

# Tyche Industries Limited

04<sup>th</sup> October, 2018

To

The Bombay Stock Exchange  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001

Scrip Code: 532384

Sub: Submission of Annual Report for the financial Year 2017-18.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find a copy of annual report for the year 2017-18 duly approved and adopted by the members at its meeting held on Saturday, 29<sup>th</sup> September, 2018 at 10.00 A.M at Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad – 500 038.

Kindly take the same on record.

Thanking You,

Yours Faithfully,  
For Tyche Industries Limited

  
Ms. Laxmi Chandra Dey  
Company Secretary



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](mailto:info@tycheindustries.com)

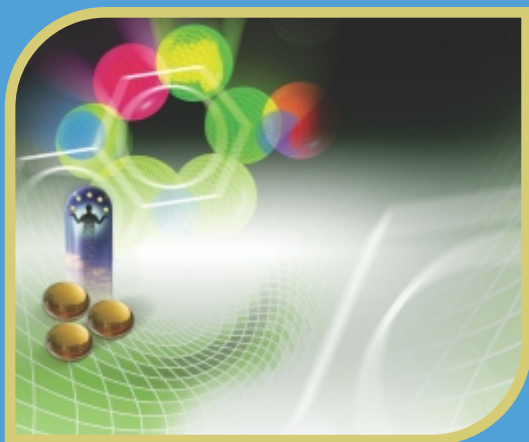
Factory : Door No. 6-223, Sarpavaram, Kakinada, East Godavari Dist.

CIN:L72200TG1998PLC029809

[www.tycheindustries.com](http://www.tycheindustries.com)



# TYCHE INDUSTRIES LIMITED



20<sup>th</sup> ANNUAL REPORT  
2017 - 2018



Board of Directors

Mr. G. GANESH KUMAR  
Chairman & Managing Director

Mr. Y. SRINIVASA RAO  
Chief Financial Officer (CFO up to 13.02.2018)

Mr. K. SRINIVAS  
Chief Financial Officer (CFO from 13.02.2018)

Mr. HARICHANDRA KANTIMAHANTI  
Independent Director

Mr. BOOSA ESHWAR  
Independent Director

Ms. P. Vijaya Lakshmi  
Non-Executive Director

Ms. Laxmi Chandra Dey  
Company Secretary & Compliance Officer

Registered Office

H. No. C-21/A, Road No.9,  
Film Nagar, Jubilee Hills,  
Hyderabad - 500 096. Telangana.  
Tel: 040 – 23541688  
Email: cs\_tyche@tycheindustries.com  
Website: www.tycheindustries.com  
CIN:L72200TG1998PLC029809

Factory address

Door No.6-223,  
Sarpavaram, Kakinada,  
East Godavari Dist  
Andhra Pradesh – 533005

<i>Statutory Auditors</i> M/s. SURYAM & CO, Chartered Accountants Plot No.350, Phase-I , SAKET ECIL POST, KAPRA Hyderabad - 500 062	<i>Internal Auditors</i> M/s. P. S. N. Ravishanker & Associates, Chartered Accountants Flat No.205,"B" Block, Kushal Towers, Khairatabad, Hyderabad - 500 004	
<i>Secretarial Auditor</i> D. Renuka, Practising Company Secretary, Plot No.143, Flat No.301, SV's Kausalya Complex, Rajeev Nagar, Hyderabad- 500 045	<i>Bankers</i> Bank of India, Kakinada Branch, Temple Street, Kakinada. HDFC Nagamallithota Branch, Kakinada.	<i>Registrar &amp;Share Transfer Agent:</i> CIL Securities Limited 214, Raghavaratna Towers, Chirag Ali Lane, Abids, Hyderabad-500 001 Tel:040-23202465, Fax: 040-23203028 Email: rta@cilsecurities.com Website: www.cilsecurities.com



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TYCHE INDUSTRIES LIMITED

(CIN:L72200TG1998PLC029809)

Regd Office: H. No. C-21/A, Road No.9, Film Nagar, Jubilee Hills, Hyderabad, Telangana-500 096  
Email:CS\_tyche@tycheindustries.com, website: www.tycheindustries.com

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of TYCHE INDUSTRIES LIMITED will be held on Saturday, the 29th day of September, 2018 at 10.00 a.m. at Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad, Telangana- 500038, to transact the following business:

*Ordinary Business:*

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss for the year 31st March, 2018, Cash Flow Statement for the year ended 31st March, 2018 and together with the Report of the Directors and Auditors Report thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2018.
3. To appoint a Director in the place of Sri. G. Ganesh Kumar (DIN: 00109765), who retire by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolutions as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, the appointment of M/s. Suryam & Co., Chartered Accountants (Firm Registration No. 012181S), as Statutory Auditors of the Company be ratified by members, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.

