs)	4,43,936	4,23,707
Rate per Unit	6.13	5.78
ii. Own Generation		
Through Diesel		
Generator (Units)	35,550	50,127
Units per Ltr of		
Diesel Oil	3.95	3.85
Rate per Unit (Rs.)	11.41	10.55

B. CONSUMPTION PER UNIT OF PRODUCTION:

	Current Year 31-03-2012	Previous Year 31-03-2011
Production (Ltrs/Kgs)	24,08,163.00	26,26,836.00
Power Consumption		
per Litre/Kgs	0.045	0.047

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

The Company has adopted Indigenous Technology for manufacture of pesticides formulations and no imported technology is involved.

D. RESEARCH AND DEVELOPMENT (R&D):

The Company has an Inhouse R&D division for improving the quality, productivity and for developing the new viable products.

E. FOREIGN EXCHANGE EARNINGS AND OUT GO

a. i. Activities relating to exports:-

Various types of Pesticides Formulations.

ii. Initiative taken to increase exports:-

Maintain high quality standards and timely deliveries.

iii. Development of new export markets for products and services :-

Efforts are being made to develop new export markets.

iv. Export Plans :-

Proposes to have active plans for export

b. i. Total Foreign Exchange out flow :

Equivalent to Rs. 354.29 lacs (USD 7,34,986.00) towards Raw materials.

ii. Total Foreign exchange inflow:

Equivalent to Rs. Nil (USD Nil) towards Exports of Pesticides Formulations.

For and on Behalf of the Board

N.Sudhakar
Director

Y.Nayudamma
Managing Director

Place : Hyderabad

Date : 2nd August, 2012

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SECRETARIAL COMPLIANCE CERTIFICATE

In terms of Section 383A (1) of the Companies Act, 1956

Name of the Company	: M/S PHYTO CHEM (INDIA) LIMITED
Registration Number of the Company	: 01- 09500
Authorised Capital of the Company	: Rs.4,75,00,000=00
Paid Up Capital of the Company	: Rs.4,30,02,000=00

To
The Members of
M/S PHYTO CHEM (INDIA) LIMITED

We have examined the Registers, Records, Books and Papers of M/s PHYTO CHEM (INDIA) LIMITED as required to be maintained under the Companies Act, 1956 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2012** and in our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all Registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries have been duly recorded.
2. The Company has duly filed the Forms and Returns as stated in **Annexure 'B'** to this certificate with the Registrar of Companies, Andhra Pradesh within the time prescribed under the Act and the rules made thereunder.
3. Since the provisions of Section 3(1)(iii) of the Act, are not applicable to the Public Limited Company, no comments are required.
4. The Board of Directors duly met **Seven** times i.e. on 30th May, 2011, 29th July, 2011, 27th August, 2011, 26th September, 2011, 31st October, 2011, 14th February, 2012 and 22nd March, 2012 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 24th September, 2011 to 26th September, 2011 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on **31st March 2011** was held on **26th September, 2011** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. The Company has not conducted any Extraordinary General Meeting during the financial year.
8. The Company has not advanced any loans, given any guarantees or provided any securities to its Directors or Persons or Firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made requisite entries in the Register maintained under Section 301 of the Act. However there were no contracts entered by the Company during the financial year in which Directors were interested.



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11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has issued Duplicate Share Certificates during the financial year as per the provisions of the Act.
13. The Company:
 - i. Has delivered all certificates on transfer/transmission of securities and there were no cases for allotment of shares during the year.
 - ii. Was not required to deposit the amount of dividend since no dividend was declared during the financial year.
 - iii. Was not required to post any dividend warrants or transfer of unpaid dividends to Unpaid Dividend Account since no dividend was declared during the financial year..
 - iv. Was not required to transfer dividends to Investor Education and Protection Fund since there were no dividends remaining unclaimed or unpaid for a period of 7 years and there is no application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for period of seven years.
 - v. Has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancies during the financial year.
15. There was no appointment / reappointment of Wholetime Director during the financial year under the provisions of Section 269 read with Schedule XIII of the Act.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals from Central Government, Company Law Board, Registrar, Regional Director or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other Firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder and due entries were made in the Register of Contracts, Companies and Firms in which Directors, etc are interested.
19. The Company has not issued any Shares during the financial year
20. The Company has not bought back any Shares during the financial year.
21. There was no redemption of preference Shares during the year under review.

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22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted deposits from public during the year under the provisions of the Section 58A of the Companies Act, 1956 and rules framed thereunder.
24. The Company has made borrowings within the limits during the financial year.
25. During the year, the Company has not made loans and investments or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny and has complied with the provisions of the Act.
30. The Company has not altered its Articles of Association during the year under scrutiny and has complied with the provisions of the Act.
31. There was no prosecution initiated against or show cause notices received by the Company and no fine or penalty or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any amount as security from its employees during the financial year.
33. The Provisions of Section 418 of the Act are not applicable to the Company.

**For Puttaparthi Jagannatham & CO.,
Company Secretaries**

**Place : Hyderabad
Date : 2nd August, 2012**

**B.Rama
Partner
CP NO. 7739**



PHYTO CHEM (INDIA) LIMITED

ANNEXURES TO SECRETARIAL COMPLIANCE CERTIFICATE

Annexure 'A':

Registers as maintained by the Company:

1. Register of Charges u/s 143
2. Register of Members u/s 150
3. Minute Book containing Minutes of
-Board Meetings
-General Meetings (Section193)
4. Register of Contracts u/s 301
5. Register of Directors u/s 303
6. Register of Directors shareholding u/s 307
7. Register of Loans/Investments u/s 372A (5)

Annexure 'B':

Returns / Documents / Forms filed with the Registrar of Companies, Regional Directors, Central Government or other authorities during the financial year ended March 31, 2012.

I. Registrar of Companies

Sl.No.	Form No.	Filed Under Section	Description	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	8	135	Modification of Charge	21-10-2011	No	Yes
2.	23AC & ACA (XBRL)	220 (1)	Balance Sheet & Profit & Loss Account for the year ended 31st March, 2011	26-11-2011	Yes	N.A
3.	20B	159(1)	Annual Return for the year ended 31st March, 2011 and made upto 26th Sept. 2011	19-01-2012	No	Yes
4.	17	138	Satisfaction of Charge	21-10-2011	No	Yes

II. Regional Director/ Central Government & Other Authorities: Nil

For Puttaparthi Jagannatham & CO.,
Company Secretaries

Place: Hyderabad
Date : 2nd August, 2012

B.Rama
Partner
CP NO.7739

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Corporate Governance Report

1. Company Philosophy on Code of 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 8 Directors of which 3 are Promoter Directors. viz. Dr.P.Sreemannarayana, Mr.Y. Nayudamma and Dr. Y. Venkateswarlu. Seven Board Meetings were held during the period from April, 2011 to March, 2012 on the following dates:

30th May, 2011, 29th, July, 2011, 27th August, 2011, 26th September, 2011, 31st October, 2011, 14th February, 2012 and 22nd March, 2012.

