

TYCHE INDUSTRIES LIMITED

15th Annual Report 2012-13

**Board of Directors**

: **Mr. G. GANESH KUMAR**
Chairman & Managing Director

Mr.G. RAMARAJU
Executive Director
(upto 30th May,2013)

Mr. G. SANDEEP
Whole Time Director
(w.e.f. 30th May, 2013)

Mr. ASHISH UNIYAL
Independent Director

Mr. HARICHANDRA KANTIMAHANTI
Independent Director

Mr. BOOSA ESHWAR
Independent Director

Auditors

: M/s. P. S. N. Ravishanker & Associates,
Chartered Accountants
Flat No.205, "B" Block,
Kushal Towers, Khairatabad,
Hyderabad - 500 004

Bankers

: Bank of India,
Kakinada Branch, Temple Street, Kakinada

Registered Office

: H. No. C-21/A, Road No.9,
Film Nagar, Jubilee Hills,
Hyderabad - 500 096
Tel: 040 23541688; Fax: 040 23540933
Email: vasanth@tycheindustries.com
Website: www.tycheindustries.com

Factory

: *Unit:* Door No.6-223,
Sarpavaram, Kakinada, East Godavari Dist
Andhra Pradesh 533005

R & D: 4-100, Drs. Colony,
Saroor Nagar, Hyderabad

Registrar & Share Transfer Agents

: CIL Securities Limited
214, Raghavaratna Towers,
Chirag Ali Lane, Abids,
Hyderabad-500 001
Tel: 040-23202465, Fax: 040-23203028
Email: advisors@cilsecurities.com
Website: www.cilsecurities.com



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NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the members of **TYCHE INDUSTRIES LIMITED** will be held on Friday, the 27th day of September, 2013 at 11.30 a.m. at Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad - 500038 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare dividend for the financial year ended on 31st March, 2013.
3. To appoint a Director in place of Mr. Ashish Uniyal who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Special Business:

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

"RESOLVED THAT pursuant to the provisions of Section 262 of the Companies Act, 1956 and Article 34 of the Articles of Association of the Company Mr. G. Sandeep, be and is here by appointed as Whole-Time Director, to fill up the casual vacancy caused by the resignation of Mr. G. Rama Raju w.e.f 30th May, 2013;

"RESOLVED FURTHER THAT based on the recommendations of the Remuneration Committee, the Board, subject to the approval of members at the ensuing General Meeting, had fixed the remuneration of Rs. 50,000/-p.m payable to Sri. G. Sandeep, Director of the Company w.e.f. 30th May, 2013;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things which are necessary to carry on the purpose of this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals and consent of the Company be and is hereby accorded for appointment of Mr. G. Sandeep, as Whole-time Director of the Company for a period of 5 years w.e.f. 1st October, 2013 on the following terms and conditions:

- A. Salary : Rs.70,000/- per month and
- B. Perquisites : In addition to the Salary, he shall be entitled to the allowances and other perquisites as follows:



- a) Medical Reimbursement/ Allowance for self and family: Reimbursement of expenses actually incurred for self and family or medical allowance, the total cost of which to the Company shall not exceed one month's salary in a year or three months salary over a period of three years.
- b) Leave Travel Concession or Allowance: For self and family, once in a year either in India or abroad in accordance with the rules of the Company.
- c) Club fees subject to a maximum of two clubs.
- d) Personal accident insurance, as per the rules of the Company.
- e) Car, Free use of Company's car with driver.
- f) Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company.
- g) Communication Facilities: Free communications facilities like Telephones / Internet / Mobiles / Fax at residence.
- h) He shall also be entitled to reimbursement of expenses actually and properly incurred for the business of the Company, and
- i) Any other perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

RESOLVED FURTHER THAT the Board of Directors is at their liberty to revise the terms with regards to the remuneration from time to time within the limits provided for in the said Schedule XIII or any amendment thereto for the time being in force;

RESOLVED FURTHER THAT the remuneration aforesaid including the perquisites and other allowances shall be paid and allowed to Mr. G. Sandeep, Whole-time Director of the Company, as minimum remuneration during the currency of his tenure, in the event of absence or inadequacy of profits in any financial year;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things which are necessary to carry on the purpose of this resolution."

**By Order of the Board of Directors
For Tyche Industries Limited**

Sd/-

G. Ganesh Kumar

Chairman & Managing Director

Place: Hyderabad

Date: 8th August, 2013

Registered Office: H. No. C-21/A, Road No.9, Film Nagar,
Jubilee Hills, Hyderabad - 500 096

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY INSTEAD OF HIMSELF/HERSELF TO ATTEND AND VOTE ON POLL ONLY AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed herewith and forming part of this notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2013 to 27th September, 2013 (both days inclusive).
4. The Members/Proxies should bring their attendance slip duly filled in and signed for attending the meeting.
5. Corporate members are requested to send duly certified copy of the Board resolution pursuant to Section 187 of the Companies Act, 1956 authorising their representative to attend and vote at the Annual General Meeting or at any other adjournment thereof..
6. The dividend on equity shares as recommended by the Board of Directors for the year ended 31st March, 2013, if approved by the members at the Annual General Meeting, will be paid to those members, whose names appear in Company's Register of members as on the date of the Annual General Meeting of the Company i.e. 27th September, 2013.
7. The unclaimed dividend of the Company for the financial year 2004-2005 has been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government as required under Section 205-A and 205-C of the Companies Act, 1956. The balance amount lying in unpaid Dividend account for the financial year 2005-2006 is due for transfer to the Investor Education and Protection Fund (IEPF) administered by the Central Government during the month of October, 2013. The shareholders who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2006 or for any subsequent financial years are requested to claim it immediately from the Company. Further, the shareholders are requested to note that no claim shall lie against the said fund or the Company for the amount of dividend so transferred to the fund.
8. Members holding shares in physical form are requested to notify immediately any change in their address to the company's Registrar and Share Transfer Agents i.e. CIL Securities Limited. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).
9. Members who have not paid the balance of allotment money of Rs. 5 per share are requested to pay the same at the earliest.
10. Members are requested to address all correspondences, including dividend mandates to the Registrar and Share Transfer Agents - CIL Securities Limited at 214, Raghavaratna Towers, Chirag Ali Lane, Abids, Hyderabad-500 001.



11. Members desirous of getting any information about the accounts of the Company can send their queries so as to reach at-least seven days before the meeting at the Company's Registered Office, so that the information required can be made readily available at the meeting.
12. Members are requested to bring copies of Annual Report to the Annual General Meeting.
12. Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting to be held on Friday, 27th day of September, 2013 (in pursuance of Clause 49(IV)(G) of the Listing Agreement):

Name of Director	Mr. Ashish Uniyal	Mr. G. Sandeep
Date of Birth	11/05/1967	02/06/1983
Nationality	Indian	Indian
Date of appointment	31/03/2001	30/05/2013
Designation	Independent Director	Whole Time Director
Qualification	Post Graduate in Commerce.	Graduation in B.Tech (Chemical Engineering and MBA in Corporate Finance and International Business from Loyola University, Chicago, USA
Experience/ Expertise	He had around 20 years of experience in the business administration.	He is having around 6 years of experience in Production and distribution of API's and Advanced Intermediates and in particular developing innovative strategies for promoting new molecules.
Shareholding in the Company (Equity shares of Rs. 10/- each)	Nil	8,42,775
List of Directorship held in other companies	1. Auric Eusina Enterprises Private Limited 2. Eusina Aurichem Private Limited 3. Molekulabio Kemix Limited 4. Molekula Bulk Commodities Private Limited 5. Ani Mission Studios Private Limited	Nil
List of Chairmanship / Membership in Committees of other Pubic Companies	Nil	Nil
Relationship with other Directors of the Company	None	Brother of Mr. G. Ganesh Kumar, Chairman & Managing Director of the Company

**EXPLANATORY STATEMENT**

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

Item No. 5 & 6

Pursuant to the provisions of Section 262 of the Companies Act, 1956 and Article 34 of Articles of Association of the Company; the casual vacancy in the office of Whole-Time Director caused by the resignation of Mr. G Rama Raju has been filled by the appointment of Mr. G. Sandeep who shall hold office upto the tenure Mr. G Rama Raju should have held office had it not been vacated. All the terms of appointment of Mr. G Rama Raju will be applicable to the appointment of Mr. G. Sandeep.

After taking into account the substantial growth and improvement in the operations and financial position of the Company and the prevailing remuneration packages in other Companies, the Board, on the recommendation of the Remuneration Committee at its meeting held on 8th day of August, 2013, decided to revise the terms of his appointment and remuneration as set out in the resolution No.6 with effect from 1st October, 2013.

The above resolutions together with this Explanatory Statement constitute abstract of terms of the remuneration and the Memorandum of Interest of the Whole-time Director under Section 302 of the Companies Act, 1956.

None of the Directors, except Mr. G. Ganesh Kumar, Chairman & Managing Director and Mr. G. Sandeep, Whole Time Director are interested or concerned in the Resolution.

Your Directors recommends the Ordinary Resolution as set out in Item No. 5 of the notice for your approval.

**By Order of the Board of Directors
For Tyche Industries Limited**

Sd/-

G. Ganesh Kumar
Chairman & Managing Director

Place: Hyderabad

Date: 8th August, 2013

Registered Office:

H. No. C-21/A, Road No.9,
Film Nagar, Jubilee Hills,
Hyderabad - 500 096



DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the 15th Annual Report together with the Audited Accounts of the company for the financial year ended 31st March, 2013.

