



**Twentyfirst Annual Report
2009-2010**



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.
Orient Estate, Abids,
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.8-3-319/8/11, Sai Saradhi Nagar,
Behind Saradhi Studios, Yellareddyguda,
HYDERABAD - 500 073.
Phone No. : 040-23756684, 23756685.

REGISTERED OFFICE & FACTORY

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

NOTICE

Notice is hereby given that the Twentyfirst Annual General Meeting of the Members of M/s Phyto Chem (India) Limited will be held on Wednesday, the 29th day of September, 2010 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 2010, Profit and Loss Account 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 Dr. P. Sreemannarayana, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. M.Balaramakrishnaiah, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. T.A.Choudary, who retires by rotation and being eligible, offers himself for reappointment.
5. 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 Second Annual General Meeting at such remuneration as may be fixed by the Board of Directors and reimbursement of out of pocket expenses".

For and on behalf of the Board

Place: Hyderabad,
Date : 30th July, 2010.

Y.Nayudamma
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 Register of Members and the Register of Share Transfers will remain closed from 28th September, 2010 to 29th September, 2010 (both days inclusive).
3. 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.
4. All documents referred to in the above notice are open for inspection at the Registered Office of the Company during office hours.

Additional information in respect of the Directors appointed/reappointed.

Dr.P.Sreemannarayana

Dr.P.Sreemannarayana, aged about 63 years, is a Post-Graduate in Medicine, Non-Resident Indian. He has been the Chairman of the Company since 1995.

Mr. M.Balaramakrishnaiah

Mr.M.Balaramakrishnaiah, Chartered Accountant, aged about 59 years, worked for more than three decades in M/s. Andhra Pradesh Industrial Development Corporation Limited (APIDC), Government of A.P. undertaking in different departments like Finance, Accounts, Project Appraisal, Monitoring, Rehabilitation etc. After taking voluntary retirement as General Manager (Finance), he worked as Officer on Special Duty in M/s. Share Medical Care, a Society running Hospitals, Medical



PHYTO CHEM (INDIA) LIMITED

College and Nursing Colleges. Presently working as Chief Financial Officer in & Executive Director in M/s.EBC Bearings (India) Limited, Hyderabad. He is Member of Audit Committee and Remuneration Committee.

Mr.T.A.Choudary

Mr. T.A. Choudary aged about 64 years, is a B.E. in Electrical Engineering and also a Post Graduate in Business Management. He has versatile experience of over 30 Years in the fields of Project Management , Finance and he has retired as Chief General manager from APIDC. He is Member of Audit Committee, Remuneration Committee and Chairman of Investors Grievance & Redressal Committee.

For and on behalf of the Board

Place: Hyderabad,
Date : 30th July, 2010.

Y.Nayudamma
Managing Director

DIRECTOR'S REPORT

Dear Shareholders,
Your Directors have pleasure in presenting the Twentyfirst Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS :

The financial results for the year ended 31st March, 2010 are summarised as under:

Particulars	(Rs. in lacs)	
	2009-10	2008-09
Sales / Income	1746.25	1276.64
Profit before depreciation and tax	41.18	39.44
Depreciation	20.33	20.90
Profit before Tax	20.85	18.54
Provision for Tax :		
Current Tax	8.15	9.14
Deferred Tax	--	--
Profit after Tax	12.70	9.40
Prior Period Adjustments	0.08	0.57
Profit after Prior Period Adjustments	12.62	8.83

2. REVIEW OF OPERATIONS AND DIVIDEND:

Your Company achieved a turnover of Rs. 1746.25 lacs during the year 2009-2010 as against a turnover of Rs.1276.64 lacs during the previous year and the Company has earned net profit of Rs. 12.70 lacs during 2009-2010 as against net profit of Rs.9.40 lacs during 2008-2009. After providing for prior period adjustments, the Company could make net profit of Rs. 12.62 lacs during 2009-2010 as against net profit of Rs.8.83 lacs during 2008-2009. Due to timely rains and favourable crop pattern, the turnovers of the Company are increased. Because of the slow down in Real estate, there has been little activity in the Real estate. The Management is expecting the Real estate activity may pick up during the year 2010 -2011.

During the year 2009-2010, the turnover increased by 36.78% as compared to the turnover of 2008-2009. The ratio of Manufacturing Expenses to the sales during the year 2009-2010 is 80.03 % as against 74.67% during 2008-2009. The ratio of Administrative, Selling and other expenses to the total expenditure is 17.33% during the year

2009-2010 as against 24.77% during 2008-2009. As on date, the Company's deployment of funds in Real estate is Rs. 145.10 lacs. However during the year, the Company has effected the sale of House plots to the extent of Rs. 46.8 lacs.

Your Board of Directors could not recommend any dividend for the year 2009 - 2010 as sufficient profits are not available.

3. FIXED DEPOSITS:

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

4. 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.

5. DIRECTORS:

Dr.P.Sreemannarayana, Mr.M.Balarama Krishniah and Mr.T.A.Choudary Directors retire by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment. The approval of shareholders is being sought now as per the provisions of the Companies Act, 1956.

6. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed :

(I) That in the preparation of the accounts for the financial year ended 31st March, 2010, 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, 2010 on a 'going concern' basis.

7. RISK MANAGEMENT:

In line with Corporate Governance practices, during the current year an exclusive exercise is under way to bring in a model regulating risk management mechanism given the size and nature of Company's business.

8. INSURANCE:

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

9. CORPORATE GOVERNANCE:

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

10. SECRETARIAL COMPLIANCE IN TERMS OF SEC 383A OF COMPANIES ACT:

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

11. 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.

12. 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.

13. PAYMENT OF LISTING FEE:

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



PHYTO CHEM (INDIA) LIMITED

14. 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, 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 warm appreciation for the committed and dedicated services rendered by the employees and workers of the Company. The Board also thank the shareholders for their unstinted support and confidence reposed in us.

For and on Behalf of the Board

C.N. Chary
Director

Y.Nayudamma
Managing Director

Place : Hyderabad,
Date : 30th July, 2010.