*Special Business:*

5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

To re-appoint Mr. Sativada Venkat Rao, Cost Accountant as cost auditor of the company for the financial year 2018-2019.

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Sativada Venkat Rao, Cost Accountant, Hyderabad(Registration No. 100340), the Cost Auditor is re-appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2019, be paid a remuneration of Rs.30,000/- P.A (Rupees Thirty Thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out-of-pocket expenses.



RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things which may be necessary for the purpose of giving effect to this resolution.

By Order of the Board of Directors  
Sd/-  
G. Ganesh Kumar  
Chairman & Managing Director

Place : Hyderabad  
Date : 10<sup>th</sup> August, 2018

*Registered office:*  
H. No. C-21/A, Road No.9,  
Film Nagar, Jubilee Hills,  
Hyderabad - 500 096  
CIN:L72200TG1998PLC029809



## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETINGS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as proxy on behalf of member (s) not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses is annexed hereto and forms part of the Notice.
3. The Members/Proxies should bring their attendance slip duly filled in and signed along with the Annual Report at the Annual General Meeting.
4. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote at the Annual General Meeting.
5. Brief resume of Director proposed to be appointed/re- appointed at the ensuing Annual General Meeting in terms of Regulation 15 and 27 under (Listing obligations and disclosure requirements) Regulations, 2015 is annexed to the Notice. The Company is in receipt of relevant disclosure / consents from the Directors pertaining to their appointment / re- appointment.
6. Pursuant to Regulation 42 of the LODR Regulations, 2015, Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 22nd September, 2018 to Saturday, 29th September, 2018 (both days inclusive) for determining the name of members eligible for dividend on Equity Shares, if approved by the members at the ensuing Annual General Meeting.
7. Members whose shareholding is in physical form are requested to notify immediately any change in their address or bank mandates to the Company/ Registrar & Share Transfer Agents quoting their Folio Number and Bank Account details along with self -attested documentary proof. Members holding shares in electronic form may update such details with their respective Depository Participants(s). Members are encouraged to utilise the Electronic Clearing (ECS) for receiving dividends.
8. The dividend on Equity Shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be credited / dispatched between 8th October, 2018 and 30th October, 2018 to those members whose names shall appear on the Company's Register of Members on 21st September, 2018 and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
9. The Register of Directors' and Key Managerial Personnel and their Shareholdings maintained under Section 170 and Register of Contract or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be open for inspection by the members during the Annual General Meeting.
10. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through





National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available if the Company proposes to avail NECS Facility. The Company will be availing the NECS facility for the payment of dividend of financial year 2017-18. The bank details are required to be updated for the members who will be availing this facility. In the absence of NECS required details, the Company will print the bank account details, as available, on the Payment Instrument for distribution of dividend, if payment of dividend is approved by the members in the ensuing Annual General Meeting. The NECS Form is enclosed with the Annual Report.

11. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years for the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund authority (Accounting, audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/claimants whose shares, unclaimed dividend IEPF may claim the shares or apply for refund by making an application to IEPF Authority in form IEPF 5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fees as decided by it from time to time. The Members/claimant can file only one consolidated claim in a financial years as per IEPF Rules.

It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Services, so that dividend dividends paid by the Company are credited to the Members' account on time.

Members who have not yet encashed the dividend warrants, from the financial year ended 31st March, 2011 and onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agent. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also noted that the unclaimed dividend amount which were lying with the company up to the year ended on 31st March, 2010, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at [www.tycheindustries.com](http://www.tycheindustries.com) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in). Members are requested to contact the Company's Registrar and share transfer Agent – CIL Securities Limited, R R Towers, C A Lane, Abids, Hyderabad – 500 001, Telangana, to claim the unclaimed/unpaid dividends.

12. Members are requested to address all correspondences, including dividend matters to the Registrar & Share Transfer Agent - CIL Securities Limited at 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad-500 001.
13. The members holding shares in identical order of names in more than one folio are requested to write to the Company/RTA enclosing their Share Certificates to enable the Company to consolidate their holdings in one folio for better services.
14. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
15. Members desirous of getting any information about the accounts and operations 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.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members





holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Registrar & Share Transfer Agent – CIL Securities Limited.