Financial Results

(Rupees in Crores)

Particulars	For the Year ended 31/03/2013	For the Year ended 31/03/2012
Total Income(Including Other Income)	79.21	49.80
Less: Expenditure (before Finance Cost & Depreciation)	68.09	43.14
Profit before Finance Cost & Depreciation	11.12	6.66
Less: Finance Cost	0.95	1.29
Profit before Depreciation and Tax	10.17	5.38
Less: Depreciation	1.10	0.92
Profit / Loss before tax	9.07	4.45
Less: Provision for Tax		
- Current Tax	2.73	0.96
- Deferred Tax	0.25	0.29
Profit after Tax	6.09	3.20
Less: Extra-Ordinary Items- short provision	-	(0.36)
Profit after tax and prior period	6.09	2.84
Add: Balance brought forward from the Previous Year	19.83	17.88
Appropriations		
Provision for Proposed Dividend	0.51	0.49
Provision for Dividend Tax	0.08	0.08
Transfer to General Reserve	0.61	0.32
Balance carried to Balance Sheet	24.72	19.83

Review of the Business:

During the year, your Company has achieved a total income of Rs.79.21Crores as against Rs. 49.80 Crores in the previous year and earned a net profit of Rs. 6.09 Crores (Previous Year Rs. 2.84 Crores) after providing Income Tax, Deferred Tax and Short provision in taxes of Rs. 2.98 Crores (Previous Year Rs. 1.61Crores). Your Directors are confident of achieving better results in the years to come. The Board of Directors are of the opinion that the present and future market scenario of the Pharma Sector is extremely good as discussed in detail in Management Discussion and Analysis and accordingly proposes to expand its manufacturing facilities.

Dividend:

Your Directors have recommended a dividend of Rs.0.50 per equity share for the year ended 31st March, 2013 being 5% of the Paid-up Equity Capital of the Company. The dividend, if approved at the ensuing 15th Annual General Meeting will be paid to those members whose names appear on the Company's Register of Members on 27thSeptember, 2013. The total amount of outgo on account of this will be Rs.0.51 Crores towards dividend and Rs.0.08 Crores towards dividend tax. The dividend would be tax free in the hands of the shareholders.

**Directors:**

Mr. G. Sandeep, has been appointed as a Director of the Company due to the casual vacancy caused by the resignation of Mr. G. Rama Raju with effect from 30th May, 2013. Approval of the Members for his appointment as a Whole Time Director is being sought and forms part of the Notice of this Annual General Meeting of the Company.

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ashish Uniyal, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Your Board recommends for his re-appointment.

Directors Responsibility Statement:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm:

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and profit of the company for the year ended on that date.
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the directors have prepared the annual accounts on a "Going Concern" basis.

Public Deposits:

Your Company has neither accepted nor renewed any deposit within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules made thereunder during the year ended 31st March 2013.

Auditors:

The Present Statutory Auditors of the Company M/s. P. S. N. Ravishanker & Associates, Chartered Accountants, Hyderabad (having FRN: 0032285) retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office of Auditors and if re-appointed, their re-appointment would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Board of Directors recommend M/s P.S.N. Ravishanker & Associates, Chartered Accountants, Hyderabad for reappointment as Statutory Auditors of the Company for the financial year 2013-14.

Cost Auditor:

Pursuant to the provision of Section 233B of the Companies Act, 1956, the Central Government has prescribed Cost Audit of the Company's bulk drugs division.

Based on the recommendations of the Audit Committee, and subject to the approval of the Central Government, the Board of Directors had appointed Mr. Sativada Venkat Rao as Cost Auditor of the Company for the Financial Year 2013-2014. The cost audit report would be filed with the Central Government on or before the due date.

**Listing of Securities:**

The Equity Shares of the Company are listed at BSE Limited. The Company has paid the Annual listing fees to the BSE Limited and custodian fees to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2013-2014.

Transfer to Reserves:

Your Company proposes to transfer Rs.0.61 Crores to the General Reserve out of the amount available for appropriations.

Share Capital:

The Company has only one class of shares viz., Equity share of face value of Rs.10/- each. The total issued and subscribed capital of the Company is Rs.10.25 Crores. The paid up capital of the Company is Rs. 10.23 Crores.

Corporate Governance:

Your Company is committed to maintain highest standards of Corporate Governance. As required under Clause 49 of the Listing Agreement entered into with the Stock Exchange, Management Discussion and Analysis Report and Corporate Governance Report along with Auditors' Certificate attached to this Report are annexed herewith and forms part of this Report.

Research & Development:

The Company has incurred an expenditure of Rs.0.67 Crores on research and development during the year.

Particulars of Employees:

The Company do not have any employees drawing remuneration within the purview of Section 217 (2A) of the Companies Act, 1956 to be read with the Companies (Particulars of Employees) Rules, 1975, as amended; hence no such particulars are furnished.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

Information regarding Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required to be disclosed under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is enclosed as an Annexure.

Industrial Relations:

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

Acknowledgement:

Your Directors wish to take this opportunity to thank the employees for their dedicated service and contribution to the Company. We also thank Bank of India, Government Agencies, Business Associates, Shareholders and Investors at large for their continued support towards conduct of efficient operations of the Company.

For and on behalf of the Board of Directors

Sd/-

G. Ganesh Kumar

Chairman & Managing Director

Sd/-

G. Sandeep

Whole Time Director

Place: Hyderabad

Date: 30th May, 2013



ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Director's) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 2013.

A. Conservation of Energy:**Form - A****Disclosure of particulars with respect to conservation of energy**

Particulars	Unit	2012-13	2011-12
A. Power & Fuel Consumption:			
<i>Electricity (purchased)</i>			
- No. of Units (Nos/ Million)	KWH	2.71	3.33
- Total Amount (Million)	Rs.	16.85	14.70
- Average Rate per Unit	Rs.	6.22	4.38
<i>Diesel</i>			
- Quantity (Nos/ Million)	Ltr	0.37	0.09
- Total Amount (Million)	Rs.	18.16	3.97
- Average Rate per Unit	Rs.	48.76	44.07
<i>Husk</i>			
- Quantity	MT	4505	4054.79
- Total Amount (Million)	Rs.	13.08	10.04
- Average Rate per Unit	Rs.	2904	2476
B. Consumption per Unit of Production:			
- Electricity	KWH	As the Company uses the same manufacturing facilities for various products, it is not practicable to give consumption per unit.	
- Coal	KG		
- Diesel	Ltr		
- Husk	KG		

B. Technology Absorption:**Form - B****Disclosure of Particulars with respect to Technology Absorption****Research & Development (R & D)****1. Specific areas in which R & D carried out by the Company:**

Tyche Industries Limited recognises that it operates in competitive business environment. Thus Tyche has placed its focus on quality and innovative products in the entire pharmaceutical value chain-APIs and Intermediates, which are produced at lower costs to face the challenges in the intense competition.

Our business culture of producing quality, innovative safe pharmaceutical solutions will continue to be our foundation for growth. Dedicated investment in research and development, and developing innovative approaches will be the key to our sustainable growth in the business. We will move forward



with a focus to shape and assure our future by practising the art of reengineering and invention and producing the breakthrough Pharmaceutical solutions through investment in research and development.

The company has a full-fledged R&D Centre at Hyderabad. It has 3 PhD's and 20 M.Sc. Chemists. Based on the scientific work done at the Centre, the company filed 5 Patents and published 10 scientific papers during the year 2012-13. The company has developed innovative processes for its new APIs.

2. **Benefits derived as a result of the research and development:**

Some of the products developed in R & D are being produced in commercial quantities. Modification of existing manufacturing processes and reduction in the time cycle for some of the products has led to reduction in cost of production and consequential benefits which were passed on to the consumers by way of reduction in prices.

3. **Expenditure on R & D:**

(Amount Rupees in Crores)

Particulars	2012-2013	2011-2012
Capital Expenditure	0.27	0.31
Recurring Expenditure	0.67	0.63
Total	0.94	0.94
Total R&D Expenditure as a % of Total Turnover	1.35%	2.02%

4. **Future plan of action:**

Several new products have been identified after a thorough study of the market and the processes to manufacture these products will be developed in the R&D Lab.

Technology absorption, adaptation and innovation

The Company has not sourced any technology from outside.

Form - C:

Foreign Exchange Earnings and Outgo:

(Amount Rupees in Crores)

Particulars	2012-13	2011-12
i) Foreign Exchange Earnings:		
- FOB value of exports(net of Freight&Insurance)	20.32	18.66
ii) Foreign Exchange Outgo (CIF):		
-Raw materials	1.35	5.68
-Capital Goods	0.31	0.18
-For expenses	1.23	0.22

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 30th May, 2013

Sd/-
G. Ganesh Kumar
Chairman & Managing Director

Sd/-
G. Sandeep
Whole Time Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW OF INDIAN PHARMACEUTICAL INDUSTRY

India is now among the top five pharmaceutical emerging markets. Indian Pharma Industry has been growing at a compounded annual growth rate of 15%. As per Dr. AJV Prasad, Joint Secretary DOP, the Indian Pharma Sector is expected to grow fivefold to reach USD 91.45 Billion by the year 2020.

COMPANY PERSPECTIVE

Tyche Industries Ltd. has developed reputation as a quality and reliable manufacturer and exporter of Active Pharmaceutical Ingredients, intermediates and nutraceuticals.

Tyche Industries Ltd. is one of the largest manufacturers in India of Glucosamine Products, which are mainly exported to USA and Europe.

The company is continuously upgrading its manufacturing facilities and systems with a view to obtain certification from US and European Regulatory Agencies. Once these approvals are obtained, the company's products can be sold in the Regulated Markets. Presently the company has got EU-GMP, WHO-GMP and ISO 9001-2008 Certificates.

OPPORTUNITIES AND THREATS

The Indian Pharmaceutical Industry consists of quality producers and a large number of units are approved by regulatory agencies of USA and European Countries. Indian Pharmaceutical companies are very strong in Chemistry and Chemical Process Development. In view of the above, Indian Pharmaceutical companies are expected to grab a major share of the outsourcing opportunities from Global generic companies.