ANNEXURE TO DIRECTOR'S REPORT FORM A

The following are the particulars of the Company, as required under Section 217 (1) (a) 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 31-03-2010	Previous year 31-03-2009
i) Electricity		
Purchased Units	60,954	56,585
Total amount (Rs)	3,21,870	3,45,444
Rate per Unit	5.28	6.10
ii) Own Generation		
Through Diesel Generator (Units)	63,180	18,910
Units per Ltr of Diesel Oil	3.90	3.05
Rate per Unit (Rs.)	9.31	11.57

B) CONSUMPTION PER UNIT OF PRODUCTION:

	Current Year 31-03-2010	Previous Year 31-03-2009
Production (Litrs/Kgs)	25,34,391.00	16,12,401
Power Consumption per Litre/Kgs	0.049	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. 102.49 lacs (USD 218000/-) 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

C.N. Chary
Director

Y.Nayudamma
Managing Director

Place : Hyderabad,
Date : 30th July, 2010

SECRETARIAL COMPLIANCE CERTIFICATE

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

Name of the Company	: 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
PHYTO CHEM (INDIA) LIMITED

We have examined the Registers, Records, Books and Papers of *PHYTO CHEM (INDIA) LIMITED* as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2010** 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 there under 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 there under.
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 **Six times on 24th April 2009, 29th June 2009, 29th July 2009, 18th September 2009, 30th October 2009 and 30th January 2010** 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 17th September, 2009 to 18th September, 2009 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 2009** was held on **18th September 2009** 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.



PHYTO CHEM (INDIA) LIMITED

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 not issued any Duplicate Share Certificates during the financial year.
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 vacancy during the financial year.
15. The reappointment of Managing Director has been made in compliance with the provisions of section 269 read with Schedule XIII of the Act and there was no appointment / reappointment of WholetimeDirector during the financial year.
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 there under 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.

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 there under.
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 fines or penalties 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

Date: 30-07-2010
Place: Hyderabad

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 (Section 193)
- 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, 2010.

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.	23	192	Registration of Resolution & Agreement	25.08.2009	No	Yes
2.	25C	269(2)	Reappointment of Mr.Y.Nayudamma as Managing Director	25.08.2009	Yes	No
3.	23AC & ACA	220(1)	Balance sheet & Profit & Loss Account for the year ended 31st March, 2009 18-09-2009	12.10.2009	Yes	No
4.	66	383A	Secretarial Compliance Certificate for the year ended 31st March, 2009	25.09.2009	Yes	No
5.	20B	159(1)	Annual Return for the year ended 31st March, 2009 and made upto 18.09.2009	16.11.2009	Yes	No

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

For Puttaparthi Jagannatham & Co.,
Company Secretaries

Date: 30-07-2010
Place: Hyderabad

B.Rama
Partner
CP NO.7739

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.

Six Board Meetings were held during period April 2009 to March 2010 on the following dates:

24th April, 2009; 29th June 2009; 29th July 2009; 18th September, 2009; 30th October, 2009 and 30th January, 2010.

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	5	Yes	1
2.	Mr. Y. Nayudamma	M.D	E&NI	6	Yes	2
3.	Dr. Y. Venkateswarlu	Director	NE&NI	2	Yes	-
4.	Mr. P. Anjaneyulu	Director	NE&NI	1	-	2
5.	Mr. C.N. Chary	Director	NE&I	5	-	-
6.	Mr. T.A. Choudary	Director	NE&I	6	Yes	1
7.	Mr. N. Sudhakar	Director	NE&I	6	Yes	-
8.	Mr. M. Balaramakrishnaih	Director	NE&I	6	Yes	2

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

3. Committees of the Board

1) Audit Committee:-

The Audit Committee comprises of Mr. N. Sudhakar as Chairman, Mr.C.N.Chary,Mr. T.A. Chowdary and Mr. M. Balaramakrisnaiah 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 2009-2010 on 29th June, 2009, 28th July, 2009, 29th October, 2009 and 30th January, 2010 and the attendance at the meeting was as under :

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

The Audit Committee discusses with the Statutory Auditors on the "Limited Review" of the quarterly / half-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.

2) 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 Senior Managerial Personnel.



PHYTO CHEM (INDIA) LIMITED

(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 held one meeting during the year 2009-10 i.e. 29th June 2009 and the attendance at the meeting was as under:

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

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

Sl. No		Relationship with other Directors	Sitting Fees Rs.	Commission on Profits Rs.	Salary & Allowances Rs.	Perquisites Rs.	Total Rs.
1.	Dr.P.Sreemannarayana	Relative	5000.00	—	—	—	5000.00
2.	Mr.Y.Nayudamma	Relative	—	—	400000.00	—	400000.00
3.	Dr.Y.Venkateswarlu	Relative	2000.00	—	—	—	2000.00
4.	Mr.P.Anjaneyulu	Relative	1000.00	—	—	—	1000.00
5.	Mr.C.N.Chary	—	7500.00	—	—	—	7500.00
6.	Mr.T.A.Choudary	—	8500.00	—	—	—	8500.00
7.	Mr.N.Sudhakar	—	8500.00	—	—	—	8500.00
8.	Mr.M.Balarama-krishnaiah	—	8500.00	—	—	—	8500.00

Sitting fee to Non-executive Directors is Rs. 1,000/- per each Board meeting & Rs.500/- per each Committee meeting.

3) (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	7	7	--
2.	Non-receipt of Share Certs./Bonus Shares	--	--	--
3.	Issue of Duplicate Share Certificates	1	1	--
4.	Non-receipt of Demat Confirmations/Rejections	--	--	--
5.	Revalidation of Refund Orders	--	--	--
6.	Other Letters	3	3	--

PHYTO CHEM - ANNUAL REPORT - 2009 - 2010

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

(b) Share Transfer Committee :

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

4. 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) 29th September, 2007 at 11.30 A.M.
- (ii) 24th September, 2008 at 11.30 A.M.
- (iii) 18th September 2009 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.

5. 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 under Item No. 13 of Note to Accounts.

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.

6. Means of Communication:

(a) The Company publishes its quarterly, half yearly and annual results in the Business Standard , Deccan Chronicle, Financial Express, (English) and Andhra Prabha, Andhra Bhoomi (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

7. General Shareholders Information:

a) Twentyfirst Annual General Meeting :

Date, Time & Venue : Wednesday, the 29th September, 2010 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 2009 -10 were announced on	For 2010-11 will be announced by
First Quarter	29th July, 2009	31st July, 2010
Second Quarter/Half year	30th October, 2009	31st October, 2010
Third Quarter	30th January, 2010	31st January, 2011
Yearly - Audited Results	31st May, 2010	31st May, 2011

(c) Dates of Book Closure :

28th September, 2010 to 29th September, 2010 both the days inclusive.