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

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

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

3. Audit Committee:-

The Audit Committee comprises of Mr. N. Sudhakar as Chairman, Mr.C.N.Chary, Mr. T.A. Choudary and Mr. M. Balaramakrishnaiah as its Members. The role, terms of reference and authority and powers of the Audit Committee are in conformity with the requirements of Companies Act, 1956 and listing agreement. The Committee held 4 meetings during the year 2011-2012 i.e on 30th May, 2011, 29th July, 2011, 31st October, 2011 and 14th February, 2012 and the attendance at the meeting was as under :

S.No.	Name of the Member	Attendance Particulars
1.	Mr.N.Sudhakar	4
2.	Mr.C.N.Chary	1
3.	Mr.T.A.Choudary	3
4.	Mr.M.Balaramakrishnaiah	3

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

4. Remuneration Committee:-

Remuneration Policy

Remuneration Policy of the Company is summarised as follows :

a. For Managing Director :

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



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b. For Non-Executive Directors:

Sitting Fees is paid as per the Companies Act, 1956 and the Articles of Association of the Company for attending meetings of the Board or any committees of the Board, 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 Remuneration Committee comprises of Mr. C.N. Chary as Chairman and Mr. T.A.Choudary, Mr.N.Sudhakar & Mr.M.Balaramakrishnaiah as its Members and considers the remuneration of Executive Directors. The Committee was not required to meet during the year.

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	15000.00	—	—	—	15000.00
2.	Mr.Y.Nayudamma	Relative	—	—	720000.00	—	720000.00
3.	Dr.Y.Venkateswarlu	Relative	12500.00	—	—	—	12500.00
4.	Mr.P.Anjaneyulu	Relative	1000.00	—	—	—	1000.00
5.	Mr.C.N.Chary	—	6000.00	—	—	—	6000.00
6.	Mr.T.A.Choudary	—	16000.00	—	—	—	16000.00
7.	Mr.N.Sudhakar	—	19500.00	—	—	—	19500.00
8.	Mr.M.Balaramakrishnaiah	—	13500.00	—	—	—	13500.00

Sitting fee to Non-executive Directors is Rs. 2,500/- per each Board meeting & Rs.1000/- per each Committee meeting.

5. a. Shareholder(s) / Investor(s) Grievance & Redressal Committee:

The Shareholders / Investor's Grievance & Redressal Committee comprises of Mr. T. A. Choudary as Chairman, Mr. C.N. Chary, Mr. N. Sudhakar and Mr.Y.Nayudamma as Members. All the complaints were redressed and no complaints received during the year were pending either in the beginning or ending of the year. The details are given below :-

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

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

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b. Share Transfer Committee :

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

6. General Body Meetings:

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

- i 18th September 2009 at 11.30 A.M.
- ii 29th September 2010 at 11.30 A.M.
- iii 26th September, 2011 at 11.30 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.

7. Disclosures:

a. There were no transactions of material nature between the Company and the Directors or Management and their relatives or promoters that may have any potential conflict with interest of the Company. The details of the related party transactions have been given at 24.13 of the Notes to the Financial Statements.

b. There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the stock exchanges or SEBI or any other statutory authority on such matters during the last 3 years.

8. Means of Communication:

a. The Company publishes its quarterly, half yearly and annual results in the Business Standard and Andhra Prabha (Telugu). These results are submitted to the stock exchange in accordance with the Listing Agreement. Management Discussion and Analysis Report forms part of Director's report.

b. Website : www.phytochemindia.com

c. Email Id: investorsrelations@phytochemindia.com

9. General Shareholders Information:

a. Twenty Third Annual General Meeting :

Date, Time & Venue : Thursday, the 27th day of September, 2012 at 11.30 A.M.

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

b. Financial Calender:

Results	For 2011-12 were announced on	For 2012-13 will be announced by
First Quarter	29th July, 2011	14th August, 2012
Second Quarter/Half year	31st October, 2011	14th November, 2012
Third Quarter	14th February, 2012	14th February, 2013
Yearly - Audited Results	30th May, 2012	30th May, 2013

c. Dates of Book Closure :

25th September, 2012 to 27th September, 2012 both days inclusive.

d. Dividend Payment Date : Not Applicable

e. i. Stock Exchanges where listed :

The Stock Exchange, Mumbai , Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI - 400 001.

ii. Stock Code (BSE) : 524808



PHYTO CHEM (INDIA) LIMITED

f. Market Price Data :

The market price data High/Low during each month in the last financial year (2011-12) at the Stock Exchange, Mumbai is as follows:-

Period	Bombay Stock Exchange		
	High	Low	Volume
April, 2011	14.50	10.00	178225
May, 2011	15.00	10.99	19766
June, 2011	13.86	11.50	9869
July, 2011	13.32	10.55	3233
August, 2011	12.44	9.88	2823
September, 2011	12.75	9.87	2675
October, 2011	11.97	9.60	7132
November, 2011	11.55	10.00	12243
December, 2011	11.93	9.51	12219
January, 2012	10.85	9.71	1210
February, 2012	11.70	8.86	30282
March, 2012	11.00	9.55	17355

g. Share Transfer agent :

M/s Bigshare Services Private Limited, G-10, Left Wing, Amrutha Ville,
Opp : Yashoda Hospital, Somajiguda, Hyderabad - 500 082. Ph.No. 040-23374967.

h. Distribution of Shareholding by ownership as on 31-03-2012

Sl.No.	Shareholding Pattern	Shares	Share Holding %
1.	Promoters	1001047	23.28
2.	Indian Public	1975598	45.94
3.	NRI/OCB'S	449500	10.45
4.	Mutual Funds	8500	0.20
5.	Body Corporates	361578	8.41
6.	NRI - Non Promoters	503977	11.72
Total :		4300200	100.00

i. Distribution of Shareholding by size as on 31-03-2012:

Range of Shares	No.of Shareholders	No.of Shares	% of Shareholders	% of Holding
Upto 500	6698	906043	92.76	21.07
501-1000	209	183789	2.90	4.28
1001-2000	101	161411	1.40	3.76
2001-3000	48	118810	0.66	2.76
3001-4000	19	66312	0.26	1.54
4001-5000	21	99796	0.29	2.32
5001-10000	56	425954	0.78	9.90
10001 and above	69	2338085	0.95	54.37
Total:	7221	4300200	100.00	100.00

As on 31st March, 2012, 42.97% of shares were held in Dematerialised form and rest in physical form.

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

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k. Plant Location :

Survey No.628, Temple Street, Bonthapally - 502 313. Jinnaram Mandal, Medak District, A.P.

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

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

m. Address for Correspondence :

Shareholders Correspondence may be made with the Company's share transfer agents at the address given at (g) above. In case of any difficulty, shareholders may contact Mr. Y. Janakiramaiah, Compliance Officer at the Corporate Office at No. 8-3-229/23, First Floor, Thaherville, Yousufguda Checkpost, Hyderabad - 500 045, Andhra Pradesh.