17. Non Resident Indian members are requested to inform the Company's Registrar & Share Transfer Agents, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if the details are not furnished earlier.
18. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating members designated email ID.

You are thus requested to submit your e-mail ID vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning the same by post.

The e-mail ID provided shall be updated subject for successful verification of your signatures as per record available with the RTA of the Company.

19. The Notice of the 20th AGM and instructions for remote e-voting along with the Attendance Slip and Proxy Form are being sent to all the Members whose email addresses are registered with the company/Depository Participants unless a member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by courier. It will also be available on the Company's website, [www.tycheindustries.com](http://www.tycheindustries.com) > Investor Relations > Annual Reports-2017-18
20. Voting through electronic means

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 20th Annual General Meeting to be held on Saturday, 29th September, 2018 at 10.00 a.m. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.

The facility for voting, either through ballot / polling paper shall also be made available at the venue of the 20th AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote against the AGM.

The Company has appointed CS D. Renuka, Practicing Company Secretary, Hyderabad as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E-voting is optional. In terms of requirements of the Companies Act, 2013 and the relevant Rules, the Company has fixed 21st September, 2018 as the 'Cut-off Date'. The remote e-voting/voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. 21st September, 2018 only.

The e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail the facility at his/her/it discretion, subject to compliance with the instructions as prescribed below:



## (A) Procedure/ Instructions for e-voting are as under:

- (i) The e-voting period commences on Wednesday, 26th September, 2018 (9.00 a.m.) and ends on Friday, 28th September, 2018 (5.00 p.m.). During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 21st September, 2018 may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on 28th September, 2018.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>



- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant TYCHE INDUSTRIES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.  
After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be download from Google play store.  
Please follow the instructions as promoted by the mobile app while voting on your mobile.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on 29th September, 2018.

(B) General:

- (a) In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at <https://www.evotingindia.co.in> under 'HELP'.
- (b) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- (c) Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (d) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 21st September, 2018.
- (e) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2018, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com).

- (f) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- (g) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (h) CS D. Renuka, Practising Company Secretary, Hyderabad has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (i) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (j) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (k) The Results of the e-voting along with the scrutinizer's report shall be placed in the Company's website [www.tycheindustries.com](http://www.tycheindustries.com) and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorised by him in writing. The results will also be immediately communicated to the Stock Exchange where the shares of the company are listed.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

## Item No. 5

In terms of the provisions of Section 148 of the act and rules made thereunder, the Company is required to maintain cost audit records and have the same audited by the a Cost Auditor.

Based on the recommendation of Audit Committee, the Board of Directors at its meeting held on 30th May, 2018, appointed Mr. Sativada Venkat Rao, as Cost Auditor for conducting the cost audit for the financial year ending 31st March, 2019, on a remuneration of Rs.30,000/- p.a (Rupees Thirty Thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out-of-pocket expenses.

Rule 14 of Companies (Audit and Auditors) Rules, 2014 as amended, requires that the remuneration payable to the cost auditor be ratified by the Members.

The Directors recommend that the remuneration payable to the Cost Auditor in terms of the resolution set out at Item No. 5 of the accompanying Notice be ratified by the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

**ADDITIONAL INFORMATION**

(As per Regulation 36(3) of SEBI (LODR) Regulation 2015)

As required under the Listing Regulations, the particulars of Directors who seek appointment/re-appointment are given below:

1. Name	: G. GANESH KUMAR
2. DIN No.	: 01009765
3. Age	: 48 years
4. Qualification	: Post Graduation Master of Business from USA.
5. Expertise	: Industrial experience of over 20 years in the area of Production, Administration, Domestic and International marketing
6. Other Directorship	: a) SIRI CELLARS PVT LTD b) SRI INDRA DISTILLERY PRIVATE LIMITED c) SILVER OAK TECHNOLOGIES PRIVATE LIMITED d) INNAG PROJECTS PRIVATE LIMITED e) SIRIS AGRO LIMITED
7. Membership(s)/Chairmanship(s) of Committee of the Board	: In Tyche's Members in Audit Committee, Stakeholders Relationship Committee, Share Transfer Committee and Chairman in CSR Committee.
8. Disclosure of relationship	: No relation between any of the Directors in between Directors Tyche Industries Limited.
9. Shareholding of the Company	: 14,08,095 (13.74%) shareholding in Tyche Industries Ltd.