(d) Dividend Payment Date : Not Applicable



PHYTO CHEM (INDIA) LIMITED

(e) i) Stock Exchanges where listed :

The Stock Exchange, Mumbai , Phiroze Jeejeebhoy 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 (2009-2010) at the Stock Exchange, Mumbai is as follows:-

Period	Bombay Stock Exchange		
	High	Low	Volume
April, 2009	7.87	7.11	502
May, 2009	7.30	4.53	14844
June, 2009	6.58	5.03	4396
July, 2009	6.55	5.23	1366
August, 2009	6.30	4.64	4922
September, 2009	6.12	4.99	29884
October, 2009	5.65	4.70	7343
November, 2009	5.48	4.34	22411
December, 2009	6.98	4.57	33168
January, 2010	6.72	5.20	30758
February, 2010	6.22	4.76	13881
March, 2010	5.68	4.76	9376

(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 31-03-2010

Sl.No.	Shareholding Pattern	Shares	Share Holding %
1.	Promoters	1329226	30.91
2.	Indian Public	2089961	48.60
3.	NR/OCB'S	565400	13.15
4.	Mutual Funds	8500	0.20
5.	Body Corporates	307113	7.14
Total :		4300200	100.00

(i) Distribution of Shareholding by size as on 31-03-2010 :

Range of Shares	No. of Shareholders	No. of Shares	% of Shareholders	% of Holding
Upto 500	6968	953819	92.75	22.18
501-1000	232	202457	3.09	4.71
1001-2000	96	155568	1.28	3.62
2001-3000	58	143759	0.77	3.34
3001-4000	18	61787	0.24	1.44
4001-5000	20	94569	0.26	2.20
5001-10000	56	419272	0.74	9.75
10001 and above	65	2268969	0.87	52.76
Total:	7513	4300200	100.02	100.00

As on 31st March, 2010, 37.29% of shares were held in Dematerialised form and rest in physical form.

(j) Your Company has not issued any GDR's/ADR's/Warrants or any convertible instruments or ESOPS

(k) Plant Location :

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

(l) 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. 8-3-319/8/11, Sai Saradhi Nagar, Behind Saradhi Studios, Yellareddyguda, Hyderabad, - 500 073, A.P.

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

DECLARATION BY MD (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 : 30th July, 2010

**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, 2010 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, 2010, 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 the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Hyderabad,
Date : 30th July, 2010

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



PHYTO CHEM (INDIA) LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS :

Phyto Chem (India) Limited is presently carrying on the business in two segments i.e. Pesticides Formulations and the Real Estate Activities. In the agriculture sector, pesticides industry has been playing important role. The size of the Company as compared to bigger Companies and the competition from other SME's. Increased cost of R & D are the major concerns. The Real Estate activity which slowed down last year is yet to gain its momentum.

The SWOT Analysis are as follows:

STRENGTHS :

The pragmatic thrust on Agriculture is a positive step to pesticides industry by the Government. Thrust is being continued on housing and Infrastructure.

The Company products are well known and has good marketing net work. Demand for housing and infrastructure continuous to exist. Promoters back ground.

WEAKNESS:

Competition from SME manufacturers and other players. Realisation of dues from customers and dealers. High cost of Research and Development. Huge capital requirement for Infrastructure. Too many players in SME segment both in Pesticides Formulations and Real Estate.

OPPORTUNITIES:

Encouraging Government policy on pesticides and infrastructure.
Opportunities in real estate activity and increase of demand for housing.

THREATS :

Competition from other players and change in Government policy may effect the prospects of the Company. Changes in the Government policy and change in the Bank rates have bearing on the demand for Housing and Infrastructure. The Financial Analysis of the Company have been detailed in Director's Report under para of Review of Operations.

FUTURE OUTLOOK :

The Company is optimistic 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 has a team of able and experienced staff and executives and the relation with the employees remained cordial through the year. Its management training schemes strive to develop business managers of tomorrow. In house training is given to the employees to induce contribution for enhanced productivity and development programmes for all levels of employees are being given as the company considers human resources are 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 markets 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 : 30th July, 2010

Y.Nayudamma
Managing Director

T. ADINARAYANA & Co.
CHARTERED ACCOUNTANTS
806, RAGHAVA RATNA TOWERS,
CHIRAG ALI LANE,
HYDERABAD - 500 001.

AUDITOR'S 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, 2010, 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, 2010, and take on the record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2010 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 hereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - ii) in the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.
 - iii) in the case of Cash Flow Statement of the Cash Flows for the year ended on that date.

for T.Adinarayana & Co.,
Chartered Accountants

Place : Hyderabad
Date : 31st May, 2010

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, 2010.

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.

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, 2010.
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. According to record of the Company, the company has not raised any term loans during the year.
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 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.Adlarayana & Co.,
Chartered Accountants

Y.P.Rao
Partner
M.No.25266

Place:Hyderabad
Date: 31st May, 2010.



PHYTO CHEM (INDIA) LIMITED

BALANCE SHEET AS AT 31-03-2010

	Schedule No.	AS AT 31-03-2010 Rs.	AS AT 31-03-2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS:			
Capital	I	4,30,02,000.00	4,30,02,000.00
Reserves & Surplus	II	1,33,74,614.66	1,21,12,584.07
LOAN FUNDS			
Secured Loans	III	2,84,76,619.13	4,38,95,579.05
Unsecured Loans	IV	2,21,00,972.32	1,89,10,935.62
Deferred Tax Liability	V	51,31,750.00	51,31,750.00
TOTAL		<u>11,20,85,956.11</u>	<u>12,30,52,848.74</u>
APPLICATION OF FUNDS			
		Rs.	
FIXED ASSETS			
	VI		
Gross Block		4,43,73,515.39	4,13,20,467.88
Less: Depreciation		<u>2,24,78,063.24</u>	<u>2,07,81,878.73</u>
Net Block		2,18,95,452.15	2,05,38,589.15
Capital work In Progress		0.00	2,44,113.00
INVESTMENTS			
	VII	8,38,386.76	8,37,386.76
CURRENT ASSETS, LOANS & ADVANCES			
	VIII		
A) Inventories		4,65,60,275.94	5,25,94,882.12
B) Sundry Debtors		6,98,79,516.87	6,01,84,073.02
C) Cash & Bank Balances		3,94,968.59	2,80,640.07
D) Loans & Advances		<u>76,56,762.91</u>	<u>74,07,212.60</u>
		12,44,91,524.31	12,04,66,807.81
Less: CURRENT LIABILITIES & PROVISIONS	IX	<u>3,51,39,407.11</u>	<u>1,90,34,047.98</u>
NET CURRENT ASSETS:		8,93,52,117.20	10,14,32,759.83
TOTAL		<u>11,20,85,956.11</u>	<u>12,30,52,848.74</u>

Notes to Accounts

XVIII

Schedule I to IX and Notes to Accounts in schedule XVIII form part of the Balance Sheet.