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

DECLARATION BY M.D. (CEO) OF THE COMPANY ON CODE OF CONDUCT

As per the Revised Clause 49 of the Listing Agreement of the Stock Exchanges, I hereby declare that :

1. Code of Conduct for the Board Members & Senior Management of the Company was approved by the Board of Directors in the Board meeting and the same was adopted by the Company.
2. Code of Conduct adopted by the Company was circulated to the Members of the Board and Senior Management of the Company has been posted on the website of the Company.
3. All the Members of the Board and Senior Management of the Company have complied with all the provisions of the Code of Conduct.

For and on behalf of the Board

Place : Hyderabad,
Date : 2nd August,2012

**Y.Nayudamma
Managing Director**

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, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance, it is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that in respect of Investors Grievances received during the year ended 31st March, 2012, no investors grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

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

Place : Hyderabad,
Date : 2nd August, 2012

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



PHYTO CHEM (INDIA) LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS :

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

Pesticides industry has been playing predominant role in Agriculture Sector .However there are concerns Smaller size of the Company, the competition from other SMEs, increased cost of R & D are the major concerns.

There has been marginal improvement in Real Estate activity.

The SWOT Analysis are as follows:

STRENGTHS :

- The pragmatic thrust on Agriculture is a positive step to pesticides industry by the Government. So also the thrust on housing and Infrastructure.
- Brand, Image, quality and reliability of the Company products contributed to the establishment besides good marketing net work.
- Products are developed in line with changing requirement of the farmers/market.
- Demand for housing and Infrastructure continue to exist.
- Management proficiency and expertise.

WEAKNESS :

- Competition from SME manufacturers and big players.
- Seasonal vagaries affect the estimates and delays in realizations from customers and dealers.
- High cost of Research and Development.
- Huge capital requirement for Infrastructure.
- Competition among the SME segment both in Pesticides Formulations and Real Estate.

OPPORTUNITIES :

- Government policy on pesticides and infrastructure is positive .
- Good potential for Real Estate and Housing projects.
- Improved Marketing Network can contribute to expansion of markets.

THREATS :

- Competition from other players.
- Change in Government policies and Bank rates may affect progress of the Company.
- Drought and delays in arrival of rains may affect the pesticides market and inflation & interest rates also influence the demand for infrastructure activities.

Financial Analysis:

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

FUTURE OUTLOOK :

The Company is positive about the trends in the economy.

INTERNAL CONTROL PROCEDURES :

The Company has Audit Committee and has the mechanism to review the Internal Audit Control procedures. Periodic Audits of the processes and accounts are carried out internally through internal procedures.

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 . The management training schemes focus on developing future business managers. In house training is given to the employees to motivate and contribute to the enhanced productivity. Other development programmes are taken up for all levels of employees as the Company considers human resources as an invaluable asset.

CAUTIONARY STATEMENT:

The statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates or expectations may be "forward-looking" statements within the meaning of applicable Securities, Laws and Regulations. Actual results could differ materially from those expressed or implied and the achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and global market in which the Company operates, changes in the Government Regulations, Policies, Tax Laws and other statutes and other incidental factors.

For and on behalf of the Board

Place : Hyderabad
Date : 2nd August, 2012.

Y.Nayudamma
Managing Director

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T. ADINARAYANA & CO.
Chartered Accountants
806, Raghava Ratna Towers,
Chirag Ali Lane,
Hyderabad - 500 001.

AUDITORS' REPORT

To
The Members of
PHYTO CHEM (INDIA) LIMITED.

1. We have audited the attached Balance Sheet of M/S PHYTO CHEM (INDIA) LIMITED, as at 31st March, 2012, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (amendment) order 2004, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to paragraph above, we state that :
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - ii. 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 such books.
 - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub Section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
 - v. On the basis of the written representations received from the Directors, as on 31st March, 2012, and take on the record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2012 from being appointed as Directors in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Schedules and Notes and Accounting policies thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - b. in the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.
 - c. in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

Place: Hyderabad
Date : 30th May, 2012

Y.P.RAO
Partner
M.No.25266



PHYTO CHEM (INDIA) LIMITED

Annexure referred to in paragraph 3 of Auditors report of even date to the Members of M/S PHYTO CHEM (INDIA) LIMITED on the accounts for the Year ended 31st March, 2012.

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b. As explained to us, the Fixed Assets have been physically verified by the management according to the phased programme designed to cover all the Fixed Assets on rotation basis. In respect of Fixed Assets verified according to this programme, which is considered reasonable, no material discrepancies were noticed on such verification.
 - c. The Company has not disposed off substantial part of Fixed Assets which affects the going concern concept of the Company.
2. a. The inventories of the Company have been physically verified by the management during the year at reasonable intervals.
 - b. The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories and the discrepancies noticed on physical verification of stocks are compared to book record, which in our opinion were not material, have been properly dealt with in the books of account.
3. The Company has not granted / taken any loan, secured or unsecured, to / from Companies, Firms or other parties covered in the register maintained under section 301 of Companies Act, 1956. As such the provisions of 4 (iii) (b) (c) and (d) of the Companies (Auditor's Report) order, 2003 are not applicable to this Company in this year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, Fixed Assets and for the sale of goods and services. During the course of our audit, we have not observed any continuous failure to correct major weaknesses in the internal controls.
5. a. According to the information and explanations given to us, we are of the opinion that the contracts or arrangements referred to in sec 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section 301 of the Companies Act 1956.
 - b. In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts, or arrangements entered in the register maintained under Section 301 of Companies Act, 1956 and exceeding the value of Rs.5,00,000/- in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, where such prices are available.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the Public covered by the directions issued by the Reserve Bank of India and provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under by the Company Law Board in this regard are not applicable.
7. In our opinion the company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed without making a detailed examination of the records maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained.

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9. a. According to the records of the Company and as per the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duties, Excise Duties and Cess and other material statutory dues.
- b. There are no undisputed statutory dues in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs duty and cess which are outstanding at the year end for a period more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute as on 31st March, 2012.
10. As per the information and explanations given to us and an overall examinations of the financial statements of the Company for the current and immediately preceding financial year, we report that the Company does not have any accumulated losses at the end of the current financial year nor incurred cash losses in the current and the immediately preceding financial year.
11. According to the records of the Company, during the year, the Company has not defaulted in repayment of dues to financial institutions or banks or debentures holders.
12. As per the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. In our opinion, as the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for this year.
14. According to the records of the Company, the investments made in the nature of shares in other Companies are held in the name of the Company and necessary records recording the transaction and relevant entries have been maintained.
15. As per the information and explanations given to us, the Company has not given any guarantees for the Loans taken by others from Banks or financial institutions.
16. The Company has availed Term Loan during the period under audit. It has applied the funds for which purpose the term loan was sanctioned.
17. As per the information and explanation given to us and on an overall examination of the Balance Sheet and the Cash Flow statements of the Company, we are of opinion that no funds raised on short term basis have been used for long term investment.
18. As per the information and explanations given to us, during the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year, which requires the creation of security or charge.
20. During the year, the Company has not made any public issue for which the Management has to disclose the end use of money raised through that public issue.
21. As per the representation given by the Company and relied on by us, no fraud on or by the Company has been noticed or reported during the year.