By Order of the Board of Directors  
Sd/-

G. Ganesh Kumar  
Chairman & Managing Director

Place : Hyderabad  
Date : 10<sup>th</sup> August, 2018

*Registered office:*

H. No. C-21/A, Road No.9,  
Film Nagar, Jubilee Hills,  
Hyderabad - 500 096  
CIN:L72200TG1998PLC029809



## DIRECTOR'S REPORT

To  
The Members,  
Tyche Industries Limited

Your Directors presents the 20th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2018.

*Financial Results*

(Rupees in Crores)

Particulars	Current Year ended on 31/03/2018	Previous Year ended on 31/03/2017
Total Income (Including Other Income)	53.28	44.49
Less: Expenditure (before Finance Cost & Depreciation)	42.57	36.61
Profit before Finance Cost & Depreciation	10.71	7.88
Less: Finance Cost	0.01	0.08
Profit before Depreciation and Tax	10.70	7.80
Less: Depreciation	1.84	1.87
Profit / Loss before tax	8.86	5.93
Less: Provision for Tax		
- Current Tax	2.97	2.13
- Deferred Tax	0.03	0.72
Profit after Tax	5.86	3.08
Less: Extra-Ordinary Items- short provision	-	-
Profit after tax and prior period	5.86	3.08
Add: Balance brought forward from the Previous Year	32.18	30.18
Appropriations		
Provision for Proposed Dividend	0.51	0.51
Provision for Dividend Tax	0.11	0.11
Transfer to General Reserve	0.30	0.30
Adjustment to Reserves	0.00	0.00
(+/-)Excess/ Short Provision	-0.03	-0.16
Balance carried to Balance Sheet	37.10	32.18

*Review of the Business:*

During the year, your Company has achieved a total sales income of Rs. 51.59 Crores as against Rs.42.60 Crores in the previous year and earned a net profit of Rs.5.86 Crores (Previous Year Rs.3.08 Crores) after providing Income Tax and Deferred Tax of Rs. 3.00 Crores (Previous Year Rs. 2.85 Crores).

Your Directors are working with a focus to build a sustainable business model which would add value to all stakeholders over 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.



*Dividend:*

Your Directors have recommended a dividend of Re.0.50 per fully paid equity share for the year ended 31st March, 2018 being 5% of the fully Paid-up Equity Capital of the Company. The dividend, if approved at the ensuing Annual General Meeting will be paid to those members, whose names appear on the Company's Register of Members on 21st September, 2018. The total amount of outgo on account of this will be Rs.0.51 Crores towards dividend and Rs.0.11 Crores towards dividend tax. The dividend would be tax free in the hands of the shareholders.

*Directors:*

## a) Directors:

In accordance with the provisions of the Companies Act, 2013, Sri. G .Ganesh Kumar, Managing Director of the Company will retire by rotation at the ensuing Annual General Meeting of the company.

Brief resume of Directors proposed to be appointed/re-appointed as stipulated under SEBI (LODR) Regulations, 2015 entered with the Stock Exchanges are given in the Notice convening 20th Annual General Meeting.

## b) Board Meetings:

During the year, seven board meetings were held, with gap between meetings not exceeding the period prescribed under the 2013 Act. Details of Board and Board Committee Meetings held during the year are given in the Corporate Governance Report.

Board Meeting dates are finalised in consultation with all Directors and agenda papers backed up by comprehensive notes and background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions. A detailed presentation is also made to appraise the Board of important developments in industry, segments, business operations, marketing, products etc.

## c) Key Managerial Personnel:

Mr. G. Ganesh Kumar, Managing Director of the Company.

Mr. Y. Srinivasa Rao, Chief Financial Officer (appointed on 30th May, 2017 up to 13.02.2018)

Mr. K. Srinivas,, Chief Financial officer (appointed on 13.02.2018 with immediate effect).

Ms. Laxmi Chandra Dey, Company Secretary and Compliance Officer.

## d) Independent Directors:

Mr. Harichandra kantimahanti and Mr. Boosa Eshwar are Independent Directors of the Company. In terms of Section 149 and 152 of the Companies Act, 2013 these Independent Director of the Company will hold office till 31st March, 2019 who shall not retire by rotation. The Independent Directors of the Company have given declaration that they meet the criteria of the Independence as provided in Section 149(6) of the Companies Act, 2013.