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 : 31st May, 2010

C.N.Chary
Director

Y. Nayudamma
Managing Director

PHYTO CHEM - ANNUAL REPORT - 2009 - 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule No.	<u>YEAR ENDED</u> 31-03-2010 Rs.	<u>YEAR ENDED</u> 31-03-2009 Rs.
<u>INCOME:</u>			
Gross Sales	X	17,33,64,476.48	12,72,82,576.81
Less : Excise Duty		<u>1,55,63,679.00</u>	<u>1,47,77,339.50</u>
Net Sales		15,78,00,797.48	11,25,05,237.31
Other Income	XI	12,61,770.00	3,80,970.51
Increase/Decrease in Stock of Finished Goods	XII	<u>-48,22,454.71</u>	<u>5,20,131.97</u>
Total		<u>15,42,40,112.77</u>	<u>11,34,06,339.79</u>
<u>EXPENSES:</u>			
Manufacturing Expenses	XIII	12,31,79,195.23	8,02,58,958.11
Administrative and Selling Expenses	XIV	2,00,96,685.48	1,79,77,934.90
Financial Charges	XV	49,18,671.51	75,89,994.30
Depreciation		20,33,274.00	20,89,985.00
Bad Debts		<u>20,40,179.56</u>	<u>36,35,255.71</u>
Total		<u>16,78,31,684.78</u>	<u>12,63,29,467.52</u>
Profit before Tax		19,72,106.99	18,54,211.77
Bad Debts Recovered		<u>1,12,779.60</u>	<u>0.00</u>
Net Profit before Tax		20,84,886.59	18,54,211.77
Provision for Income Tax		8,15,000.00	8,40,000.00
Provision for Fringe Benefit Tax		0.00	74,000.00
Profit after Tax		<u>12,69,886.59</u>	<u>9,40,211.77</u>
Prior Period Adjustments	XVI	<u>7,856.00</u>	<u>57,258.00</u>
Profit after Prior Period Adjustments		<u>12,62,030.59</u>	<u>8,82,953.77</u>
Deferred Tax		<u>0.00</u>	<u>0.00</u>
Net Profit		12,62,030.59	8,82,953.77
Profit brought forwarded		<u>1,13,38,084.07</u>	<u>1,04,55,130.30</u>
Surplus carried to Balance Sheet		<u>1,26,00,114.66</u>	<u>1,13,38,084.07</u>

EARNINGS PER EQUITY SHARE

(Face value of Rs.10/- per Share)			
Basic and Diluted earning per Share		0.29	0.21

Notes to Accounts

XVIII

Schedule X to XVII and Notes to Accounts in schedule XVIII form part of the Profit & Loss Account.

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 : 31st May, 2010

C.N.Chary
Director

Y. Nayudamma
Managing Director



PHYTO CHEM (INDIA) LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH, 2010

<u>SCHEDULE - I</u>	AS AT 31-03-2010 Rs.	AS AT 31-03-2009 Rs.
SHARE HOLDERS FUNDS		
SHARE CAPITAL :		
<u>AUTHORISED CAPITAL</u>		
47,50,000 Equity Shares of Rs.10/- each	<u>4,75,00,000.00</u>	<u>4,75,00,000.00</u>
	<u>4,75,00,000.00</u>	<u>4,75,00,000.00</u>
<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>		
43,00,200 Equity Shares of Rs.10/- fully paid up	<u>4,30,02,000.00</u>	<u>4,30,02,000.00</u>
	<u>4,30,02,000.00</u>	<u>4,30,02,000.00</u>
<u>SCHEDULE - II</u>		
RESERVES & SURPLUS		
Capital Reserve:		
Capital Subsidy (as per last Balance Sheet)	7,74,500.00	7,74,500.00
Surplus: Balance in Profit or Loss A/c as per last Balance Sheet	1,13,38,084.07	1,04,55,130.39
Add : Profit earned during the year	<u>12,62,030.59</u>	<u>8,82,953.77</u>
Total	<u>1,33,74,614.66</u>	<u>1,21,12,584.07</u>
<u>SCHEDULE - III</u>		
SECURED LOANS		
A) Loans & Advances from Banks :		
OD/CC-114 The Federal Bank Ltd., (Secured by Hypothication of Stock in Trade & Book Debts and further guaranteed by Managing Director in his personal capacity)	2,71,14,147.18	4,33,23,827.81
B) Vehicle Loans from Banks : (Secured by Hypothication of Vehicles)	13,62,471.95	5,71,751.24
	<u>2,84,76,619.13</u>	<u>4,38,95,579.05</u>
<u>SCHEDULE - IV</u>		
UNSECURED LOANS		
Other Loans and Advances: Commercial Tax Dept., A.P.	2,21,00,972.32	1,89,10,935.62
	<u>2,21,00,972.32</u>	<u>1,89,10,935.62</u>
<u>SCHEDULE - V</u>		
DEFERRED TAX LIABILITY		
Deferred Tax Liability	51,31,750.00	51,31,750.00
	<u>51,31,750.00</u>	<u>51,31,750.00</u>

PHYTO CHEM - ANNUAL REPORT - 2009 - 2010

SCHEDULE - VI FIXED ASSETS

Sl No.	Assets	Gross Block			Depreciation			Net Block		
		As At 01-04-2009 (Rs.)	Additions (Rs.)	Deductions (Rs.)	As At 31-03-2010 (Rs.)	As At 01-04-2009 (Rs.)	For the Period (Rs.)	Adjustments (Rs.)	As At 31-03-2010 (Rs.)	As At 31-03-2009 (Rs.)
1.	Land	730705.00	0.00	0.00	730705.00	0.00	0.00	0.00	730705.00	730705.00
2.	Buildings	8846345.82	875337.00	0.00	9721682.82	3831775.18	306028.00	0.00	4137803.18	5983879.64
3.	Plant & Machinery	23154765.84	904154.00	0.00	24058919.84	12533821.09	1124219.00	0.00	13658040.09	10400879.75
4.	Furniture - I	333815.02	0.00	0.00	333815.02	333815.02	0.00	0.00	333815.02	0.00
5.	Furniture - II	0.00	21224.00	0.00	21224.00	0.00	1112.00	0.00	1112.00	0.00
6.	Vehicles	4207586.02	1365222.00	0.00	5572808.02	1466739.58	401853.00	0.00	1868592.58	3704215.44
7.	Office equipment	1061228.04	36180.00	0.00	1097408.04	798233.94	51279.00	0.00	849512.94	247895.10
8.	Generator	870650.00	0.00	0.00	870650.00	544129.75	41356.00	0.00	585485.75	285164.25
9.	Electrical equipment	847388.06	26675.00	0.00	874063.06	708971.70	61077.00	0.00	770054.70	104008.36
10.	Lab equipment	930894.59	7450.00	0.00	938344.59	227296.98	44499.00	0.00	271795.98	566548.61
11.	Computers	0.00	153895.00	0.00	153895.00	0.00	1851.00	0.00	1851.00	152044.00
	Capital Work in Progress									
1	Building	1,12,686.00	0.00	0.00	1,12,686.00	0.00	0.00	0.00	0.00	0.00
2	Plant & Machinery	1,31,427.00	0.00	0.00	1,31,427.00	0.00	0.00	0.00	0.00	0.00
Total		41227491.39	3390137.00	244113.00	44373515.39	20444789.24	2033274.00	0.00	22478063.24	21895452.15