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

Place:Hyderabad

Date: 30th May, 2012

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



PHYTO CHEM (INDIA) LIMITED

BALANCE SHEET AS AT 31-03-2012

Particulars	Notes	AS AT 31-03-2012 Rs.	AS AT 31-03-2011 Rs.
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS' FUNDS:</u>			
Share Capital	2	43002000.00	43002000.00
Reserves and Surplus	3	28651365.00	19182133.00
		<u>71653365.00</u>	<u>62184133.00</u>
<u>Non-current Liabilities</u>			
Long term borrowings	4	30650757.00	26947260.00
Trade payables		0.00	0.00
Other long term liabilities		0.00	0.00
Long term provisions		0.00	0.00
		<u>30650757.00</u>	<u>26947260.00</u>
<u>Current Liabilities</u>			
Short term borrowings	5	70277439.00	49912231.00
Trade payables	6	62723241.00	27954363.00
Other Current Liabilities	7	22836698.00	24484902.00
Short term provisions	8	5917235.00	3276298.00
		<u>161754613.00</u>	<u>105627794.00</u>
TOTAL		<u>264058735.00</u>	<u>194759187.00</u>
<u>ASSETS</u>			
<u>Non-current Assets</u>			
Fixed Assets			
Tangible assets	9	22710034.00	20446114.00
Intangible assets		0.00	0.00
Capital work-in-progress		6821205.00	0.00
Non-current investments	10	3215668.00	3215668.00
Long term loans and advances	11	717494.00	667494.00
Trade receivables		0.00	0.00
Other non-current assets		0.00	0.00
		<u>33464401.00</u>	<u>24329276.00</u>
<u>Current Assets</u>			
Current Investments		0.00	0.00
Inventories	12	96282440.00	49412543.00
Trade receivables	13	120737990.00	109015251.00
Cash and bank balances	14	4547719.00	809845.00
Short term loans and advances	15	9026185.00	11192272.00
		<u>230594334.00</u>	<u>170429911.00</u>
TOTAL		<u>264058735.00</u>	<u>194759187.00</u>

Statement on Significant Accounting Policies 1

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

Per our Report of even date annexed.

For T.Adinarayana & Co.,
Chartered Accountants

For and on behalf of the Board of Directors

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

N. Sudhakar
Director

Y. Nayudamma
Managing Director

Place : Hyderabad
Date : 30 May, 2012.

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	Notes	<u>YEAR ENDED</u> <u>31-03-2012</u>	<u>YEAR ENDED</u> <u>31-03-2011</u>
		Rs.	Rs.
<u>CONTINUING OPERATIONS</u>			
<u>INCOME</u>			
Revenue from operations (gross)	16	303048815.00	336710004.00
Less: Excise Duty		<u>33744722.00</u>	<u>33363805.00</u>
Revenue from operations (net)		269304093.00	303346199.00
Other Income	17	<u>3258557.00</u>	<u>2327262.00</u>
Total Revenue (I)		<u>272562650.00</u>	<u>305673461.00</u>
<u>EXPENSES</u>			
Cost of raw material and components consumed	18	195812087.00	220139422.00
Purchase of traded goods		0.00	0.00
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	19	-8753349.00	-4942603.00
Employee benefits expenses	20	16420499.00	11274072.00
Other expenses	21	42947113.00	49292416.00
Exceptional Items	22	<u>985125.00</u>	<u>15164010.00</u>
Total (II)		<u>247411475.00</u>	<u>290927317.00</u>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		25151175.00	14746144.00
Depreciation and amortization expenses		2446264.00	2393725.00
Financial costs	23	<u>7498847.00</u>	<u>3477942.00</u>
Profit before tax		<u>15206064.00</u>	<u>8874477.00</u>
<u>Tax expense</u>			
Current tax		5917235.00	3276298.00
Deffered tax		<u>(180403.00)</u>	<u>(209339.00)</u>
Total tax expense		<u>5736832.00</u>	<u>3066959.00</u>
Profit for the year from continuing operations		<u>9469232.00</u>	<u>5807518.00</u>
Profit for the year		<u>9469232.00</u>	<u>5807518.00</u>

Statement on Significant Accounting Policies 1
The accompanying Notes are an integral part of the Financial Statements.

Per our Report of even date annexed.

**For T.Adinarayana & Co.,
Chartered Accountants**

For and on behalf of the Board of Directors

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

Place : Hyderabad
Date : 30 May, 2012.

N.Sudhakar
Director

Y. Nayudamma
Managing Director



PHYTO CHEM (INDIA) LIMITED

Earnings Per Equity Share	FOR THE YEAR ENDED	FOR THE YEAR ENDED
	31st March, 2012	31st March, 2011
Annualised earning for Equity Shares have been calculated based on the net Profit after tax and prior period adjustments of Rs.94.69 lakhs (Previous year Rs.58.08 lacs) and number of Equity Shares in issue during the year of 43,00,200 (Previous year 43,00,200)	Rs. 2.20	Rs. 1.35

Basic and diluted earning per share

Basic earnings per Equity Shares 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.

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STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTES - 1

Significant Accounting Policies:

- System of Accounting : The Company follows Mercantile system of accounting and recognises income and expenditure on accrual basis. The accounts are prepared on historical cost basis as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and applicable Accounting Standards unless otherwise stated.
- 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.
- Fixed Assets : Fixed Assets are stated at cost less depreciation and cost of assets includes acquisition and installation expenses which are directly attributable for bringing the assets into working condition.
- Depreciation : Depreciation has been provided on straight line method at the rates specified in the Schedule XIV of the Companies Act,1956.
- Inventories : i. Stocks of raw materials, packing materials, house plots and consumables are valued at lower of cost and net realisable value. Rates are determined on FIFO basis
ii. Finished goods are valued at cost of conversion and other cost incurred in bringing the inventories to their present location and condition (plus other overheads) or net realisable value, whichever is lower.
- 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.
- 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.
- Cenvat : Cenvat benefit is accounted for by reducing from the purchase cost of raw materials and adjusted against the excise duty liability.
- Excise Duty: Excise Duty in respect of goods manufactured by the company and lying in the Factory is accounted on accrual basis.
- Investments : Investments are stated at cost. All the investments are long term and diminution in market value is not considered unless diminution is permanent.
- Foreign Currency Transaction : Foreign currency transactions are recorded at the exchange rates prevailing as on the date of transaction. Earning or losses due to fluctuations in exchange rates are recorded as income or expenditure in the year of settlement and charged to Profit & Loss A/c.

