

Phyto Chem - Annual Report - 2020-21

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, Senior Management and Key Managerial Personnel, 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. Five Board Meetings were held during the period from April 2020 to March 2021 on the following dates:

29th June 2020, 14th September 2020, 12th November 2020, 28th December 2020, and 12th February 2021.

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	5	Yes	4
3.	Mr. Y. Janaki Ramaiah	E.D	E & NI	5	Yes	1
4.	Dr. Y. Venkateswarlu	Director	NE & NI	-	No	-
	a. Mr. K. Srinivasa Rao	Alternate Director	NE & NI	1	No	1
5.	Mr. P. Anjaneyulu	Director	NE & NI	2	No	3
6.	Mr. T.A. Choudary (upto 12-11-2020)	Director	NE & I	3	NA	-
7.	Mr. N. Sudhakar (upto 12-11-2020)	Director	NE & I	1	NA	-
8.	Mrs. S. Kavitha Rani (upto 12-11-2020)	Director	NE & I	3	NA	-
9.	Dr. G.S.R. Anjaneyulu	Director	NE & I	5	Yes	-
10.	Mr. M. Sree Ram Murthy	Director	NE & I	4	Yes	3
11.	Mr. K. Ravindra Babu (w.e.f. 28-12-2020)	Director	NE & I	2	Yes	1
12.	Mr. S.Y. Sampat Kumar (w.e.f. 28-12-2020)	Director	NE & I	2	Yes	4
13.	Mrs. G. Vijitha (w.e.f. 28-12-2020)	Director	NE & I	1	No	2

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

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, Senior Management and Key Managerial Personnel' (Code of Conduct) and is available on the Company's website. The Directors, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the Code of Conduct as at 31st March 2021.



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4. Audit Committee:

The Company has a qualified and independent Audit Committee comprising five 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, 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 2020-21 i.e. on 29th June 2020, 14th September 2020, 12th November 2020 and 12th February 2021 and the attendance at the meetings was as under:

S.No.	Name of the Member	Attendance Particulars	Category
1.	Dr. G. S. R. Anjaneyulu	4	Chairman
2.	Mr. N. Sudhakar (upto 12-11-2020)	1	Member
3.	Mr. T. A. Choudary (upto 12-11-2020)	3	Member
4.	Mrs. S. Kavitha Rani (upto 12-11-2020)	3	Member
5.	Mr. M. Sree Ram Murthy	3	Member
6.	Mr. K. Ravindra Babu (w.e.f. 28-12-2020)	1	Member
7.	Mr. S. Y. Sampat Kumar (w.e.f. 28-12-2020)	1	Member
8.	Mrs. G. Vijitha (w.e.f. 28-12-2020)	1	Member

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. G. S. R. Anjaneyulu, Chairman, Audit Committee was present in the last Annual General Meeting.

5. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee held two meetings during the year 2020-21 i.e., 14th September 2020 and 12th November 2020 with the following members :

Sl.No	Name of the Member	Attendance	Category
1.	Mr. M. Sree Ram Murthy	1	Chairman
2.	Mr. T. A. Choudary (upto 12-11-2020)	2	Member
3.	Mr. N. Sudhakar (upto 12-11-2020)	-	Member
4.	Mrs. S. Kavitha Rani (upto 12-11-2020)	2	Member
5.	Dr. G.S.R. Anjaneyulu	2	Member
6.	Mr. K. Ravindra Babu (w.e.f. 28-12-2020)	-	Member
7.	Mr. S. Y. Sampat Kumar (w.e.f. 28-12-2020)	-	Member
8.	Mrs. G. Vijitha (w.e.f. 28-12-2020)	-	Member

Remuneration Policy:

Remuneration Policy of the Company is summarised as follows:

a. 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.

b. 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.

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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 functions 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.