However, increasing infrastructural problems and high power tariff are bound to make the company's products more expensive. The company also has to watch the new patent regime which may restrict the manufacture of some of the newer drugs.

The Company believes that competition in the market has to be met squarely by developing production systems based on cost efficiency, high productivity, modern technology, quality assurance and timely deliveries. Accordingly, the Company is gearing itself to exploit the opportunities by developing innovative product process and applications. Constant efforts are being made to meet the stringent quality requirements in all markets. New markets are being explored and efforts are ongoing to widen the depth and penetration of the existing markets.

SEGMENTWISE OR PRODUCTIONWISE PERFORMANCE

Company's operations are predominantly related to the manufacture and processing of bulk drugs intermediates, as such there is only one primary reportable segment. Secondary reportable segments are identified taking into account the geographical markets available to the products, the differing risks, returns and internal reporting system.

**COMPANY'S FINANCIAL PERFORMANCE AND ANALYSIS**

The Company's financial performance and analysis is already discussed in the Directors' Report which forms a part of the Annual Report.

FUTURE OUTLOOK

The company has been manufacturing its core products for several years and has built up a steady clientele. In addition several new products are in the pipeline with which the company hopes to increase its revenues and profitability by about 20% in the ensuing years.

For future expansion, the company acquired 5 acres of land at Ramky Pharma SEZ, Visakhapatnam.

RISKS AND CONCERNS

Any business activity is confronted with various risks and an efficient business concern would take cognizance of the various risks and arrange for taking corrective actions to mitigate the risks.

Some of the risks are listed below along with the suggested actions for mitigation.

1. COMPETITION:

The competition is mainly from other suppliers in India and more so from Chinese suppliers. To preserve its market share, the company has embarked on aggressive programme to improve the cost efficiency of processes and production of key products vis- a- vis increase in input cost of raw materials, power, labour etc.

2. MARKETING:

Constant efforts are being made to diversify the product portfolio, increase the number of customers and introducing newer products. The company is also focussing on obtaining regulatory approvals and entering into new markets.

3. EXCHANGE RATE:

High volatility in the foreign currency is a big concern for the company as the company is going to import raw material for the new products. Finance Department is constantly monitoring the situation and taking action against major fluctuations.

4. ENVIRONMENTAL MANAGEMENT

The company is very much aware of its responsibilities towards environment and commissioned the Multiple Effect Evaporation System to concentrate and collect the solid effluent and send it for incineration to government approved agency.

INTERNAL CONTROLS

Tyche Industries Limited has proper and adequate internal control system commensurate with the size and complexity of the organization and a well-defined internal control system which is adequately monitored. Checks and balances and control systems have been established to ensure that assets are safe guarded,



utilized with proper authorization and recorded in the books of account. There is a proper definition of roles and responsibilities across the organization to ensure information flow and monitoring. The Company has an Audit Committee consisting of three Independent Directors. This Committee reviews the statutory audit reports, the quarterly and annual financial statements and discusses all significant audit observations and follow up actions arising from them.

HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The Company recognizes the immense value addition made by its employees to the growth and development. In turn, the Company is committed to train and develop its people and motivates them to enhance their potential and industrial relations have been cordial and mutually beneficial. As on March 31, 2013 the Company had 248 employees.

CAUTIONARY STATEMENT:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by Securities and Exchange Board of India (SEBI), Generally Accepted Accounting Principles in India and Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI).

Our management accepts responsibility for the integrity and objectivity of the financial statements as well as for various estimates and judgments used therein. The judgments relating to the financial statements have been made on a prudent and reasonable basis so that the financial statements reflect in a true and fair view of the state of affairs of the Company.

Readers are advised to kindly note that the above discussion contains statements about risks, concerns, opportunities, etc., which are valid only at the time of making the statements. A variety of factors known/unknown expected or otherwise may influence the financial results. These statements are not expected to be updated or revised to take care of any changes in the underlying presumptions. Readers may therefore appreciate the context in which these statements are made before making use of the same.



REPORT ON CORPORATE GOVERNANCE

1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is about commitment to values and ethical business conduct. It is a journey for constantly improving sustainable value creation and is an upward moving target.

Tyche Industries Limited has always attached great importance to good and responsible corporate governance. We believe that Corporate Governance is a key driver of sustainable corporate growth and long term value creation for its stakeholders. It is also our belief that Corporate Governance does not only mean ensuring compliance with regulatory requirements, but also means being responsive to aspirants of customers and expectations of the society. We always strive for excellence in quality of goods and services with the twin objectives of enhancing customer satisfaction and shareholder's value.

We are committed to upgrade our systems, processes and disclosure norms to achieve high standards of Corporate Governance.

2) BOARD OF DIRECTORS

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board of Directors of the Company has an optimum combination of Executive and Non Executive Directors. The Board has five directors. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956, except Mr. G Rama Raju, Mr. G Ganesh Kumar who are relatives of each other. The Company complies with the norms prescribed under Clause 49 of the Listing Agreement for constitution of Board of Directors.

The agenda is prepared in consultation with the Chairman of the Board of Directors and the Chairman of the other committees. The agenda for the meetings of the Board and its committees, together with the appropriate supporting documents, are circulated well in advance of the meeting

During the Financial Year 2012-2013, the Board of Directors met 6 (six) times, viz., on 3rd May, 2012, 31st May, 2012, 14th August, 2012, 29th September, 2012, 9th November, 2012 and 11th February, 2013.



Details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2012-2013 and at the last Annual General Meeting, their directorships in other companies and membership / chairmanship in committees are as follows:

Name	Category & Designation	Attendance at AGM held on 29th September, 2012	No. of meetings held during the last Financial Year 2012-2013	No. of meetings attended	No. of member ships on boards of other Companies	No. of Board commi-tees in which he is a member in other companies	No. of Board commi-tees in which he is a Chairman in other companies
Mr. G.Ganesh Kumar	Chairman, Managing Director and Promoter	Yes	6	6	6	NIL	NIL
Mr. G. Rama Raju (Up to 30 th May, 2013)	Executive Director, Promoter	Yes	6	6	6	NIL	NIL
Mr. G. Sandeep (w.e.f. 30 th May, 2013)	Whole Time Director	N.A	6	NIL	NIL	NIL	NIL
Mr. Harichandra Kantimahanti	Independent Director	Yes	6	6	7	NIL	NIL
Mr. Asish Uniyal	Independent Director	Yes	6	6	5	NIL	NIL
Mr. Boosa Eswar	Independent Director	Yes	6	5	1	NIL	NIL

Notes:

- None of the Directors on the Board is a member of more than 10 Committees and Chairman in more than 5 Committees, across all Companies in which they are Director.
- The directorship held by directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies, Section 25 Companies and Private Companies.

**3) AUDIT COMMITTEE :**

The terms of reference of the Audit Committee are comprehensive and cover the matters specified for audit committees under the Listing Agreements with stock exchanges. The Committee provides the Board with additional assurance as to the adequacy of Company's internal control systems and financial disclosures.

The Audit Committee comprises of three Independent/ Non Executive Directors of the Company having financial background and knowledge in the business of the Company.

The Audit Committee met 4 (four) times during the year on viz., on 3rd May, 2012, 14th August, 2012, 9th November, 2012 and 11th February, 2013 during the year under review. The details of meetings attended by each member during the year ended 31st March, 2013 is as follows:

Name of the member	Designation	No. of Meetings Held	Meetings Attended
Mr. Harichandra Kantimahanti	Chairman	4	4
Mr. G. Rama Raju (upto 3rd May, 2012)	Member	-	-
Mr. Boosa Eshwar (w.e.f. 3rd May, 2012)	Member	4	4
Mr. Ashish Uniyal	Member	4	4

The Compliance officer of the Company acts as the Secretary to the Committee.

The gap between two audit committee meetings was not more than four months, in compliance with Listing Agreement.

The Audit Committee's role is briefly described below:

- Oversee the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Review with management the quarterly and annual financial statement before submission to the Board for approval;
- Review with the management, the statement of uses/ application of funds
- Recommend the appointment, re-appointment and if required, replacement/removal of statutory auditor, fixation of audit fee and approval for payment of any other services;
- Deliberate with statutory auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern;
- Review the qualifications, if any, in the draft audit report;
- Review with the management, performance of statutory auditors, and adequacy of the internal control systems;
- Appraise the Company's financial and risk management policies

For Audit Committee meetings, the Statutory Auditors are invited and are generally attended by the Senior Management Executives of the Company.



4) REMUNERATION COMMITTEE

The Remuneration Committee of the Company recommends to the Board of Directors, the remuneration payable to the Executive Directors, senior most management immediately below the Managing director on their performance, defined assessment criteria and job responsibilities.

During the financial year 2012-2013 the Remuneration Committee met once on 14th August, 2012. The Composition and the details of attendance of members of the Committee are as follows:

Name of the member	Designation	No. of Meetings Held	Meetings Attended
Mr. Ashish Uniyal	Chairman	1	1
Mr. Harichandra Kantimahanti	Member	1	1
Mr. Boosa Eshwar (w.e.f. 3rd May, 2012)	Member	1	1
Mr. G. Rama Raju (upto 3rd May, 2012)	Member	1	-

The Compliance officer of the Company acts as the Secretary to the Committee.