I. 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 employee's 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 assets 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



PHYTO CHEM (INDIA) LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

	AS AT 31-03-2012 Rs.	AS AT 31-03-2011 Rs.
NOTES - 2		
Share Capital		
a. Authorised Capital 47,50,000 of equity shares (Previous year 47,50,000 equity shares)	47500000.00	47500000.00
b. Issued and subscribed capital 43,00,200 of equity shares (fully paid) (Previous year 43,00,200 equity shares)	43002000.00	43002000.00
c. Par value per share Rs.10/-each List of share holders holding more than 5% of shares: NIL	<u>43002000.00</u>	<u>43002000.00</u>
NOTES - 3		
Reserves & surplus		
a. Surplus balance in P/L account as per last balance sheet	19182133.00	13374615.00
b. Profit for the year	9469232.00	5807518.00
	<u>28651365.00</u>	<u>19182133.00</u>
NOTES - 4		
Long Term Borrowings		
a. Term Loan		
- From banks (Federal Bank) (Secured by hypothecation of Buildings, plant & Machinery and further guaranteed by Managing Director in his personal capacity)	5000000.00	0.00
- From other parties (Financial Institutes) (secured by hypothecation of vehicles)	359309.00	392672.00
b. Deferment of sales tax liability (Unsecured) (Commercial Tax Dept)	20549440.00	21632177.00
c. Deferred tax liabilities	<u>4742008.00</u>	<u>4922411.00</u>
	<u>30650757.00</u>	<u>26947260.00</u>
NOTES - 5		
Short Term Borrowings		
a. Loans repayable on demand		
- From banks (Secured Loans) (Secured by hypothecation of stock in Trade & Book debts and further guaranteed by Managing Director in his personal capacity)	70247439.00	49882231.00
b. Security Deposits	<u>30000.00</u>	<u>30000.00</u>
	<u>70277439.00</u>	<u>49912231.00</u>
NOTES - 6		
Trade payables		
Sundry Creditors		
- Amounts outstanding to SME	5942848.00	
- Outstanding to others	56780393.00	
	<u>62723241.00</u>	<u>27954363.00</u>
NOTES - 7		
Other Current Liabilities		
a. Amount due to vehicle loan lenders for the coming 12 months	526434.00	495385.00
b. Advances received from customers	3742916.00	8595941.00
c. Liabilities for expenses	18567348.00	15393576.00
	<u>22836698.00</u>	<u>24484902.00</u>
NOTES - 8		
Short Term Provisions		
a. Provision for Income Tax	5917235.00	3276298.00
	<u>5917235.00</u>	<u>3276298.00</u>

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NOTES - 9 Notes to Financial Statements for the year ended 31st March, 2012

Non Current Assets

a. Tangible Assets

SL NO.	Assets	Fixed Assets											
		Gross Block					Depreciation					Net Block	
		As on 01-04-2011 (Rs.)	Additions (Rs.)	Deductions (Rs.)	As on 31-03-2012 (Rs.)	As on 01-04-2011 (Rs.)	For the Period (Rs.)	Adjustments (Rs.)	As on 31-03-2012 (Rs.)	As on 31-03-2012 (Rs.)	As on 31-03-2011 (Rs.)		
1.	Land	730705.00	0.00	0.00	730705.00	0.00	0.00	0.00	0.00	730705.00	730705.00		
2.	Buildings	9771573.00	1159224.00	0.00	10930797.00	4463295.00	351654.00	0.00	4814949.00	6115848.00	5308278.00		
3.	Plant & Machinery	24479371.00	540629.00	0.00	25020000.00	14811163.00	1178144.00	0.00	15989307.00	9030693.00	9668208.00		
4.	Furniture - I	333815.00	0.00	0.00	333815.00	333815.00	0.00	0.00	333815.00	0.00	0.00		
5.	Furniture - II	21224.00	962319.00	0.00	983543.00	2455.00	7408.00	0.00	9863.00	973680.00	18769.00		
6.	Vehicles	4763495.00	1070485.00	153767.00	5880213.00	1641051.00	500566.00	98743.00	2042874.00	3637339.00	3122444.00		
7.	Office equipment	1175254.00	23000.00	0.00	1198254.00	1034914.00	140544.00	0.00	1175458.00	22796.00	140340.00		
8.	Generator	870650.00	0.00	0.00	870650.00	628842.00	41356.00	0.00	668198.00	202452.00	243808.00		
9.	Electrical equipment	874063.00	217221.00	0.00	1091284.00	831851.00	65336.00	0.00	897187.00	194097.00	42212.00		
10.	Lab equipment	941384.00	646228.00	0.00	1587612.00	316389.00	62630.00	0.00	379019.00	1208593.00	624995.00		
11.	Computers	577880.00	146102.00	0.00	723982.00	31525.00	98626.00	0.00	130151.00	593831.00	546355.00		
	Total	44539414.00	4765208.00	153767.00	49150855.00	24093300.00	2446264.00	98743.00	26440821.00	22710034.00	20446114.00		
b.	Capital Work-in-progress	0.00	6821205.00	0.00	6821205.00	0.00	0.00	0.00	0.00	6821205.00	0.00		
c.	Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		

NOTES - 10

Non-current Investments

a. Investments in Equity shares (Trade)

170	HDFC Bank	AS AT 31-03-2012 Rs.	AS AT 31-03-2011 Rs.
500	Kale Consultants Ltd., of Rs.10/- each	15045.00	15045.00
500	Hindustan Lever Ltd., of Rs.10/- each	49840.00	49840.00
48	Nexgen Animation Media Ltd &	85440.00	85440.00
120	Silver Line Technologies	333359.00	333359.00
3700	Anjani Portland	42540.00	42540.00
1000	Trident Limited	37291.00	37291.00
1000	Alok Industries	70700.00	70700.00
5000	Computech International	65942.00	65942.00
1000	Ginni Filaments	22830.00	22830.00
70000	- Bheema cements Ltd of Rs.10/- each	2377281.00	2377281.00

Aggregate Book Value of Quoted Investments :
(Aggregate Market Value : Rs. 1572386)

b. Investments in Government Shares

c. Investments in Equity Shares (Non-trade)

(500 Jeedimetia Effluent Treatment Ltd., of Rs.100/- each)

3100268.00	3100268.00	AS AT 31-03-2012 Rs.	AS AT 31-03-2011 Rs.
65400.00	65400.00	15045.00	15045.00
50000.00	50000.00	49840.00	49840.00
		85440.00	85440.00
		333359.00	333359.00
		42540.00	42540.00
		37291.00	37291.00
		70700.00	70700.00
		65942.00	65942.00
		22830.00	22830.00
		2377281.00	2377281.00
		3100268.00	3100268.00
		65400.00	65400.00
		50000.00	50000.00
		3215668.00	3215668.00



PHYTO CHEM (INDIA) LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

	AS AT 31-03-2012 Rs.	AS AT 31-03-2011 Rs.
NOTES - 11		
Long Term Loans & Advances		
a. Security Deposits	572494.00	522494.00
b. Advances to related parties (unsecured)	145000.00	145000.00
	717494.00	667494.00
NOTES - 12		
Inventories		
a. Raw materials	45138676.00	9536637.00
b. Finished Goods	26999456.00	17351107.00
c. Packing Materials	14137308.00	11622799.00
d. House Plots	10007000.00	10902000.00
	96282440.00	49412543.00
Valuation		
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.		
NOTES - 13		
Trade Receivables (Unsecured, considered good)		
a. Debtors outstanding for a period exceeding 6 months	42442906.00	109015251.00
b. Other debts (unsecured considered good)	78295084.00	0.00
	120737990.00	109015251.00
NOTES - 14		
Cash and Bank Balances		
a. Balance with banks	299569.00	89862.00
b. Cash on Hand	48150.00	169983.00
c. Fixed deposits with banks as margin money		
I. will mature within the year : 3650000.00		
II. will mature after the year : 550000.00	4200000.00	550000.00
	4547719.00	809845.00
NOTES - 15		
Short Term Loans & Advances		
a. Others	9026185.00	11192272.00
	9026185.00	11192272.00