SCHEDULE - VII

INVESTMENTS:

A) In Govt. Securities (Unquoted) (Long Term) (at cost)

National Saving Certificates

B) In Equity Shares fully paid (Quoted & Trade) (Long Term) (at cost)

- 34 HDFC Bank
- 500 Kale Consultants Ltd.
- 500 Hindustan Lever Ltd.
- 48 Silver Line Animation Tech &
- 120 Silver Line Technologies
- 3700 Anjani Portland
- 1000 Abhishek Industries
- 1000 Alok Industries
- 5000 Computech International
- 1000 Ginni Filaments

Aggregate Book Value of Quoted Investments
(Aggregate Market Value of Quoted Investments Rs. 4,14,818.00)

C) In Equity Shares fully paid (Unquoted & Non Trade) (at cost)

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

	AS AT 31-03-2010 Rs.	AS AT 31-03-2009 Rs.
	65,400.00	64,400.00
	15,045.00	15,045.00
	49,840.00	49,840.00
	85,440.00	85,440.00
	3,33,358.80	3,33,358.80
	42,540.00	42,540.00
	37,291.20	37,291.20
	70,700.00	70,700.00
	65,941.76	65,941.76
	22,830.00	22,830.00
	<u>7,22,986.76</u>	<u>7,22,986.76</u>
	50,000.00	50,000.00
	<u>8,38,386.76</u>	<u>8,37,386.76</u>



PHYTO CHEM (INDIA) LIMITED

SCHEDULE - VIII	AS AT 31-03-2010 Rs.	AS AT 31-03-2009 Rs.
CURRENT ASSETS, LOANS & ADVANCES		
A) Inventories (As taken, valued & certified by the Management)		
Raw materials	1,72,31,187.30	1,93,72,697.59
Finished goods	88,00,104.05	1,14,82,558.76
Packing Materials	60,18,584.59	50,89,225.77
House Plots	1,45,10,400.00	1,66,50,400.00
	<u>4,65,60,275.94</u>	<u>5,25,94,882.12</u>
B) Sundry Debtors (Unsecured, Considered goods)		
Debts Outstanding for more than six months	1,12,83,662.00	94,16,438.00
Other Debts	5,85,95,854.87	5,07,67,635.02
	<u>6,98,79,516.87</u>	<u>6,01,84,073.02</u>
C) Cash & Bank Balances		
Cash in Hand	2,40,874.32	1,84,928.11
Balances with Scheduled Banks : In Current Accounts	1,54,094.27	95,711.96
	<u>3,94,968.59</u>	<u>2,80,640.07</u>
D) Loans & Advances (Unsecured, considered goods Advances recoverable in cash or in kind for the value to be received)		
Advance for Raw Materials	22,06,626.49	22,62,319.74
Other Advances	9,82,365.26	31,89,163.03
Deposits with Govt.Depts & with others	5,22,494.00	5,22,494.00
Prepaid Expenses	1,55,942.00	1,34,038.00
M/s. Central Warehousing Corporation	1,60,714.00	1,60,714.00
Cenvat , E.C & S.H.E.C Cr. receivable	5,96,199.00	68,708.00
P.L.A., E.C. & S.H.E.C on PLA	2,817.00	35,513.00
Service Tax , E.C. & S.H.E.C on Services	77,854.16	0.00
VAT Cr. Receivable	0.00	1,82,511.83
Sales Tax Appeal - 2003-04	2,33,046.00	2,33,046.00
Sales Tax Appeal - 2004-05	18,705.00	18,705.00
Income Tax Appeal - F.y. 2005 - 06	27,00,000.00	6,00,000.00
	<u>76,56,762.91</u>	<u>74,07,212.60</u>
SCHEDULE - IX		
CURRENT LIABILITIES & PROVISIONS		
(A) Current Liabilities:		
Creditors - I Total Outstanding dues to small scale industries undertakings (Ref Note No.8)	14,99,824.00	8,76,439.29
II Total Outstanding dues to other than small scale industries undertakings (Ref. Note No.8)	2,90,58,281.76	1,42,80,387.13
Advances from Customers	12,68,784.64	10,79,856.30
Outstanding Liabilities	14,54,350.68	13,29,346.54
E.D, E.C & S.H.E.C payable	1,65,001.46	1,03,867.00
Security Deposits	30,000.00	30,000.00
Other Current Liabilities	9,86,167.57	4,20,151.72
	<u>3,44,62,410.11</u>	<u>1,81,20,047.98</u>
(B) Provisions:		
Income Tax	6,76,997.00	8,40,000.00
Fringe Benefit Tax	0.00	74,000.00
	<u>6,76,997.00</u>	<u>9,14,000.00</u>
	<u>3,51,39,407.11</u>	<u>1,90,34,047.98</u>

PHYTO CHEM - ANNUAL REPORT - 2009 - 2010

SCHEDULE - X

SALES

	FOR THE YEAR ENDED 31st March, 2010 Rs.	FOR THE YEAR ENDED 31st March, 2009 Rs.
Sales - Pesticides	16,86,84,476.48	12,40,82,576.81
Export & Deemed Export Sales	0.00	32,50,000.00
Sale of House Plots	4680000.00	0.00
	<u>17,33,64,476.48</u>	<u>12,72,82,576.81</u>

SCHEDULE - XI

OTHER INCOME:

Interest	6,70,148.00	9,230.64
Discounts	2,77,022.00	63,136.36
Dividends	10640.00	11,174.15
Profit on sale of Vehicles	0.00	3965.49
Exchange Fluctuations	3,03,960.00	2,93,463.87
	<u>12,61,770.00</u>	<u>3,80,970.51</u>

SCHEDULE - XII

INCREASE / DECREASE IN STOCK OF FINISHED GOODS / HOUSE PLOTS.