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

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

c. Remuneration:

i. 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 and Key Managerial Personnel.

ii. 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	25000.00	—	—	—	25000.00
2.	Mr. Y. Nayudamma	Relative	—	—	3499920.00	—	3499920.00
3.	Mr. Y. Janaki Ramaiah	Relative	—	—	1743703.00	—	1743703.00
4.	Mr. P. Anjaneyulu	Relative	10000.00	—	—	—	10000.00
5.	Dr. Y. Venkateswarlu	Relative	—	—	—	—	—
	a. Mr. K. Srinivasa Rao	Relative	5000.00	—	—	—	5000.00
6.	Mr. T.A. Choudary (upto 12-11-2020)	—	24000.00	—	—	—	24000.00
7.	Mr. N. Sudhakar (upto 12-11-2020)	—	8000.00	—	—	—	8000.00
8.	Mrs. S. Kavitha Rani (upto 12-11-2020)	—	24000.00	—	—	—	24000.00
9.	Dr. G. S. R. Anjaneyulu	—	40000.00	—	—	—	40000.00
10.	Mr. M. Sree Ram Murthy	—	32000.00	—	—	—	32000.00
11.	Mr. K. Ravindra Babu (w.e.f. 28-12-2020)	—	24000.00	—	—	—	24000.00
12.	Mr. S. Y. Sampath Kumar (w.e.f. 28-12-2020)	—	24000.00	—	—	—	24000.00
13.	Mrs. G. Vijitha (w.e.f. 28-12-2020)	—	19000.00	—	—	—	19000.00



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Sitting fee to Non-executive Directors is Rs.5,000/- for each Board meeting, Rs.1500/- for each Audit Committee, Nomination and Remuneration Committee, Performance Evaluation Committee, Risk Management Committee, Stakeholders Relationship Committee, Independent Directors Committee and Share Transfer Committee meetings.

6. Performance Evaluation Committee:

The Performance Evaluation Committee met once on 12th February 2021 during the year 2020-21. The attendance record of the members at the meeting was as follows:

Sl.No.	Name of the Member	Attendance	Category
1	Mr. K. Ravindra Babu (w.e.f. 28-12-2020)	1	Chairman
2.	Dr. G.S.R. Anjaneyulu	1	Member
3.	Mr. M. Sree Ram Murthy	1	Member
4.	Mrs. G. Vijitha (w.e.f. 28-12-2020)	1	Member
5.	Mr. S.M. Sampath Kumar (w.e.f. 28-12-2020)	1	Member

7. Risk Management Committee:

The Risk Management Committee met once on 12th February 2021 during the year 2020-21. The attendance record of the members at the meeting was as follows:

Sl.No.	Name of the Member	Attendance	Designation
1.	Mr. Y. Nayudamma	1	Chairman
2.	Dr. G.S.R. Anjaneyulu	1	Member
3.	Mr. M. Sree Ram Murthy	1	Member
4.	Mr. K. Ravindra Babu (w.e.f. 28-12-2020)	1	Member
5.	Mrs. G. Vijitha (w.e.f. 28-12-2020)	1	Member
6.	Mr. S.Y. Sampath Kumar (w.e.f. 28-12-2020)	1	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 comprises 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' Committee Meeting:

During the year under review, the Committee comprises of Mr. S. Y. Sampath Kumar (w.e.f. 28-12-2020) as Chairperson, Dr. G. S. R. Anjaneyulu, Mr. M. Sree Ram Murthy, Mr. K. Ravindra Babu (w.e.f. 28-12-2020) and Mrs. G. Vijitha (w.e.f. 28-12-2020) as its members. All the members met once on 12th February 2021 inter-alia, to discuss the following items of business:

- 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.

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9. a. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee comprises of Dr. G. S. R. Anjaneyulu as Chairman, Mr. T. A. Choudary (upto 12-11-2020), Mr. N. Sudhakar (upto 12-11-2020), Mrs. S. Kavitha Rani (upto 12-11-2020), Mr. Y. Nayudamma, and Mr. M. Sree Ram Murthy as its Members. All the Committee met once on 29th June 2020 during the year 2020-21.