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Notes to Financial Statements for the year ended 31st March, 2012

NOTES - 16	FOR THE YEAR ENDED 31st March, 2012 Rs.	FOR THE YEAR ENDED 31st March, 2011 Rs.
Revenue from operation		
a. Sale of Pesticides	300773815.00	328096004.00
Less: Excise Duty	<u>33744722.00</u>	<u>33363805.00</u>
	267029093.00	294732199.00
b. Sale of House plots	<u>2275000.00</u>	<u>8614000.00</u>
	<u>269304093.00</u>	<u>303346199.00</u>
NOTES - 17		
Other Income		
a. Interest	144309.00	0.00
b. Discounts	3065048.00	1482004.00
c. Dividends	15660.00	10385.00
d. Exchange Fluctuations	0.00	834873.00
e. Bad Debts Recovered	21720.00	0.00
f. Prior Period Income	<u>11820.00</u>	<u>0.00</u>
	<u>3258557.00</u>	<u>2327262.00</u>
NOTES - 18		
Cost of Material consumed:		
a. Raw materials consumed		
Opening Stock	9536637.00	
Add: Purchases	<u>213742950.00</u>	
	223279587.00	
Less: Closing Stock	<u>45138676.00</u>	178140911.00
(Product wise details are given at Notes 24)		205035411.00
b. Packing materials consumed		
Opening Stock	11622799.00	
Add: Purchases	<u>20185685.00</u>	
	31808484.00	
Less: Closing Stock	<u>14137308.00</u>	15104011.00
	<u>17671176.00</u>	<u>15104011.00</u>
	<u>195812087.00</u>	<u>220139422.00</u>
NOTES - 19		
Changes in Inventories of Finished Goods		
Opening Stock	28253107.00	23310504.00
Closing Stock	<u>37006456.00</u>	<u>28253107.00</u>
Net (increase) / decrease	<u>-8753349.00</u>	<u>-4942603.00</u>
in Pesticides :	-9648349.00	
in House Plots :	<u>895000.00</u>	
	<u>-8753349.00</u>	
NOTES - 20		
Employee Benefit Expenses		
a. Salaries and wages		
Salaries - Factory	1861588.00	1704216.00
Wages - Factory	668824.00	473764.00
Office Staff - Salaries	1843891.00	1342327.00
Directors Remuneration	720000.00	570000.00
Salaries Marketing	5662542.00	3383798.00
Directors TA & DA	246381.00	260971.00
Office Staff & Marketing TA & DA	<u>2633654.00</u>	<u>1710660.00</u>
	<u>13636880.00</u>	<u>9445736.00</u>



PHYTO CHEM (INDIA) LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

	FOR THE YEAR ENDED 31st March, 2012 Rs.	FOR THE YEAR ENDED 31st March, 2011 Rs.
b. Contribution to PF and ESI		
Provident Fund	834695.00	584973.00
ESI	311667.00	205202.00
Earn Leaves	177769.00	15384.00
Staff Welfare	889704.00	659461.00
Bonus	517853.00	350091.00
Gratuity	51931.00	13225.00
	<u>2783619.00</u>	<u>1828336.00</u>
	<u>16420499.00</u>	<u>11274072.00</u>

NOTES - 21

Other Expenses

Consumption of Stores & Spares	79458.00	61558.00
Power & Fuel	849656.00	952655.00
Rent	603290.00	466316.00
Repairs to Machinery	1393671.00	681934.00
Insurance	392789.00	261247.00
Rates & Taxes	71970.00	58609.00
First Aid & Medical Expenses	7532.00	29464.00

Audit Expenses:-

Statutory Audit & Tax Audit	40000.00	
Internal Audit	<u>45000.00</u>	
	85000.00	85000.00
Selling & Distribution Expenses	18642499.00	26984301.00
Net Loss/ (Gain) on foreign currency transaction & translation	110657.00	0.00
Freight Charges Inward	2441016.00	1616467.00
Import Clearing Charges	806629.00	230945.00
Safety Devices	110044.00	82210.00
Job Work Charges	321817.00	0.00
E.D, E.C & SHEC on difference in Opening & Closing of Finished goods	249824.00	289043.00
Administration Expenses	3615347.00	3842889.00
Sales Taxes	13145865.00	13602945.00
Loss on sale of vehicles	20049.00	46833.00
	<u>42947113.00</u>	<u>49292416.00</u>

NOTES - 22

Exceptional Items

Bad Debts	<u>985125.00</u>	<u>15164010.00</u>
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NOTES - 23

Financial Cost

Interest paid to Banks	6221696.00	3038326.00
Other borrowing costs	1277151.00	439616.00
	<u>7498847.00</u>	<u>3477942.00</u>

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Notes to Financial Statements for the year ended 31st March, 2012

NOTES - 24

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

	Year ended 31-03-2012 (Rs. in lacs)	Year ended 31-03-2011 (Rs. in lacs)
i. Raw materials :	675.78	248.45
ii. Components and spareparts :	Nil	Nil
iii. Capital Goods :	Nil	Nil

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

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

I. Raw material consumption (Product wise):

	Year ended 31-03-2012 (Rs. in lacs)	Year ended 31-03-2011 (Rs. in lacs)
a. Technicals	1623.01	1881.87
b. Solvents, Emulsifiers & others	158.40	168.48
Total	1781.41	2050.35

II. Raw material Consumption (Percentage)

	Year ended 31-03-2012			Year ended 31-03-2011		
	Qty. (Kgs) in	Rs. Lacs	Percentate of Consumption	Qty. (Kgs)	Rs. in Lacs	Percentate of Consumption
a Imported	1,13,533	512.33	4.90	73,368	356.02	2.51
b Indigeneous	22,03,465	1269.08	95.10	28,45,638	1694.33	97.49
Total	23,16,998	1781.41	100.00	29,19,006	2050.35	100.00

D. Earnings in foreign exchange : Nil

NOTES - 25

Contingent Liabilities:

- i. Import Letter of credit of USD: 6,38,800.00 equivalent to Rs.318.98 Lacs (Previous Year - USD Nil equivalent to Rs. Nil Lacs)
- ii. Inland Letter of credit of Rs. NIL (Previous year - Rs. Nil Lacs)
- iii. Unexpired Bank Guarantees Rs. NIL (Previous Years - Nil Lacs)



PHYTO CHEM (INDIA) LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

NOTES - 26

Remuneration of Managing Director:

	FOR THE YEAR ENDED 31st March, 2012	FOR THE YEAR ENDED 31st March, 2011
	Rs.	Rs.
Managing Director	7,20,000	5,70,000
	7,20,000	5,70,000

NOTES - 27

Auditors Remuneration:

Audit Fee(Statutory & Internal)	80,000	80,000
Tax Audit fee	5,000	5,000
Service Tax	8,755	8,755
	93,755	93,755

NOTES - 28

The Sales Tax liability is being accumulated in view of sanction of deferment by the Government of Andhra Pradesh and the same is shown under unsecured loans.