Closing Stock	2,33,10,504.05	2,81,32,958.76
Less: Opening Stock	2,81,32,958.76	2,76,12,826.79
	<u>-48,22,454.71</u>	<u>5,20,131.97</u>

SCHEDULE - XIII

MANUFACTURING EXPENSES:

Raw Materials Consumed

Opening Stock	1,93,72,697.59	1,38,21,906.97
Add: Purchases	10,58,42,882.17	7,14,87,283.36
	12,52,15,579.76	8,53,09,190.33
Less: Closing Stock	1,72,31,187.30	1,93,72,697.59
	<u>10,79,84,392.46</u>	<u>6,59,36,492.74</u>

Packing Materials Consumed

Opening Stock	50,89,225.77	41,47,313.65
Add: Purchases	93,52,802.63	81,75,812.55
	1,44,42,028.40	1,23,23,126.20
Less: Closing Stock	60,18,584.59	50,89,225.77
	<u>84,23,443.81</u>	<u>72,33,900.43</u>

Diesel for Generator	11,64,07,836.27	7,31,70,393.17
Customs Duty	5,88,320.00	2,18,870.00
Factory Maintenance	10,36,214.00	27,18,975.86
First Aid & Medical Expenses	7,87,914.00	8,82,731.50
Freight Charges Inward	5,924.00	33,998.00
Insurance	22,35,480.50	12,04,574.00
Import Clearing Charges	1,44,836.00	1,41,516.07
Lab Consumables	1,11,261.00	2,74,326.00
Power	50,327.00	33,092.26
Safety Devices	3,48,200.00	4,56,444.00
Factory Salaries	50,298.00	38,722.00
Wages	11,07,942.00	8,59,390.55
E.D, E.C & SHEC on difference in Opening & Closing of Finished Goods	2,43,508.00	2,19,624.70
	61,134.46	6,300.00
	<u>12,31,79,195.23</u>	<u>8,02,58,958.11</u>



PHYTO CHEM (INDIA) LIMITED

SCHEDULE - XIV	FOR THE YEAR ENDED	FOR THE YEAR ENDED
	31st March, 2010	31st March, 2009
	Rs.	Rs.
ADMINISTRATIVE EXPENSES		
Advertisement	60,578.00	37,980.00
A G M Expenses	1,06,562.00	1,02,630.00
Annual Maintenance Contracts	60,660.00	1,14,680.00
Audit fee	80,000.00	38,605.00
Books & Periodicals	740.00	0.00
Director's Remuneration	4,00,000.00	3,00,000.00
Director's Sitting Fee	41,000.00	35,000.00
Donations	29,532.00	12,198.00
Electricity Charges	45,034.00	40,139.78
Insurance	95,619.00	43,790.00
Legal & Professional Charges	1,46,960.00	1,06,750.00
Licences & fees	1,52,138.00	1,68,271.00
Office expenses	1,21,063.95	1,81,738.11
Petrol & Diesel	3,08,066.28	4,76,422.11
Postage & Courier charges	27,758.50	30,251.75
Printing & Stationery	2,93,070.00	2,80,955.05
Rent	3,03,788.77	4,18,550.00
Salaries	35,21,013.00	40,04,900.00
Share Transfer Charges	27,831.00	31,025.00
Professional Tax	5,000.00	7,500.00
Telephone charges	1,91,055.10	2,46,155.17
Travelling & Conveyance	10,18,890.11	3,39,070.47
Vehicle maintenance	3,00,865.00	3,69,341.57
ESI Contribution	1,47,119.00	1,22,939.75
Earn Leaves	2,150.00	71,572.00
Gratuity	70,444.00	8,879.00
Bonus	2,70,158.00	3,08,462.00
Provident Fund	4,45,778.00	3,52,243.00
Staff Welfare Expenses	5,36,559.00	96,859.00
Business Promotional expenses	5,36,783.00	48,853.00
C & F Agent Charges	0.00	42,000.00
Leakage & Shortages	0.00	13,344.93
Discount	35,14,500.56	35,25,698.70
Freight Outward	10,98,642.46	12,83,056.36
Director's Travelling & Conveyance	2,21,674.00	2,18,345.23
Service Tax EC & SHEC	26,633.00	0.00
VAT	50,13,353.00	38,79,817.00
C.S.T.	8,75,666.75	6,19,911.92
	<u>2,00,96,685.48</u>	<u>1,79,77,934.90</u>
SCHEDULE - XV		
FINANCIAL CHARGES		
Bank charges	3,27,376.17	7,12,926.44
Interest	45,91,295.34	68,77,067.86
	<u>49,18,671.51</u>	<u>75,89,994.30</u>
SCHEDULE - XVI		
PRIOR PERIOD ADJUSTMENTS		
Pertaining to previous year	7,856.00	57,258.00
	<u>7,856.00</u>	<u>57,258.00</u>

SCHEDULE - XVII

EARNINGS PER EQUITY SHARE

Annualised earning for Equity Shares have been calculated based on the net Profit after tax and prior period adjustments of Rs.12.62 lakhs (Previous year Rs.8.83 lacs) and number of Equity Shares in issue during the year of 43,00,200 (Previous year 43,00,200)

	FOR THE YEAR ENDED 31st March, 2010 Rs.	FOR THE YEAR ENDED 31st March, 2009 Rs.
--	------------------------------------------------------------	------------------------------------------------------------

Basic and diluted earning per share

	0.29	0.21
--	------	------

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.

	—	—
--	---	---

SCHEDULE - XVIII

NOTES TO ACCOUNTS:

1. Significant Accounting Policies:

- a) **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.
- b) **Use of Estimates:** The preparation of financial statements is in conformity with generally accepted accounting principles, which requires management to make estimates and assumptions that affect the reported amounts of such assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.
- c) **Fixed Assets :** Fixed Assets are stated at cost less depreciation and cost of assets includes acquisition and installation expenses which are directly attributable for bringing the assets into working condition.
- d) **Depreciation :** Depreciation has been provided on straight line method at the rates specified in the schedule XIV of the Companies Act, 1956.
- e) **Inventories :** i) Stocks of raw materials, packing materials, house plots and consumables are valued at lower of cost and net realisable value. Rates are determined on FIFO basis
ii) Finished goods are valued at cost of conversion and other cost incurred in bringing the inventories to their present location and condition (plus other overheads) or net realisable value, whichever is lower.
- f) **Revenue Recognition:** Revenue from sales of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the customer, which generally coincides with their delivery to customer. Sales are stated including sales tax and excise duty excluding returns.
- g) **Borrowing Costs :** Borrowing Costs are charged to profit & loss account, except in cases where the borrowings are directly attributable to the acquisition, construction or production of the qualifying asset.
- h) **Cenvat :** Cenvat benefit is accounted for by reducing from the purchase cost of raw materials and adjusted against the excise duty liability.
- i) **Excise Duty:** Excise duty in respect of goods manufactured by the company and lying in the Factory is accounted on accrual basis.
- j) **Investments :** Investments are stated at cost. All the investments are long term and diminution in market value is not considered unless diminution is permanent.