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

Details of remuneration paid to Executive Directors during the year ended 31st March, 2013 and shares held by them are as follows:

(Rs. In Lacs)

Name of the Director	2012-13	2011-12
G. Ganesh Kumar, Managing Director	0.15	0.12
G. Rama Raju, Whole Time Director	0.03	--

5) INVESTORS' GRIEVANCE COMMITTEE / SHARE TRANSFER COMMITTEE

As a measure of good corporate governance and to focus on the shareholders' grievances for strengthening investor relations; an Investors' Grievance Committee / Share Transfer Committee has been constituted. The Investors' Grievance Committee met 4 (four) times viz. 3rd May, 2012, 14th August, 2012, 9th November, 2012 and 11th February, 2013 during the year under review. The composition of the Investors' Grievance Committee as on 31st March, 2013 and the number of meetings attended by each member during the year ended on that date is as follows:

Name of the member	Designation	No. of Meetings Held	Meetings Attended
Mr. Boosa Eshwar (w.e.f. 3rd May, 2012)	Chairman	4	4
Mr. G. Ganesh Kumar	Member	4	4
Mr. Ashish Uniyal	Member	4	4
Mr. Harichandra Kantimahanti	Member	4	1

The Compliance officer of the Company acts as the Secretary to the Committee.



The functions of the committee(s) include to specifically look into redressing investors' grievances pertaining to:

- Transfer of shares
- Dividends
- Dematerialization of shares.
- Replacement of lost/stolen/mutilated share certificates
- Non-receipt of rights/bonus/split share certificates
- Any other related issues

• **Name of the Compliance Officer::**

Mr. G. Ganesh Kumar, Managing Director

Phone No. : 040 -23540979

Fax No. : 040 -23540933

Email ID : vasanth@tycheindustries.com

• **Status of the Investor's Complaint as on March 31, 2013:**

Opening	Received during the year	Resolved during the year	Pending
--	2	2	--

6) GENERAL BODY MEETINGS

Financial Year	Date	Venue	Time	No. of Special Resolutions, if any
2011-2012	29 th September, 2012	Sagi Ramkrishnam Raju Community Hall, Madura Nagar, Hyderabad - 500038.	11.30 A.M	Two (2)
2010-2011	30 th September, 2011	Sagi Ramkrishnam Raju Community Hall, Madura Nagar, Hyderabad - 500038.	11.30 A.M.	NIL
2009-2010	30 th September, 2010	Sagi Ramkrishnam Raju Community Hall, Madura Nagar, Hyderabad - 500038.	11.30 A.M.	NIL

Postal Ballot

No resolution was passed by means of Postal Ballot during the financial year 2012-2013. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

7) DISCLOSURES:

i. Related Party Transactions:

There are no materially significant related party transactions, i.e., transactions, material in nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may potentially conflict with the interests of the Company at large. The related party transactions where ever there were have been disclosed in the Notes to Accounts of the Financial Statements in the Annual Report.



ii. Code of Conduct and Auditors' Certificate on compliance of Corporate Governance:

The Board has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. All Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration by the Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on 31st March, 2013 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed separately to this Annual Report along with the Auditor's Certificate on compliance of clause 49 of the Listing Agreement by the Company..

iii. Compliance by the Company

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years.

iv. Disclosure of accounting treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

v. Disclosure of Risk Management

The Company has initiated the risk assessment and minimization procedure.

vi. CEO/CFO Certification

In terms of the requirements of Clause 49(V) of the Listing Agreement, the CEO has submitted necessary certificate to the Board at its meeting held on 30th May, 2013 stating the particulars specified under the said clause.

vii. Code for Prevention of Insider Trading Practices

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1992 the Company has laid down a comprehensive Code of Conduct for prevention of Insider Trading for the Directors, Senior Management, Officers & Other Employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company.

viii. Whistle Blower policy

The Company has no formal Whistle Blower policy, however it takes cognizance of complaint made and suggestions given by the employees and whenever necessary, suitable corrective steps are taken for it. No employee was denied to access the audit committee for the same purpose.

ix. Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2013 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

8) MEANS OF COMMUNICATION:

- a) The quarterly, half-yearly and annual results of the Company are forwarded to the BSE Limited, where the Company's shares are listed and published in English daily newspaper, The Financial Express and Telugu newspaper, Praja Shakthi.



- b) The audited financial results and the shareholding pattern are displayed on the Company's website at www.tycheindustries.com. The Company also regularly provides information to the Stock Exchange as per the requirement of Listing Agreement and updates the same on the Company's website periodically.
- c) The Management Discussion and Analysis is a part of the Annual Report and annexed separately.
- d) The Company has not made any presentations to institutional investors or to the analysts and has not made any press release during the year under review.

9) GENERAL SHAREHOLDERS INFORMATION:

(a) Annual General Meeting

15th Annual General Meeting

Date : Friday, 27th September, 2013

Time : 11.30 a.m.

Venue : Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad- 500038.

(b) Financial Calendar:

The financial year of the Company starts from April 1 every year and ends on March 31 of the succeeding year.

Subject Matter	Tentative Dates of the Board Meeting
Financial results for the quarter ending 30th June, 2013	By 14th August, 2013
Financial results for quarter ending 30th September, 2013	By 14th November, 2013
Financial Reporting of quarter ending 31st December, 2013	By 14th February, 2014
Financial Reporting of quarter / year ending 31st March, 2014	By 30th May, 2014 (Audited Results).

(c) **Date of book closure:** From 23rd September, 2013 to 27th September, 2013 (both days inclusive)

(d) **Listing on Stock Exchange :** BSE Limited (BSE)

(e) Stock Code : 532384

Scrip Id : **TYCHE**

Demat ISIN : INE443B01012 (Fully paid up)
IN9443B01010 (Partly paid up)



- (d) Market Price Data: Monthly high and low stock quotations of shares traded on BSE during the each month of the financial year 2012-2013 as compared to BSE Sensex are as follows:

Month	Volume (No. of Shares)	Share Price of shares of the Company at BSE* (Rs.)		BSE Sensex* (Points)	
		High	Low	High	Low
April, 2012	6,405	13.88	11.15	17664.10	17010.16
May, 2012 to August, 2012 Trading suspended during the months					
September, 2012	1,51,652	15.70	13.45	18869.94	17250.80
October, 2012	39,649	15.20	13.26	19137.29	18393.42
November, 2012	1,31,957	15.70	12.65	19372.70	18255.69
December, 2012	1,68,981	15.79	12.61	19612.18	19149.03
January, 2013	40,666	15.00	11.16	20203.66	19508.93
February, 2013	8,069	14.24	11.50	19966.69	18793.97
March, 2013	62,260	11.96	8.73	19754.66	18568.43

* Source: www.bseindia.com

(g) Registrar and Share Transfer Agents:

CIL Securities Limited
214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500001

(i) Share Transfer System

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agents (RTA) within 15 days of the lodgement, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

(h) Shareholding Pattern as on 31st March, 2013

Category	No. of Shares	% of Shareholding
Promoters	52,51,604	51.24
FII	0	0.00
Mutual Funds & Banks	0	0.00
NRI's and Foreign Body corporates	0	0.00
Corporate Bodies	18,29,759	17.85
Indian Public and Others	31,68,637	30.91
Total	1,02,50,000	100.00

**(i) The Distribution of Shareholding as on 31st March, 2013:**

Category (No. of Shares) From To	No. of Shareholders	%	No. of Shares	%
Up to 5000	2072	95.18	1521659	14.85
5001-10000	56	2.57	438178	4.27
10001-20000	20	0.92	268248	2.62
20001-30000	7	0.32	166183	1.62
30001-40000	9	0.41	310687	3.03
40001-50000	1	0.05	48300	0.47
50001-100000	1	0.05	87641	0.86
100001- and above	11	0.51	7409104	72.28
Total	2177	100.00	10250000	100.00

(j) Dematerialization of Equity Shares and Liquidity

As on 31st March, 2013 about 96.65% of the Company equity shares have been dematerialized.

(k) Outstanding ADRs, GDRs, Warrants or any convertible instruments, conversion date and impact on Equity:

As on 31st March, 2013 the Company does not have any ADRs, GDRs, warrants or any convertible instruments.

(l) Address for investor correspondence:

Registered Office: H. No. C 21/A, Road No 9, Film Nagar Jubilee Hills, Hyderabad 500096.



**AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To
The Members of
Tyche Industries Limited
Hyderabad. 500096.

We have examined the records concerning compliance of conditions regarding Corporate Governance by **M/s Tyche Industries Limited** ("the company") for the year ended 31st March 2013, as stipulated in clause 49 of the Listing Agreement entered into with BSE Limited.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above, mentioned listing agreement.

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

For P.S.N.RAVISHANKER & ASSOCIATES
Chartered Accountants
Firm Reg. No: 0032285

Sd/-
(P. RAVI SHANKER)
Partner
M. No.025288

Place: Hyderabad
Date: 30th May, 2013

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To
The Members of
Tyche Industries Limited

I, G. Ganesh Kumar, Chairman & Managing Director of the Company, hereby declare that the Board Members and the Senior Management of the Company have affirmed compliance with the Code of Conduct and Ethics during the year ended 31st March, 2013.

For Tyche Industries Limited

Sd/-
G. Ganesh Kumar
Chairman & Managing Director

Place: Hyderabad
Date: 30/05/2013

**CEO/CFO Certification**

To
The Board of Directors
Tyche Industries Limited
Hyderabad

We, G. Ganesh Kumar, Chairman & Managing Director and Gokaraju Sandeep, Whole-Time Director of M/s Tyche Industries Limited to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet and Statement of Profit and Loss, and all the notes on accounts, as well as the Cash Flow statements for the financial year ended 31st March, 2013.
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
3. 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 pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. They have indicated to the auditors and the Audit committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial

For Tyche Industries Limited

Place: Hyderabad
Date: 30th May, 2013

Sd/-
G. Ganesh Kumar
Chairman & Managing Director

Sd/-
G. Sandeep
Whole-Time Director



INDEPENDENT AUDITORS REPORT

To,
The Members of
M/s. TYCHE INDUSTRIES LIMITED,
D.No. C-21/A, Road No.9, Film Nagar,
Jubilee Hills,
Hyderabad-500 096.