NOTES - 29

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 - 30

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 - 31

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 31.3.2012	59,42,848.00
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 : The above said outstanding amount to MS&ME are due for less than 45 days as on 31-03-2012.

NOTES - 32

The Company has suffered a loss of Rs.1,10,657.00 due to fluctuation in foreign exchange rate and the same is debited to P&L A/c.

NOTES - 33

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

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Notes to Financial Statements for the year ended 31st March, 2012

NOTES - 34

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 31.03.2012. 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:

i. Table showing changes in present value of obligation as on 31.03.2012:	
Present value of obligation as at beginning of the year	549559.00
Interest cost	43965.00
Current service cost	90001.00
Benefits paid	103212.00
Actuarial (gain)/ loss on obligations	403909.00
Present value of obligations as at end of year	984222.00
ii. Table showing changes in fair value of plan asset as on 31.03.2012:	
Fair value of plan asset as at beginning of the year	624967.00
Expected return on plan asset	50555.00
Contributions	35038.00
Benefits paid	103212.00
Actuarial (gain)/ loss on plan asset	NIL
Fair value of plan asset as at end of year	607348.00
iii. Table showing in fair value of plan asset	
Fair value of plan asset as at beginning of the year	624967.00
Actual return on plan asset	50555.00
Contributions	35038.00
Benefits paid	103212.00
Fair value of plan asset as at end of year	607348.00
Funded status	376874.00
Excess of actual over estimated return on plan asset	NIL
(Actual rate of return = Estimated rate of return as ARD falls on 31 st march 2012)	
iv. Actuarial gain/loss recognized as on 31.03.2012	
Actuarial gain/loss on obligations	403909.00
Actuarial gain/loss for the year- plan asset	NIL
Total gain/loss for the year	403909.00
Actuarial gain/loss recognized in the year	403909.00
v. a Financial Asumptions	
Discount rate	8.00%
Salary Excalation	4.00%
b Demographic Assumption	
Retirement age of the employees of the Comapny are assumed at 58 years.	



PHYTO CHEM (INDIA) LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

NOTES - 35

Segment Reporting as per Accounting Standard 17:-

A. Geographical Segment Reporting:-

Particulars	For the year 2011-2012 (Rs. in Lacs)			For the year 2010-2011 (Rs. in Lacs)		
	A.P.	Others	Total	A.P.	Others	Total
Sales	2650.54	379.95	3030.49	2716.85	650.25	3367.10
Segment Expenses	2011.19	288.36	2299.55	2080.34	468.02	2548.36
Segment Revenue	639.35	91.59	730.94	636.51	182.23	818.74
Unallocated						
Corporate Expenses	-	-	536.48	--	-	718.48
			194.46	--	-	100.26
Interest expenses	-	-	74.99	--	-	34.78
Operating profit	-	-	119.47	--	-	65.48
Add : Other Income	-	-	32.59	--	-	23.27
			152.06	--	-	88.75
Less : Income Tax	-	-	57.37	--	-	30.67
Profit from ordinary Activity	-	-	94.69	--	--	58.08
profit after tax	-	-	94.69	--	-	58.08
Segment Assets	1898.06	272.14	2170.20	1690.62	117.80	1808.42
Unallocated						
Corporate Assets	-	-	470.39	-	-	139.17
Total			2640.59	--	--	1947.59
Segment Liabilities	662.31	2.35	664.66	360.00	5.50	365.50
Unallocated Corporate Liabilities	-	-	1975.93	-	-	1582.09
Total			2640.59			1947.59

Other Information:-

The Company is manufacturing Pesticides Formulations operating its marketing activity of Pesticides Formulations in the States of Andhra Pradesh, Karnataka and Maharashtra. The products of the Company are being sold at large scale in these States through its dealers and distributors network.

B. Information about product Segmentation:-

The Company has entered into real estate market and sold some Land (House Plots). Product segmentation is as under.

Information about Product Segment

(Rs. in Lacs.)

S.No.	Particulars	2011-2012			2010-2011		
		Pesticides	Real Estate	Total	Pesticides	Real Estate	Total
1.	Sales	3007.74	22.75	3030.49	3280.96	86.14	3367.10
2.	Other Income	32.59	--	32.59	23.27	--	23.27
3.	Increase / Decrease in stock	96.48	-8.95	87.53	85.51	-36.08	49.43
4.	Segment Revenue (1+2+3)	3136.81	13.80	3150.61	3389.74	50.06	3439.80
5.	Segment Expenses	2997.80	0.75	2998.55	3349.05	2.00	3351.05
6.	Segment Results						
	Net Profit before Tax (4-5)	139.01	13.05	152.06	40.69	48.06	88.75
7.	Income Tax Provision			57.37			30.67
8.	Profit before ordinary activities (6-7)			94.69			58.08
9.	Net Profit			94.69			58.08

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Notes to Financial Statements for the year ended 31st March, 2012

NOTES - 36

Related parties disclosure : The Company has the transactions with the following related parties on account of share holdings by key management personnel and their relatives .

A. Particulars of Associate Company :

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

B. Key Management Personnel :

Name of the Related Party	Nature of Relationship
Mr.Y.Nayudamma	Managing Director
Mr.P.Anjaneyulu	Director

C. Transactions with Associate Company :

	31-3-2012	31-3-2011
1. Advance for capital works	--	23,00,000.00
Rasasri Infrastructures Pvt. Ltd		

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

1. Mr. Y. Nayudamma - Remuneration	7,20,000.00	5,70,000.00
2. Mr. P. Anjaneyulu - Sitting Fee	1,000.00	2,000.00

NOTES - 37

The Company follows Accounting Standard (AS22) "Accounting for Taxes on Income" as notified by Companies Accounting Standard Rules, 2006. The Company has deferred tax asset 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.