PHYTO CHEM (INDIA) LIMITED

k) Foreign Currency Transaction : Foreign currency transactions are recorded at the exchange rates prevailing as on the date of transaction. Earning or losses due to fluctuations in exchange rates are recorded as income or expenditure in the year of settlement and charged to Profit & Loss A/c.

l) Employees Benefits

A) 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.

B) Post Employment Benefits :

i) 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.

ii) 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 Accounts.

m) The Company has taken into consideration the Provisions of AS28 - Impairment of assets. The Company assess at the each Balance sheet date whether there is any indication that an asset may be impaired. If any such indication is there, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. If recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount

2. Contingent Liabilities:

- (i) Import Letter of credit of USD: Nil equivalent to Rs. Nil Lacs
(Previous Year - USD 1,05,000.00 equivalent to Rs. 50.61 Lacs)
(ii) Inland Letter of credit of Rs. NIL (Previous year - Rs. Nil Lacs)
(iii) Unexpired Bank Guarantees Rs. NIL (Previous Years - Nil Lacs)

3. Remuneration of Managing Director:

Managing Director

FOR THE YEAR ENDED
31st March, 2010

Rs.

FOR THE YEAR ENDED
31st March, 2009

Rs.

4,00,000

3,00,000

4,00,000

3,00,000

4. Auditors Remuneration:
Audit Fee (Statutory & Internal)
Tax Audit Fee
Service Tax

75,000

30,000

5,000

5,000

8,240

3,605

88,240

38,805

5. 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.
6. 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 account are final as it is indicated that the balances will be treated as final if balance confirmation is not made before particular date.
7. 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
8. 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 31.3.2010
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

14,99,824.00

—

—

—

—

—

—

9. The Company has earned a profit of Rs.3,03,960.00 due to fluctuation in foreign ex change rate and the same is credited to P&L A/c.

10. 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.

11. 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 at 31.03.2010. 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:

1. Table showing changes in present value of obligation as on 31.03.2010:	
Present value of obligation as at beginning of the year	376877.00
Interest cost	30150.00
Current service cost	60761.00
Benefits paid	(43269.00)
Actuarial (gain)/ loss on obligations	(18972.00)
Present value of obligations as at end of year	405547.00
2. Table showing changes in fair value of plan asset as on 31.03.2010:	
Fair value of plan asset as at beginning of the year	508030.00
Expected return on plan asset	48416.00
Contributions	60457.00
Benefits paid	(43269.00)
Actuarial (gain)/ loss on plan asset	NIL
Fair value of plan asset as at end of year	573634.00
3. Table showing in fair value of plan asset	
Fair value of plan asset as at beginning of the year	508030.00
Actual return on plan asset	48416.00
Contributions	60457.00
Benefits paid	(43269.00)
Fair value of plan asset as at end of year	573634.00
Funded status	168087.00
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 2010)	
4. Actuarial gain/loss recognized as on 31.03.2010	
Actuarial gain/loss on obligations	18972.00
Actuarial gain/loss for the year- plan asset	NIL
Total gain/loss for the year	(18972.00)
Actuarial gain/loss recognized in the year	(18972.00)
5. a) Financial Assumptions	
Discount rate	8.00%
Salary Escalation	4.00%
b) Demographic Assumption	
Retirement age of the employees of the Company are assumed at 58 years.	



PHYTO CHEM (INDIA) LIMITED

12. Segment Reporting as per Accounting Standard 17:-

A. Geographical Segment Reporting:-

Particulars	For the year 2009-2010			For the year 2008-2009		
	A.P.	Others	Total	A.P.	Others	Total
Sales	1733.64		1733.64	1193.45	79.37	1272.82
Revenue	298.00		298.00	307.23	20.43	327.66
Segment Expenses	94.02		94.02	66.47	5.17	71.64
Segment Results	203.98		203.98	240.76	15.26	256.02
Unallocated						
Corporate Expenses	147.69	—	147.69	—	—	172.52
Operating Profit	56.29	—	56.29	—	—	83.50
Interest expenses	49.18	—	49.18	—	—	68.77
	7.11	—	7.11	—	—	14.73
Other Income	13.74	—	13.74	—	—	3.81
	20.85	—	20.85	—	—	18.54
Income Tax	8.15	—	8.15	—	—	9.14
Profit from ordinary activities	12.70	—	12.70	—	—	9.40
Extra ordinary items (Prior Period adjustments)	0.08	—	0.08	—	—	0.57
Profit After Tax	12.62	—	12.62	—	—	8.83
Segment Assets	1380.53	—	1380.53	674.24	42.43	716.67
Unallocated						
Corporate Assets	—	—	91.73	—	—	549.51
Total	1380.53	—	1472.26	674.24	42.43	1230.53
Segment Liabilities	319.93	—	319.93	161.35	1.00	162.35
Unallocated Corporate Liabilities	—	—	1152.33	—	—	1068.18
Total			1472.26	161.35	1.00	1230.53

Other Information:-

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

B. Information about product Segmentation:-

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

Information about Product Segment

(Rs. in Lacs.)

S.No.	Particulars	2009-2010			2008-2009		
		Pesticides	Real Estate	Total	Pesticides	Real Estate	Total
1.	Sales	1686.84	46.80	1733.64	1272.83	0.00	1272.83
2.	Other Income	13.74	-	13.75	3.81	0.00	3.81
3.	Increase / Decrease in stock	-26.82	-21.40	-48.22	5.20	---	5.20
4.	Segment Revenue (1+2+3)	1673.77	25.40	1699.17	1281.84	0.00	1281.84
5.	Segment Expenses	1678.32	-	1678.32	1263.29	0.00	1263.29
6.	Segment Results Net Profit before Tax (4-5)	-4.56	25.40	20.85	18.54	0.00	18.54
7.	Income Tax Provision			8.15	9.14	0.00	9.14
8.	Profit before ordinary activities (6-7)			12.70	9.40	0.00	9.40
9.	Extraordinary items (Prior Period adjustments)			0.08	0.57	0.00	0.57
10.	Net Profit (8-9)			12.62	8.83	0.00	8.83

PHYTO CHEM - ANNUAL REPORT - 2009 - 2010

13. **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 :

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

B) Key Management Personnel :

<u>Name of the Related Party</u>	<u>Nature of Relationship</u>
Mr.Y.Nayudamma	Managing Director
Mr.P.Anjaneyulu	Director

C) Transactions with Associate Company :

	31-3-2010	31-3-2009
1) Purchase of Land (House Plots)	1,45,10,400.00	1,66,50,400.00
2) Unsecured Loan taken	Nil	18,23,560.00
3) Advance for capital works	Nil	12,00,000.00

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

1) Mr. Y. Nayudamma - Remuneration	4,00,000.00	3,00,000.00
2) Mr. P. Anjaneyulu - Sitting Fee	1,000.00	2,000.00

14. 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. Since there was no convincing evidence which demonstrates virtual certainty of realizations of deferred tax asset in the near future, the Company has prudently decided not to recognize deferred tax asset on such timing differences.