From:
P.S.N. RAVISHANKER & ASSOCIATES
Chartered Accountants,
Flat No.205, "B"- "Block"
Kushal Towers, Khairatabad,
Hyderabad-500 004

Report on the Financial Statements

We have audited the accompanying financial statements of TYCHE INDUSTRIES LIMITED which comprise of the Balance Sheet as at March 31st 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st 2013;
- (b) in the case of the statement of Profit and Loss , of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of Account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - e. on the basis of written representations received from the directors as on March 31st 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For P.S.N.RAVISHANKER & ASSOCIATES
Chartered Accountants
Firm Reg No: 0032285

Sd/-
(P. RAVISHANKER)
Partner

Place: Hyderabad
Date : 30-05-2013

**STATEMENT REFERRED TO IN THE AUDITORS REPORT**

- 1
 - a) The Company is maintaining proper records which show broad particulars including quantitative details and situation in respect of the fixed assets. However the fixed Assets register is to be updated.
 - b) The fixed assets of the company have been broadly verified during the year by the management at reasonable intervals; we are informed that no material discrepancies were noticed on such verification.
 - c) The company has not disposed off substantial part of its fixed assets so as to affect the going concern concept.
- 2
 - a) As explained to us, Physical verification of inventory has been conducted by the management during the year in respect of majority of the high value items at reasonable intervals.
 - b) The procedures of physical verification of inventory followed by the management appear to be generally reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The company is maintaining proper records of inventory and we are informed that no material discrepancies were noticed on Physical verification.
3. As per the information and explanations furnished to us by the management during the year the company has not granted any loans, secured or unsecured, to the parties covered in the register maintained under Section 301 of the Act. During the year the Company has accepted unsecured loan from the managing director of the company, covered in the register maintained u/s 301 of the Act, amounting to Rs 102.00 Lacs(P.Y 102.00 Lacs) we are informed that the said unsecured loan does not carry any interest and no specific repayment period is fixed in this regard and the other terms and conditions prima facie do not appear to be prejudicial to the interests of the company.
4. In our opinion and according to the information and explanations given to us, the internal control procedures existing in the company with regard to purchase of Inventory and Fixed Assets and for the sale of goods including processing charges, prima facie, appear to be commensurate with the size of the company and the nature of its business.
5. As per the information and explanations furnished to us by the management during the year, there are no transactions that need to be entered into the register in pursuance of Section.301of the Act.



6. As per the information and explanations furnished to us, the Company has not accepted any deposits from the Public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sec.58A and 58AA of the Act and the Rules framed there under apply.
7. The company does not have any formal internal audit system during the year. It has been explained to us that the internal control systems existing in the company cover some of the internal audit aspects also.
8. The company has maintained the records, which broadly meet the requirements of the Cost Records U/s.209 (1) (d) of the Companies Act, 1956. However, we have not examined the contents of these accounts and records in detail.
9. The undisputed dues including Provident fund, Investor education and protection fund, Employees State Insurance, Income-Tax, Sales tax, Wealth tax, Custom duty, Excise duty, Cess and other statutory dues have been deposited generally by the company during the year with the appropriate authorities.
10. The company has been registered for period not less than 5 years and there are no accumulated losses in the company as at 31.03.2013. The company has not suffered cash losses during the current financial year and in the immediately preceding financial year.
11. The company has not defaulted in repayment of dues to banks. The company has not raised any funds from financial institutions/debenture holders.
12. During the year the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the company is not a chit fund, Nidhi/ mutual benefit fund/ society.
14. The company is not dealing or trading in shares, securities, debentures and other investments.
15. As per the information and explanations furnished to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. During the year the company has not obtained any term loans.
17. The funds raised on short-term basis do not prima-facie appear to have been used for long-term investment and vice versa.



18. During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The company has not issued any debentures.
20. The company has not raised money through public issue during the year.
21. According to the information and explanations furnished to us, during the year, there was no fraud on or by the company that has been noticed or reported by the management.

For P.S.N.RAVISHANKER & ASSOCIATES

Chartered Accountants

Firm Reg No: 0032285

Sd/-

(P. RAVI SHANKER)

Partner

Place : Hyderabad,

Date : 30-05-2013


BALANCE SHEET AS AT 31st March 2013

(Amount in Rupees)

Particulars	Notes	As at 31-Mar-2013	As at 31-Mar-2012
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	102,308,000	100,701,000
(b) Reserves and surplus	3	284,104,525	229,976,533
		386,412,525	330,677,533
2 Non-current liabilities			
(a) Long-term borrowings	4	10,200,000	10,200,000
(b) Deferred tax liabilities (Net)	5	20,883,815	18,425,815
(c) Other Long term liabilities	6	589,521	521,530
(d) Long-term provisions	7	2,952,335	1,235,233
		34,625,671	30,382,578
3 Current liabilities			
(a) Short-term borrowings	8	87,467,483	65,114,431
(b) Trade payables	9	326,674,115	74,388,977
(c) Other current liabilities	10	13,257,409	19,629,098
(d) Short-term provisions	11	33,331,831	16,545,134
		460,730,838	175,677,640
TOTAL		881,769,033	536,737,751
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	275,879,633	223,352,494
(ii) Capital work-in-progress		3,963,040	3,418,324
(b) Non-current investments	13	26,982	12,072
(d) Long-term loans and advances	14	4,900,284	4,495,673
(e) Other non-current assets	14(a)	3,437,526	2,892,492
		288,207,465	234,171,055
2 Current assets			
(a) Inventories	15	207,693,348	124,677,322
(b) Trade receivables	16	319,881,586	137,074,059
(c) Cash and Bank Balances	17	5,449,884	20,158,578
(d) Short-term loans and advances	18	9,052,554	5,312,141
(e) Other current assets	19	51,484,197	15,344,598
		593,561,568	302,566,698
TOTAL		881,769,033	536,737,751

The accompanying notes are an integral part of the financial statements

 As per our Report of even date attached
 For P.S.N.RAVISHANKER & ASSOCIATES
 Chartered Accountants

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

 Sd/-
 (P.RAVI SHANKER)
 Partner

 Sd/-
 (G.GANESH KUMAR)
 Managing Director

 Sd/-
 (G. SANDEEP)
 Whole Time Director

 Place: Hyderabad
 Date: 30-05-2013



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Amount in Rupees)

Particulars	Refer Note No.	For the year ended 31 st Mar, 2013	For the year ended 31 st Mar, 2012
1	2	3	4
I. Revenue from operations	20	784,572,263	493,612,315
II. Other income	21	7,543,759	4,353,599
III. Total Revenue (I + II)		792,116,022	497,965,914
IV. Expenses:			
a) Cost of materials consumed	22	495,033,382	309,051,666
b) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	(44,938,274)	(17,052,353)
c) Employee benefit expense	24	34,731,694	22,299,903
d) Manufacturing expenses	25	141,726,277	82,950,268
e) Finance costs	26	9,477,798	12,858,071
f) Administration, Selling and Distribution Expenses	27(a)	45,914,447	28,973,849
g) Other expenses	27(b)	6,659,038	3,929,048
h) Depreciation and amortization expense	12	11,042,616	9,208,372
i) Remuneration to Directors		1,800,000	1,200,000
Total expenses		701,446,979	453,418,824
V. Profit before exceptional and extraordinary items and tax (III-IV)		90,669,044	44,547,090
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		90,669,044	44,547,090
VIII. Extraordinary Items			3,626,373
IX. Profit before tax (VII- VIII)		90,669,044	40,920,717
X. Tax expense:			
(1) Current tax		27,277,000	9,622,000
(2) Deferred tax		2,458,000	2,901,000
XI. Profit for the period from continuing operations (IX-X)		60,934,044	28,397,717
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		60,934,044	28,397,717
XVI. Earnings per equity share:			
-Basic Earning per share		5.96	2.87
-Diluted Earnings per share		5.94	2.77
- Nominal Value per equity share		10.00	10.00

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached
For P.S.N.RAVISHANKER & ASSOCIATES
Chartered Accountants

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

Sd/-
(P.RAVI SHANKER)
Partner

Sd/-
(G.GANESH KUMAR)
Managing Director

Sd/-
(G. SANDEEP)
Whole Time Director

Place: Hyderabad
Date: 30-05-2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