	2011-12 (In Rs.)	2010-11 (In Rs.)
Deferred Tax Liability (opening balance)	49,22,411.00	51,31,750.00
Less: Deferred Tax Asset for the year :		
Depreciation as per Companies Act	2446264.00	
Rule 8D	9342.00	
Provision for leave encashment	175000.00	
Loss on sale of vehicles	20049.00	
Depreciation as per IT Act.	-2051168.00	
Dividends	-15660.00	
	583827.00	
Deferred rate of tax @ 30.9%	1,80,403.00	2,09,339.00
Differed tax liability as on 31-03-2012	47,42,008.00	49,22,411.00

NOTES - 38

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



PHYTO CHEM (INDIA) LIMITED

Notes to Financial Statements for the year ended 31st March, 2012

<u>NOTES - 39</u>	<u>31-03-2012</u>	<u>31-03-2011</u>
A. Particulars of capacity, Production and sales		
i. Installed Capacity (Ltrs)	36,50,000.00	36,50,000.00
ii. Production (Ltrs)		
Pesticides Formulations	24,08,163.00	26,26,836.00
iii. Sales	(Ltrs/Kgs)	Rs.
		(in Lacs)
1. Pesticides Formulations	23,99,625.00	3007.74
2. Real Estate (Sft.)	4,475.00	22.75
		(Ltrs/Kgs)
		Rs.
		(in Lacs)
		25,56,492.00
		18,042.00
		<u>3030.49</u>
		<u>3367.10</u>

B. Details of Opening and Closing Stock:

	Qty.	Rs.	Qty.	Rs.
	(Ltrs/Kgs)	(in lacs)	(Ltrs/Kgs)	(in lacs)
Finished Goods				
Pesticides Formulations				
Opening Stock	1,36,223.00	173.51	65,879.00	88.00
Closing Stock	1,44,762.00	269.99	1,36,223.00	173.51
Land				
Opening Stock	54,510.00 (Sft)	109.02	72,552.00 (Sft)	145.10
Closing Stock	50,035.00 (Sft)	100.07	54,510.00 (Sft)	109.02

NOTES - 40

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
Partner
M.No.25266**

**N.Sudhakar
Director**

**Y.Nayudamma
Managing Director**

**Place : Hyderabad
Date : 30th May, 2012**

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BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registrartion Details		State code	
Registration No.	01-09500/88-89		
Balance Sheet date	31	03	2012
	Date	Month	Year
II Capital raised during the year (Rs. in thousands)			
Public Issue	- Nil	Right Issue	- Nil
Bonus Issue	- Nil	Private Placement	- Nil
III Position of Mobilisation and Deployment of Funds (Rs.in thousands)			
Total Liabilities	- 1,73,078	Total Assets	- 1,73,078
SOURCES OF FUNDS:			
Paid-up Capital	- 43,002	Reserves & Surplus	- 28,651
Secured Loans	- 76,133	Unsecured Loans	- 20,549
Deferred Tax	- 4,742		
APPLICATION OF FUNDS:			
Net Fixed Assets	- 22,710	Investments	- 3,216
Net Current Assets	- 1,40,331	Misc. Expenditure	- ---
IV Performance of Company (Rs.in thousands)			
Turnover	- 3,15,032	Total Expenditure	- 2,99,859
(Including other income and increase/decrease in stock.)			
Profit before Tax	- 15,194	Profit after Tax	- 9,469
		& Prior Period Adjustments	
Earning per share	- 2.20	Divident Rate	- Nil
in Rs.10/-			
V Generic Names of three principal			
Products of the Company.			
Product Description	Item Code (ITC Code)		
Pesticides Formulations	38081090		

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 30th May, 2012

N. Sudhakar
Director

Y. Nayudamma
Managing Director



PHYTO CHEM (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2011-2012

	2011-2012 (Rs. In Lacs)	2010-2011 (Rs. In Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax and Extraordinary item	152.06	88.74
Adjustment for:		
Depreciation	24.46	23.94
Interest Paid	62.22	30.38
Less Other Income	<u>-32.59</u>	<u>-23.27</u>
Operating Profit before working capital changes	206.15	119.79
Adjustment for:		
Trade and other receivables	-96.07	-433.38
Inventories	-468.70	-28.53
Trade Payables	<u>357.31</u>	<u>201.11</u>
Cash generated from operations	-1.31	-141.01
Interest Paid	-62.22	-30.38
Direct Taxes paid & provided	<u>-59.17</u>	<u>-32.76</u>
Cash flow before extra-ordinary items	-122.70	-204.15
Extra-ordinary items (differed tax)	1.80	2.09
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>-120.90</u>	<u>-202.06</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-115.86	-13.51
Purchase of Investments	--	-23.78
Sale of Fixed Assets	0.55	1.98
Add: Other Income	<u>32.59</u>	<u>23.27</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>-82.72</u>	<u>-12.04</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of share capital (State Subsidy)	---	---
Proceeds from short term borrowings	203.96	222.93
Proceeds from long term borrowings	<u>37.04</u>	<u>-4.68</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>241.00</u>	<u>218.25</u>
Net increase in cash and cash equivalents (A+B+C)	37.38	4.15
Cash and Cash equivalents (Opening Balance)	<u>8.10</u>	<u>3.95</u>
Cash and Cash equivalents (Closing Balance)	<u>45.48</u>	<u>8.10</u>

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 30th May, 2012

N.SUDHAKAR
Director

Y. Nayudamma
Managing Director

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

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of M/s. Phyto Chem (India) Ltd., derived from the Audited Annual Financial Statements for the year ended 31st March, 2012, and found the same drawn in accordance with and also with the requirements of Clause 32 of the Listing Agreement with Bombay Stock Exchange.

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

Place : Hyderabad
Date : 30th May, 2012

Y.P.Rao
Partner
M.No.25266

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PHYTO CHEM (INDIA) LTD.

Sy.No.628, Temple Street, Bonthapally-502 313,
Jinnaram Mandal, Medak Dist., Andhra Pradesh.

ATTENDANCE SLIP

THE COMPANY DOES NOT HAVE THE PRACTICE OF PROVIDING GIFTS TO MEMBERS AT THE ANNUAL GENERAL MEETING.

Particulars to be completed by Member/Proxy

Name of the Member.....

Member's Regd., Folio

No. of Shares held

Name of Proxy, if attending on behalf of a member.....

I hereby record my presence at the Twenty Third Annual General Meeting to be held at the Registered Office of M/s **Phyto Chem (India) Ltd.**, Sy.No.628, Temple Street, Bonthapally-502 313, Jinnaram Mandal, Medak District. Andhra Pradesh on Thursday, the 27th day of September, 2012 at 11.30 a.m.

Signature of Member/Proxy.



PHYTO CHEM (INDIA) LTD.

Sy.No.628, Temple Street, Bonthapally-502 313,
Jinnaram Mandal, Medak Dist., Andhra Pradesh.

PROXY FORM

I/We.....being member
of M/s **PHYTO CHEM (INDIA) LTD**, bearing Folio No.....hereby
appoint.....of.....or failing
him/her.....of.....as
my/our proxy to attend and vote for me/us and on my/our behalf as indicated below at the
Twenty Third Annual General Meeting of the Company, to be held on Thursday, the 27th day
of September, 2012 at 11.30 a.m. at Registered Office of the Company at Sy.No.628, Temple Street,
Bonthapally - 502313, Jinnaram Mandal, Medak District, Andhra Pradesh and at any adjournment
thereof. Signed this.....day of.....2012.

Affix
Re. 1/-
Revenue
Stamp

Signature.....

Note: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. Proxy need not be a member. Proxies to be valid should be lodged with the Company atleast 48 hours before the commencement of the meeting.

BOOK - POST

Printed Matter

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PHYTO CHEM (INDIA) LIMITED

Survey No. 628, Temple Street, Bonthapally-502 313,
Jinnaram Mandal, Medak Dist, Andhra Pradesh.

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