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	0	0	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	0	0	0
6.	Non - receipt of Dividend Warrants	0	0	0
7.	Other Letters	7	7	0

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. Y. Janaki Ramaiah as Convenor, Mr. B. Sambasiva Rao as Member, and Mr. Pavansingh Thakur 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 2018 at 12:15 P.M
- ii. 25th September 2019 at 12:15 P.M
- iii. 28th December 2020 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 and Liquidity:

As on 31st March 2021, 81.75% of the shares of your Company have been dematerialised. As the trading of/ transfer of your Company shares are being conducted only in electronic form and all other members holding shares in physical form are requested to convert their shareholdings to electronic form at the earliest.

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

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the 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 under review in respect of the Sexual Harassment of Women at workplace.



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13. 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.

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

f. Certificate from Company Secretary in Practice:

M/s. Puttapparthi Jagannatham & Co., Practicing Company Secretaries, have issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as Annexure - A.

14. 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 permission of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. Website : www.phytochemindia.com
- c. E-mail Id : investorsrelations@phytochemindia.com

15. General information for members:

a. Thirty Second Annual General Meeting:

Date, Time & Venue: Monday, the 27th day of September 2021 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 Calendar:

Results	For 2020-21 were announced on	For 2021-22 will be announced by
First Quarter	14 th September 2020	14 th August 2021
Second Quarter/ Half Year	12 th November 2020	14 th November 2021
Third Quarter	12 th February 2021	14 th February 2022
Yearly- Audited Results	30 th June 2021	30 th May 2022

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c. Dates of Book Closure:

21st September 2021 to 27th September 2021 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 (2020-21) 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 2020	25.05	18.10	7,174
May 2020	27.80	23.85	484
June 2020	30.00	24.20	2,342
July 2020	28.20	21.10	3,988
August 2020	27.85	22.15	7,934
September 2020	25.85	20.80	4,582
October 2020	26.95	19.40	10,012
November 2020	26.40	20.45	24,638
December 2020	27.25	20.30	1,23,502
January 2021	32.60	24.05	80,612
February 2021	26.90	19.95	65,767
March 2021	22.20	16.05	94,964

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 31-03-2021:

Sl. No.	Shareholding Pattern	Shares	Shareholding %
1	Promoters	1737393	40.40
2	Indian Public	2224162	51.72
3	Mutual Funds	8000	0.19
4	Body Corporates	234839	5.46
5	NRI- Non Promoters	78116	1.82
6	Clearing Members	17690	0.41
	Total:	4300200	100.00

i. Distribution of Shareholding by size as on 31-03-2021:

Range of Shares	No. of Shareholders	No. of Shares	% of Shareholders	% of Holding
Upto 500	6491	8697480	91.68	20.23
501-1000	272	2279020	3.84	5.30
1001-2000	135	2086510	1.91	4.85
2001-3000	48	1184770	0.68	2.76
3001-4000	25	900060	0.35	2.09
4001-5000	15	690370	0.21	1.61
5001-10000	41	2833590	0.58	6.59
10001 and above	53	24330200	0.75	56.58
Total	7080	43002000	100.00	100.00



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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. Pavansingh Thakur, Compliance Officer at the Corporate Office at No.8-3-229/23, First Floor, Thaherville, Yousufguda Checkpost, Hyderabad - 500 045, Telangana, at e-mail : 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, Key Managerial Personnel and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March 2021.

**Place : Hyderabad
Date : 14th August 2021**

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

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

To

The Board of Directors

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

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, 2021 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 : 14th August 2021

Y. Nayudamma
Chief Executive Officer
DIN: 00377721

B. Sambasiva Rao
Chief Financial Officer



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Auditor's Report on Corporate Governance

To
The Members of Phyto Chem (India) Limited

We have examined the relevant records relating to compliance of conditions of Corporate Governance by Phyto Chem (India) Limited ("the Company"), for the year ended 31st March 2021, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the year ended 31st March 2021.

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 compliance with the 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 above mentioned Listing Regulations.

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

For Puttaparthi Jagannatham & Co.

Navajyoth Puttaparthi
Practicing Company Secretary
COP No: 16041: M. NO: F9896
UDIN: F009896C000775089

Place : Hyderabad
Date : 12th August 2021