(Amount in Rupees)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Net increase decrease cash and cash equivalents		
Net cash flow from used in operating activities		
Net Profit/(loss) before taxation and adjustments	90,669,044	44,547,090
Adjustment in Depreciation	11,042,616	9,208,372
Adjustment in Provision for Taxes	(27,520,136)	(13,248,373)
Adjustment gain loss sale disposal fixed assets	-	-
Adjustment interest received	(942,791)	(1,298,606)
Adjustment profit and loss operations	(17,420,311)	(5,338,607)
Operating profit loss before changes working capital	73,248,733	39,208,483
Changes working capital		
Changes current assets loans and advances		
Changes in inventories	(83,016,026)	(15,211,164)
Changes in sundry debtors	(182,807,529)	(6,379,578)
Changes in other current assets	(36,139,599)	(2,040,939)
Changes in current assets, loans & advances	(3,740,413)	11,782,588
Changes current assets loans advances	(305,703,566)	(11,849,093)
Changes current liabilities provisions		
Changes trade other payables		
Changes in trade payables	252,285,138	(1,296,623)
Changes in other liabilities	(6,371,689)	(6,199,016)
Changes in provisions	730,022	812,548
Changes in current liabilities & provisions	17,841,768	3,102,920
Changes current liabilities provisions	264,485,239	(3,580,171)
Changes working capital	(41,218,328)	(15,429,264)
Net Cash Flow used in operating activities	32,030,405	23,779,219
Net Cash Flow used in investing activities		
Purchase tangible fixed assets	(64,114,471)	(17,736,350)
Branch Investment written off	(628,828)	-
Increase in investments	(14,910)	-
Loans to others	(404,611)	(371,202)
Advances to others	(545,034)	(49,660)
Proceeds sale disposal tangible fixed assets	-	-
Proceeds interest bank deposits	942,791	1,298,606
Net Cash Flow used in investing activities	(64,765,063)	(16,858,606)
Net cash flow from used in financing activities		
Proceeds short - term borrowings	22,353,052	(24,755,522)
Proceeds from share capital	1,607,000	-
Dividend equity shares paid	(5,105,800)	(4,945,100)
Dividend distribution tax equity shares paid	(828,288)	(802,220)
Net cash flow from used in financing activities	18,025,964	(30,502,842)
Net Increase/(decrease) in Cash and Cash equivalents	(14,708,694)	(23,582,229)
Cash and Cash equivalents at the beginning of the Year	20,158,578	43,740,807
Cash and Cash equivalents at the end of the Year (Refer Note 17)	5,449,884	20,158,578
Summary of Significant Accounting Policies & Other Disclosures (Refer Note 1)		

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

Place: Hyderabad
Date: 30-05-2013

Sd/-
G. GANESH KUMAR
Managing Director

Sd/-
G. SANDEEP
Whole Time Director

We have examined the Cash Flow Statement of M/s Tyche Industries Ltd for the year ending 31st March 2013. The Statement has been prepared by the company in accordance with the requirements of clause 32 of the Listing Agreement with stock exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company dealt with in our report of 30-05-2013 to the members of the Company.

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

Place: Hyderabad
Date: 30-05-2013

Sd/-
(P. RAVI SHANKER)
Partner



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

1. *Significant Accounting Policies:*

A. *Basis of Preparation of Financial Statements*

The Company follows the mercantile system of Accounting and recognises Income & Expenditure on accrual basis. The accounts are prepared on historical cost basis and as a 'Going Concern'. The Company has complied with all material aspects with all mandatory accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 1956.

Accounting policies not referred to herein otherwise are consistent with Generally Accepted Accounting Principles in India.

B. *Fixed assets and depreciation*

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Depreciation on fixed assets is provided using the straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed.

C. *Use of estimates*

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

D. *Revenue recognition*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognized on dispatch (in respect of exports on the date of the bill of lading or airway bill) which coincides with transfer of significant risks and rewards to customer and is inclusive of excise duty and net of trade discounts, sales returns and sales tax, where applicable. Income from job work services are recognized when services are rendered or related costs are incurred in accordance with the terms of specific contracts. Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

E. *Investments:*

Long term investments are valued at cost of acquisition. However, provision for diminution in value, if any, is made to recognise a decline other than temporary in the value of investments. Income from investments is recognised in the accounts in the year in which it is received.

**F. Inventories**

Raw materials, packing materials, stores, spares, consumables and finished goods are valued at cost.

Work-in-progress is valued at lower of cost of raw material plus proportionate overheads as per AS-2 issued by ICAI. Cost includes all charges incurred for bringing the goods to the location of the manufacturing facilities.

Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to effect the sale.

G. Foreign currency transactions

- a. Transactions in foreign exchange are accounted for at the exchange rate prevailing on the date of transaction, Gains and losses arising thereon are recognized in the Profit and Loss Account;
- b. Foreign currency monetary items are reported using the closing rate, Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- c. In case of forward exchange contracts, difference between the forward rate and the exchange rate on the date of transaction is recognized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

H. Research & Development Expenditure:

Research and Development expenditure, which is of revenue nature, is charged to the Profit & Loss Account and expenditure, which is of capital nature, is added to the cost of Fixed Assets in the year in which these are incurred.

I. Taxes on Income:

Tax expenses for the year comprises of Current tax and Deferred tax, Provision for Current taxes made based on the tax rates and tax laws as applicable to the year. Provision for Deferred tax on account of timing difference is made as per Accounting Standard-22 issued by the ICAI.

J. Retirement Benefits:

Defined Contribution Plan:

The Companies liability towards retirement benefits in the form of Provident Fund and ESIC are considered as defined contribution plan and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. The company contributes to the employees Provident Fund maintained under Statutory Provident Fund Scheme.

Defined Benefit Plan:

The Company operates defined benefit plans for gratuity. The cost of providing such defined contribution is determined using the projected unit credit method (PUCM). The accruing liability



towards Gratuity and other retirement benefits are provided on the basis of Actuarial Valuation made by an independent Actuary. The Company fully contributes all ascertained liabilities to the "Tyche Industries Limited Employees Gratuity Trust" (Trust). Trustees administer contributions made to the Trust through a fund managed by Life Insurance Corporation of India (LIC). The Actuarial gains and losses are recognised immediately in the statement of profit and loss account as income or expense.

K. Impairment of Assets:

As required by the Accounting Standard (AS-28) "Impairment of Assets", issued by the Institute of Chartered Accountants of India, it is the policy of the company to assess at each balance sheet date whether there is any indication that any fixed asset may be impaired. During the year there is no impairment loss.

L. Confirmation of Balances:

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

M. Earnings Per Share:

Basic Earnings per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Computation of Basic and Diluted Earnings per share

(Amount in Rs.)

Particulars	As at 31.03.2013	As at 31.03.2012
1) Net Profit as per the Profit and loss account available to Equity shareholders	60934044	28397717
2) Weighted Average Number of Equity shares	10230800	9890200
3) Basic earnings per share	5.96	2.87
4) Diluted Earnings Per share	5.94	2.77

N. Segment Reporting:

- Company's operations are predominantly related to the manufacture and processing of bulk drugs intermediates, as such there is only one primary reportable segment. Secondary reportable segments are identified taking into account the geographical markets available to the products, the differing risks, returns and internal reporting system. Hence the segmental reporting is based on Domestic and Export sales
- As a part of secondary reporting, revenues are attributed to geographical areas based on the location of customers as detailed below:

(Rs. In Crores)

Particulars	2012-13		2011-12	
	Revenue	%	Revenue	%
Domestic	45.96	68.81	27.70	59.45
Export	20.83	31.19	18.89	40.55
Total	66.79	100.00	46.59	100.00



c. The Company does not track its assets and liabilities by geographical area.

O. Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

P. Cash and cash equivalents

Cash and cash equivalents in the cash flow statements comprise Bank balances and cash in hand and short-term investments with an original maturity of three months or less.

Q. Contingent liabilities

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognise the contingent liability but discloses its existence in the financial statements. The outstanding liability in respect of the un-expired letters of credit as at 31.03.2013Rs. Nil(P.YRs0.11Crores)

R. Borrowing cost

Borrowing cost includes interest incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

S. Related Party Transactions:

Related party Disclosures, as required by Accounting Standard 18 "Related Parties Disclosures" by the Institute of Chartered Accountants of India are as given below.

(Amount Rupees in Crores)

S.No.	Name of the Party	Nature of Relation	2012-13	2011-12
1	Sudershan Laboratories Ltd - Inter Corporate Loan	Common Director	0.49	0.45
2	G.Rama Raju - Remuneration	Director	0.03	-
3	G.Ganesh Kumar - Remuneration - Loan given to company	Managing Director & Key Management Person	0.15 1.02	0.12 1.02

All related party transactions during the year, in the ordinary course of business, were on arm's length basis.



2. Share Capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised Equity Shares of Rs. 10/- each	11,000,000	110,000,000	11,000,000	110,000,000
Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each	10,250,000	102,500,000	10,250,000	102,500,000
Less: Calls unpaid on 38,400 equity shares of Rs.5/- each (Previous year 3,59,800 equity shares of Rs5- each)	38,400	192,000	359,800	1,799,000
Total	10,211,600	102,308,000	9,890,200	100,701,000

a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Amount in Rs.	Number	Amount in Rs.
Equity Shares				
Shares outstanding at the beginning of the year	10,250,000	102,500,000	10,250,000	102,500,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,250,000	102,500,000	10,250,000	102,500,000

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

The Company declare and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2013 amount of Dividend per share recognised as distributions to equity shareholders is Rs. 0.50 (March 31, 2012: Rs. 0.50)

C. Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% of Holding	No. of Shares held	% of Holding
G. Sandeep	766,920	7.48%	766,920	7.48%
G Ganesh Kumar	1,231,100	12.01%	1,231,100	12.01%
Silver Oak Technologies (P) Ltd	1,496,917	14.60%	1,496,917	14.60%
Sri Indra Distillery (p) Ltd	1,496,350	14.60%	1,496,350	14.60%
Tyche Chem Ltd	1,533,532	14.96%	1,533,532	14.96%

**3. Reserves & Surplus**

Particulars	As at March 31, 2013 Rs	As at March 31, 2012 Rs
a. General Reserves		
Opening Balance	31,676,963	28,476,963
(+) Current Year Transfer	6,100,000	3,200,000
(-) Written Back in Current Year	-	-
Closing Balance A	37,776,963	31,676,963
b. Surplus		
Opening balance	198,299,570	178,849,173
(-) Written off in the Reserves	628,828	-
(+) Net Profit/(Net Loss) For the current year	60,934,044	28,397,717
(-) Proposed Dividend & Dividend Tax	5,934,088	5,747,320
(-) Short Provision for Dividend & Taxes	243,136	-
(-) Transfer to Reserves	6,100,000	3,200,000
Closing Balance B	246,327,562	198,299,570
Total (A+B)	284,104,525	229,976,533