<u>The details of Gross deferred Tax liability:</u>	2009-10	2008-09
Difference in depreciation in block of fixed assets as per tax books and financial books	(In Rs.) 51,31,750.00	(In Rs.) 51,31,750.00

15. 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 on impairment of assets. 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.

16. Additional information required under part-II of schedule-VI to the Companies Act,1956 (As certified by the management of the Company).

A) Particulars of capacity, production and Turnover	31-03-2010	31-03-2009
i) Licenced Capacity	N.A.	N.A.



PHYTO CHEM (INDIA) LIMITED

ii) Installed Capacity (Ltrs/Kgs.)		36,50,000.00	36,50,000.00
iii) Production (Ltrs/Kgs.)			
Pesticides Formulations		25,34,391.00	16,12,401.00
iv) Sales	(Ltrs/Kgs)	Rs. (in Lacs)	(Ltrs/Kgs) Rs. (in Lacs)
i) Pesticides Formulations	25,39,836.00	1686.84	16,25,606.00 1,272.83
ii) Real Estate (Sft.)	10,700.00	46.80	---
		<u>1733.64</u>	<u>1,272.83</u>

B) Details of Opening and Closing Stock:

	Year ended 31-03-2010 Qty. (Ltrs/Kgs)	Rs. (in lacs)	Year ended 31-03-2009 Qty. (Ltrs/Kgs)	Rs. (in lacs)
Finished Goods				
Pesticides Formulations				
Opening Stock	74,403.00	114.83	87,608.00	109.62
Closing Stock	17,581.00	88.00	74,403.00	114.83
Land				
Opening Stock	83,252.00(Sft)	166.50	83,252 (Sft)	166.50
Closing Stock	72,552.00(Sft)	145.10	83,252 (Sft)	166.50
C. Raw Materials Consumption				
Technicals	2,42,740.00	1,043.59	1,37,823.00	566.36
Solvents, Emulsifiers & Others	24,17,397.00	120.49	15,20,225.00	93.00
TOTAL :	<u>26,60,137.00</u>	<u>1,164.08</u>	<u>16,58,048.00</u>	<u>659.36</u>

D.I) Value of Imports on CIF Basis (As Certified by the Management)

1) Raw materials(In Kgs)	20,080.00	102.49	60,000.00	299.80
2) Expenditure incurred in foreign currency	NIL	NIL	NIL	NIL

ii) Raw Materials Consumption (Percentage)

	Year ended 31-03-2010			Year ended 31-03-2009		
	Qty. (Kgs.)	Rs. (in lakhs)	% of Consumption	Qty. (Kgs.)	Rs. (in lakhs)	% of Consumption
1) Imported	17,525.00	94.76	0.66	47,187.00	224.95	2.85
2) Indigenous	26,42,612.00	1,069.32	99.34	16,10,861.00	434.41	97.15
	<u>26,60,137.00</u>	<u>1,164.08</u>	<u>100.00</u>	<u>16,58,048.00</u>	<u>659.36</u>	<u>100.00</u>

iii) Earnings in foreign exchange:

	In USD	Rs. in Lakhs
a) Export of goods on FOB Value	Nil	Nil

17. Previous Year figures have been regrouped / rearranged / reclassified wherever necessary.

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

C.N.Chary
Director

Y.Nayudamma
Managing Director

Place : Hyderabad
Date : 31st May, 2010

PHYTO CHEM - ANNUAL REPORT - 2009 2010

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	2010	
	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	- 1,12,086	Total Assets	-	1,12,086
SOURCES OF FUNDS:				
Paid-up Capital	- 43,002	Reserves & Surplus	-	13,375
Secured Loans	- 28,476	Unsecured Loans	-	22,101
Deferred Tax	- 5,132			
APPLICATION OF FUNDS:				
Net Fixed Assets	- 21,896	Investments	-	838
Net Current Assets	- 89,352	Misc. Expenditure	-	---
IV Performance of Company (Rs.in thousands)				
Turnover	- 1,69,804	Total Expenditure	-	1,67,832
(Including other income and increase/decrease in stock.)				
Profit before Tax	- 1,972	Profit after Tax	-	1,262
		& Prior Period Adjustments		
Earning per share in Rs.10/-	- 0.29	Divident Rate	-	Nil

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 : 31st May, 2010.

C.N.Chary
Director

Y. Nayudamma
Managing Director



PHYTO CHEM (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2009-2010

A. CASH FLOW FROM OPERATING ACTIVITIES:	2009-2010 (Rs. In Lacs)	2008-2009 (Rs. In Lacs)
Net Profit before Tax and Extraordinary item	20.85	11.63
Adjustment for:		
Depreciation	20.33	20.90
Interest Paid	45.91	68.78
Less Other Income	-12.62	-3.81
Operating Profit before working capital changes	<u>74.47</u>	<u>104.41</u>
Adjustment for:		
Trade and other receivables	-99.46	250.17
Inventories	60.35	-70.13
Trade Payables	<u>161.05</u>	<u>-8.19</u>
Cash generated from operations	<u>196.41</u>	<u>276.26</u>
Interest Paid	-45.91	-68.78
Direct Taxes paid & provided	<u>-8.15</u>	<u>-9.14</u>
Cash flow before extra-ordinary items	142.35	198.34
Extra-ordinary items (Previous year adjustments)	<u>-0.08</u>	<u>-0.57</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>142.27</u>	<u>197.77</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets / Sale of Fixed Assets	-31.46	-25.30
Purchase of Investments	---	---
Loss of Fixed Assets	---	---
Add: Other Income	<u>12.62</u>	<u>3.81</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>-18.84</u>	<u>-21.49</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of share capital (State Subsidy)	---	---
Proceeds from short term borrowings	31.90	-45.75
Proceeds from long term borrowings	<u>-154.19</u>	<u>-134.20</u>
	<u>-122.29</u>	<u>-179.95</u>
NET CASH USED IN FINANCING ACTIVITIES		
Net increase in cash and cash equivalents (A+B+C)	1.14	-3.67
Cash and Cash equivalents (Opening Balance)	<u>2.81</u>	<u>6.48</u>
Cash and Cash equivalents (Closing Balance)	<u>3.95</u>	<u>2.81</u>

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 31st May 2010

C.N. Chary
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.

AUDITOR'S 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, 2010, 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

Place : Hyderabad
Date : 31st May 2010

Y.P.Rao
Partner