4. Long Term Borrowings

Particulars	As at March 31, 2013 Rs	As at March 31, 2012 Rs
Loans and advance from related parties (Taken from Managing Director of the Company & interest free loan)	10,200,000	10,200,000
Total	10,200,000	10,200,000

5. Deferred Tax Liabilities (Net)

In compliance with Accounting Standard (AS-22) relating to 'Accounting for taxes on income' issued by the Institute of Chartered Accountants of India, the Company has provided the deferred tax liability accruing during the year in the Profit & Loss Account. The details are as follows:

Deferred Tax Liability (Net) of Rs. 20883815 shown in the Balance Sheet as on 31.03.2013 comprises of the following:

(Amount in Rupees)

Deferred Tax Liability:	As at March 31, 2013	As at March 31, 2012
Opening Deferred Tax Liability	18,425,815	15,524,815
On Account of Depreciation provided on Fixed Assets	2,458,000	2,901,000
Deferred Tax Liability (Net)	20,883,815	18,425,815



6. Other Long Term Liabilities

Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
(a) Others- Hire Purchase loans form Banks (Secured by Hypothecation of Vehicles)	589,521	521,530
Total	589,521	521,530

7. Long Term Provisions

Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
Provision for employee benefits		
Gratuity (Unfunded)	2,952,335	1,235,233
Total	2,952,335	1,235,233

8. Short Term Borrowings

Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
Secured		
Loans repayable on demand from Banks -		
Working Capital Loans from Bank of India		
- Cash Credit Facilities	37,467,483	45,114,431
- Packing Credit Facilities	50,000,000	20,000,000
(The Working Capital Loans from Bank of India are secured by hypothecation of Stocks and book debts and the fund based along with non fund based limits are further collaterally secured by Equitable Mortgage of (i) Ac 3.00 (17424 Sq Yards) Industrial Land with godown situated with in the factory premises at survey no 94/1, Sarpavaram Village, Kakinada belonging to the company. (ii) EQM of Plot no 31& 32 in S No 92 admeasuring 520& 487 Sq Yards respectively belonging to the company and (iii) negative lien over netblock (other than item offered to the bank as security and also personal guarantee given by G.Ganesh Kumar , Managing Director of the Company)		
Total	87,467,483	65,114,431

**9. Trade Payables**

Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
Trade Payables for Raw Materials	297,244,402	63,441,062
Creditors for Expenses	1,381,141	2,413,411
Creditors for Capital Goods	28,048,572	8,534,504
Total	326,674,115	74,388,977

The Information relating to Micro & Small enterprises as envisaged under the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principal and interest not forthcoming from the respective parties.

10. Other Current Liabilities

Note: 1 Disclosure pursuant to Note no 6 (G) of Part I of Schedule VI to the Companies Act 1956

Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
(a) Current maturities of long-term debt	690,438	573,036
(b) Current maturities of lease obligations for land at SEZ Vizag, JNPC	8,500,800	17,001,600
(c) Unpaid dividends	-	384,225
(d) Other Payable (specify Nature)		
Statutory Dues	3,953,133	815,213
Others	113,038	855,024
Total	13,257,409	19,629,098

11. Short Term Provisions

Short Term Provisions	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
(a) Provision for employee benefits		
Due to employee Benefits	120,743	1,175,814
(b) Others (Specify nature)		
Proposed Dividend	5,105,800	4,945,100
Dividend tax	828,288	802,220
Provision for Current Tax	27,277,000	9,622,000
Total	33,331,831	15,369,320



12. Fixed Assets- Tangible Assets

(Amount in Rupees)

	Description	Gross Block					Accumulated Depreciation					Net Block	
		Balance as at 1 April 2012	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance - as at March 31, 2013	Balance as at 1 April 2012	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at March 31, 2013	Balance as at 1 April 2012	Balance as at March 31, 2013
a	Tangible Assets												
	Land	19,989,030				19,989,030	-	-	-	-	-	19,989,030	19,989,030
	Assets under lease	62,610,000				62,610,000					-	62,610,000	62,610,000
	Factory Buildings	31,538,644	13,957,316			45,495,960	6,081,292	1,299,559			7,380,851	25,457,352	38,115,109
	Plant and Equipment	111,418,208	42,370,515			153,788,723	23,587,584	6,675,943			30,263,527	87,830,624	123,525,196
	Furniture and Fixtures	8,511,105	1,265,170			9,776,275	5,984,758	561,959			6,546,717	2,526,347	3,229,558
	Lab Equipment	16,077,768	2,751,484			18,829,252	3,756,055	826,796			4,582,851	12,321,713	14,246,401
	Vehicles	11,491,866	1,363,462			12,855,328	4,977,349	1,187,535			6,164,884	6,514,517	6,690,444
	Electrical Equipment	8,358,990	1,861,808			10,220,798	2,256,079	490,824			2,746,903	6,102,911	7,473,895
	Total	269,995,611	63,569,755	-	-	333,565,366	46,643,117	11,042,616	-	-	57,685,733	223,352,494	275,879,633
b	Capital Work In Progress	3,418,324	1,323,206	-	(778,490)	3,963,040						3,418,324	3,963,040
	Grand Total	273,413,935	64,892,961	-	(778,490)	337,528,406	46,643,117	11,042,616	-	-	57,685,733	226,770,818	279,842,673

* Land Held under lease taken from M/s Ramky Pharma City India limited for a initial period of 33 years and the Lessee has the option to renew twice the lease term of the Land situated in SEZ for a period of 33 years each

**13. Non-Current Investments**

Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
Investments in mutual funds		
- Investments in Mutual Funds- (ICICI Prudential life 226.757 units @118.99/unit)	26,982	12,072
Total	26,982	12,072

14. Long Term Loans and Advances

Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
- Loans and advance to related parties		
Unsecured, considered good	4,900,284	4,495,673
Total	4,900,284	4,495,673

Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
- Sudershan Laboratories Limited Company in Which director is a member	4,900,284	4,495,673
Total	4,900,284	4,495,673

14 (a) Other non-current assets

Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
- Others - Security Deposits		
Unsecured, Considered good	3,437,526	2,892,492
Total	3,437,526	2,892,492

15. Inventories

Inventories (As certified by the Management)	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
a. Raw Materials (valued at Cost)	97,609,817	59,437,106
b. Work - in - progress (Valued at Cost) - Refer to Note 23	107,435,891	62,048,970
c. Finished goods (Valued at lower of Cost or NRV) Refer to Note 23	1,487,640	1,936,288
d. Stores and spares (Valued at cost)	1,160,000	1,254,958
Total	207,693,348	124,677,322

**16. Trade Receivables**

Particulars	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
Trade receivables outstanding for a period not exceeding six months (Unsecured, considered good)	319,292,659	136,050,224
Trade receivables outstanding for a period exceeding six months (Unsecured, considered good)	588,927	1,023,833
Total	319,881,586	137,074,057

17. Cash and bank balances

Particulars	As at March 31, 2013		As at March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
i) Cash and Cash equivalents				
a. Cash on hand		616,923		731,407
b. Balances with banks*		1,505,397		17,042,943
ii) Other Bank Balances				
a. Balances with banks*				
This includes:				
Earmarked Balances (eg. unpaid dividend accounts)	-		384,225	
Guarantees	3,327,564	3,327,564	2,000,000	2,384,225
c. Others (specify nature)				
Total		5,449,884		20,158,575

18. Short-term loans and advances

Particulars	As at March 31, 2013		As at March 31, 2012	
	Rs.	Rs.	Rs.	Rs.
- Others				
Unsecured, considered good except stated otherwise				
¹ Loans to Employees	1,357,343		619,552	
¹ Advance to Rawmaterials	1,314,871		2,686,915	
¹ Loans to Others	-		950,893	
¹ Prepaid Expenses	2,649,534		345,727	
¹ Advance for Capital goods & Service providers	3,730,806		709,054	
		9,052,554		5,312,141
Total		9,052,554		5,312,141

**19. Other current assets**

Other current assets (Secured & Considered good)	As at March 31, 2013 Rs.	As at March 31, 2012 Rs.
Advance Income Tax	25,500,000	6,600,000
Income tax refund receivable	1,308,609	1,308,609
Cenvat and Cess Balances	18,476,173	5,984,190
Interest accrued on deposits with banks & others	246,858	126,841
Tds Receivable	2,433,277	1,122,943
AP Vat & CST receivable	3,282,606	202,015
Deposit With PLA	236,674	-
Total	51,484,197	15,344,598

20. Revenue From operations

Particulars	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
Sale of Products	694,615,488	465,886,386
Less: Excise Duty	(26,765,355)	(22,188,521)
Net sale of Products	667,850,133	443,697,865
Processing Charges	116,722,130	49,914,450
Total	784,572,263	493,612,315

21. Other income

Particulars	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
Interest Income (in case of a company other than a finance company)	122,322	1,286,261
Foreign Exchange Gain/ Loss	6,600,968	3,054,993
Other non Operating Income	805,559	12,345
Dividend Income	14,910	-
Total	7,543,759	4,353,599

22. Rawmaterials consumed

Particulars	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
Opening Stock	59,437,106	60,637,034
Add: Purchases	532,875,146	307,851,738
Less: Closing Stock	97,278,869	59,437,106
Total	495,033,382	309,051,666



23. Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Particulars	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
Closing Stocks		
Stock-in-process	107,435,891	62,048,970
Finished Goods	1,487,640	1,936,288
A	108,923,531	63,985,258
Opening Stocks		
Stock-in-process	62,048,970	45,581,393
Finished Goods	1,936,287	1,351,512
B	63,985,257	46,932,905
Total	A - B	17,052,353

24. Employee Benefit Expenses

Employee Benefits Expense	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
(a) Salaries and incentives	29,935,264	18,758,339
(b) Contributions to -		
(i) Provident fund	1,542,134	1,470,112
(ii) Superannuation scheme		
(iii) ESI	538,884	500,217
(c) Gratuity fund contributions	1,269,734	721,147
(d) Staff welfare expenses	1,445,678	850,088
Total	34,731,694	22,299,903

25. Manufacturing Expenses

Particulars	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
Manufacturing Wages	13,471,967	9,340,304
Conversion Charges	18,387,978	872,598
Lab Expenses	6,654,679	6,293,827
Power & Fuel	50,533,219	28,704,778
Consumption of chemicals, Packing & Stores Material	18,573,126	14,709,298
Plant Repairs and Maintainance	34,105,308	23,029,463
Total	141,726,277	82,950,268

**26. Finance Costs**

Particulars	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
Interest expense		
on Working Capital	8,726,183	12,413,845
LC opening & Bank charges	615,153	444,226
On Others	136,462	-
Total	9,477,798	12,858,071

27 (a) Administration, Selling and Distribution Expenses

Particulars	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
Rent	627,573	613,963
Rates and Taxes	1,264,941	381,199
Printing and Stationery	918,043	548,253
Postage, Telephone and Telegram	533,404	1,186,272
Insurance	705,664	789,071
Travelling and Conveyance	4,329,117	4,753,164
Legal and Professional Charges	6,190,811	792,020
Sales commission and Selling Expenses	23,402,898	13,141,356
General and Office Expenses	1,583,627	2,691,678
Vehicle Maintenance	2,121,256	1,371,308
Donations	106,000	75,000
Auditors remuneration	200,000	150,000
Business Promotion Expenses	3,931,113	2,480,565
Total	45,914,447	28,973,849

27 (b). Other Expenses

Particulars	For the year ended March 31, 2013 Rs.	For the year ended March 31, 2012 Rs.
Advertisement Expenses	241,758	209,744
Books and Periodicals	34,021	40,557
Computer Maintenance	433,957	435,021
Other Administrative Expenses	5,949,302	3,243,726
Total	6,659,038	3,929,048

28. Additional Information:**(a) Particulars of Managerial Remuneration:***(Rs.in Crores)*

Particulars	2012-13	2011-12
Remuneration to Managing director & whole time director	0.18	0.12
Total	0.18	0.12

**(b) Auditors' Remuneration:***(Amount Rupees in Crores)*

Particulars	2012-13	2011-12
Statutory Audit Fee	0.02	0.01

(c) Foreign Exchange Earnings and Out go:*(Amount Rupees in Crores)*

Particulars	2012-13	2011-12
i) Foreign Exchange Earnings: - FOB value of exports(net of Freight&Insurance)	20.32	18.66
ii) Foreign Exchange Outgo (CIF): -Raw materials	1.35	5.68
-Capital Goods	0.31	0.18
-For expenses	1.23	0.22

(d) Details of Raw material consumed (as certified by the Management)*(Amount Rupees in Crores)*

Particulars	2012-13		2011-12	
	Qty(M.T's)	Value	Qty(M.T's)	Value
2 Piperidino Ethanol	20.80	0.88	30.80	1.29
Toluene	415.10	3.34	199.82	1.23
Hydrochloric Acid	712.68	0.11	834.75	0.23
Methanol	688.45	1.72	711.50	1.50
Setraline Mandalate	-	-	5.62	1.47
N-Oxopentyl-L-Valine	-	-	2.88	2.05
Cooked Prawn Shell	375.75	6.43	342.78	6.63
Cooked Shell(Own)	-	-	50.69	1.25
Dry Prawn Shell	-	-	676.31	0.64
IsoNipecotic Acid Ethyl Ester	1.00	0.14	2.82	0.40
Potasium Tertiary Butoxide	1.00	0.12	2.47	0.26
R(-)Mandelic Acid	2.52	0.31	1.80	0.17
Chloroform	26.09	0.08	49.75	0.26
Para-Methoxy Phenyl Acetone	1.81	0.20	1.80	0.19
Raney Nickle Catalyst	3.48	0.55	5.36	0.87
Caustic Soda Lye	347.15	0.54	255.12	0.35
Adenine	40.90	7.96	-	-
Hydro Bromic Acid	271.22	2.31	-	-
Meganesuim Tetriry Butoxide	31.83	5.19	-	-
Others	-	19.62	-	12.09
Total	-	49.50	-	30.91


(e). Details of Work in Progress (As Certified by the Management)
(Amount Rupees in Crores)

Particulars	2012-13		2011-12	
	Qty(M.T's)	Value	Qty(M.T's)	Value
Under Process Glucosamine	15.18	0.46	10.89	0.40
Under Process Glucosamine Potassium	-	-	6.56	0.20
Under Process Rsl-iii	-	-	1.67	0.22
Under Process Setraline Base	0.14	0.04	0.87	0.45
Under Process SetralineHcl	-	-	1.13	0.46
Under process Nevarapine	-	-	1.26	0.84
Under Process Racemic SetralineHcl	2.48	0.30	1.38	0.17
Under Process Rhq-V	0.01	0.07	0.08	0.36
Under Process Tnv-1	6.87	1.45	2.65	0.58
Under Process Tnv-2	9.81	5.95	1.77	1.44
Others	-	2.47	-	1.08
Total	-	10.74	-	6.20

(f). Details of Finished Goods (As Certified by the Management)
(Amount Rupees in Crores)

Finished Goods	2012-13			2011-12		
	Sales	Closing Inventory	Opening Inventory	Sales	Closing Inventory	Opening Inventory
Glucosamine Hydrochloride	13.67	0.15	-	13.67	-	-
CPH	2.82		-	3.60	-	-
Racemic Sertraline-HCL	7.08		-	11.53	-	-
Valsartran	0.63		-	0.12	-	0.12
Setraline Mandalate	1.96		-	1.32	-	-
DM1- III	0.88		-	0.87	-	-
Tmh	3.63		-	1.97	-	-
NVP	1.18		-	0.66	-	-
RHQ	1.05		-	1.65	-	-
TPA	-		-	2.33	-	-
Tnv-2	30.82		-	1.60	-	-
Others	3.06		0.19	7.26	0.19	0.01
Total	66.78	0.15	0.19	46.58	0.19	0.14

(g) Previous year figures have been re-grouped wherever necessary to conform to the classification adopted for the current year.

(h) Figures are rounded off to the nearest rupee.

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

Sd/-
(P. RAVI SHANKER)
Partner

Place: Hyderabad,
Date: 30-05-2013

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

Sd/-
(G. GANESH KUMAR)
Managing Director

Sd/-
(G. SANDEEP)
Whole Time Director



TYCHE INDUSTRIES LIMITED

Regd. Office : C-21/A, Road No. 9, Film Nagar,
Jubilee Hills, Hyderabad - 500 096.

Mr./Ms.

.....

.....

.....

MEMBER ☐

PROXY ☐

(Please tick as applicable)

No. of Shares

- Note: 1. Only Members of the Company or their proxies will be allowed to attend the Meeting ON PRODUCTION OF ATTENDANCE SLIP duly completed and signed.
2. Please fill this admission slip and hand it over at the entrance of the hall duly signed.
3. Members are requested to bring their copies of Annual Report with them.
4. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.

ATTENDANCE SLIP

Day	Friday
Date	27th September, 2013
Time	11.30 am
Venue	H.No. C-21/A, Road No.9, Film Nagar, Jubilee Hills, Hyderabad - 500 096.

Reg. Folio No.

Demat Particulars

DP ID No.

Client ID No.

I hereby record my presence at
the 15th ANNUAL GENERAL
MEETING of the Company

Signature of the Member or Proxy



TYCHE INDUSTRIES LIMITED

Regd. Office : C-21/A, Road No. 9, Film Nagar,
Jubilee Hills, Hyderabad - 500 096.

No. of Shares

FORM OF PROXY

Reg. Folio No.

Demat Particulars

DP ID No.

Client ID No.

I/We
(Name of Member)
of
(Address)
being Member(s) of TYCHE INDUSTRIES LIMITED hereby appoint
(Name of proxy)
of of failing him/her
(Address of proxy)
(Name of alternate proxy)
of
(Address of alternate proxy)
as my/our proxy to vote for me/us on my/our behalf at the 15th ANNUAL GENERAL MEETING of the Company to be held
at 11.30 am on Friday, the 27th September, 2013 and at my adjournment thereof.

Date

Signature

Affix a
15 paise
Revenue
Stamp

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. The Proxy need not be a member of the Company.



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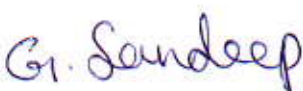


TYCHE INDUSTRIES LIMITED

C 21/A, Road No. 9, Film Nagar,
Jubilee Hills, Hyderabad - 500 096.

Tyche Industries Limited



FORM A

1	Name of the Company	TYCHE INDUSTRIES LIMITED
2	Annual financial statements for the year ended	31 st March, 2013
3	Type of Audit observation	Un-Qualified
4	Frequency of observation	Whether appeared first time <u>N.A</u> / repetitive <u>N.A</u> / Since how long period <u>N.A</u>
5	To be Signed By-	
	CEO/ Managing Director	 or Tyche Industries Limited G. Ganesh Kumar Managing Director
	CFO	 G. Sandeep
	Auditor of the company	 P.S.N. Ravishanker & Associates Chartered Accountants Hyderabad.
	Audit Committee Chairman	 Harish

Regd. Office: H.No.: C-21/A, Road No. 9, Film Nagar, Jubilee Hills, Hyderabad - 500 096

Tel: + 91 40 2354 1688. Fax : +91 40 2354 0933, e-mail: info@tycheindustries.com; Website: www.tycheindustries.com

Factory: Door No. 6-223, Sarpavaram, Kakinada, East Godavari Dist.