## e) Independent Directors familiarisation programme:

As per the requirements under the (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company undertook Directors Familiarisation Programme for Independent Directors in order to familiarise them with business model, management structure, product portfolio, industry overview, manufacturing operations, internal control system and operations, FOREX management, risk management framework, functioning of various divisions, HR Management etc.



f) Performance Evaluation of Board, Committees and Directors:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing obligation and Disclosure Requirements), Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance and of the Independent Directors on parameters such as level of engagement, contribution, independent judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Chairman and Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process as well as the evaluation of the working of its committee, information needs of the Board, execution and performance of specific duties, obligation and governance.

g) Policy on appointment and remuneration of Directors:

The Board has on the recommendation of Nomination & Remuneration Committee formulated criteria for determining Qualifications, Positive Attributes and Independency of a Director as also a policy for remuneration of Directors, Key Managerial Personnel and Senior Management. The details of criteria laid down and the Remuneration policy are given in the Corporate Governance Report.

*Statutory Auditors:*

M/s. SURYAM & CO, Chartered Accountants (Firm Registration No. 012181S) are re-appointed as statutory auditors upon the conclusion of the 20th AGM in accordance with the provisions of the Companies Act, 2013.

The Audit Committee and the Board of Directors recommend the re-appointment of M/s. SURYAM & CO, Chartered Accountants, as statutory auditors of the Company from the Conclusion of the 20th AGM, subject to the shareholders approvals.

*Secretarial Auditors:*

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has re-appointed D. Renuka, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure 1" and forms part of the Notice. There is no qualification, reservation or adverse remark in the report.

*Cost Auditors:*

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the cost audit records maintained by the company in respect of its bulk drugs and API's activity are required to be audited by cost auditors. The Board has on the recommendation of the Audit Committee recommended Mr. Sativada Venkat Rao., Practicing Cost Accountant, Hyderabad as Cost Auditors of the Company to conduct the cost audit for the financial year 2018-19, at a remuneration of Rs. 30,000/-p.a (Rupees Thirty Thousand only) excluding taxes as may be applicable, in addition to reimbursement of all out-of-pocket expenses subject to ratification by members. Accordingly, a resolution seeking Member's ratification for the remuneration payable Mr. Sativada Venkat Rao, Cost Auditor is included at Item No.5 of the Notice convening the 20th Annual General Meeting.

*Internal Auditor:*

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the Board has recommended the re-appointment of M/s. P.S.N Ravishanker & Associates, Chartered Accountants as Internal Auditors of the Company for the financial year 2018-19.

*Internal Control System, Compliance Framework:*

The Company has an Internal Control System, commensurate with size, scale and complexity of its operations. The Company has also put in place the policies and procedures relating to "Internal Financial Controls" for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial statements, as per the explanation to Section 134(5) (e) of the Act.

The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Audit Committee in consultation with the Internal Auditors formulates the scope, functioning, periodicity and methodology for conducting the internal audit. The internal auditors carry out audit, covering interalia, monitoring and evaluating the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee. Based on the internal audit report and review by the Audit Committee, process owners undertake necessary actions in their respective areas. The Internal Auditors have expressed that the internal control system in the Company is robust and effective.

The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively.

*Transfer to Reserves:*

Your Company proposes to transfer Rs.0.30 Crores to the General Reserve out of the amount available for appropriations.

*Material Changes:*

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2018. Further, it is hereby confirmed that there has been no change in the nature of business of the Company. The Company continues to operate only in one segment i.e. Bulk drugs.

*Directors Responsibility Statement:*

Pursuant to the requirement under Section 134(3) (C) of the Companies Act, 2013, the Board of Directors of the Company hereby state that:

- i. in the preparation of the annual accounts for the year ended 31st March, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed and there are no material departures from the same;
- ii. 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, 2018 and profit of the company for that period;
- iii. 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. the Directors had prepared the annual accounts on a "Going Concern" basis.
- v. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and



- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large and thus disclosure in Form AOC-2 is not required.

#### Subsidiary and associate Companies:

The Company does not have any subsidiary and/or associate companies.

#### Public Deposits:

During the year under review, the Company has neither accepted nor renewed any deposit within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

#### Insurance:

Your Company has taken wherever possible to mitigate risks, appropriate insurances and the Board is kept apprised of the risk assessment and minimization procedures. The assets of the Company have been adequately covered under insurance. The policy values have been enhanced taking into consideration the expanded and upgraded facilities of the Company.

#### Listing of Securities:

The Equity Shares of the Company are listed with BSE Limited. The Company has paid the Annual listing fees to the BSE Limited for the financial year 2018-2019.

#### 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.10.24 Crores. The Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

#### Forfeiture of shares:

The company has issued notices to the shareholders for payment of calls in arrears on various dates, after the issue of said notices the company is left with unpaid capital of Rs 46,600/- unpaid on 9,320 equity shares @ Rs 5/- share. The company after taking approvals from the stock exchange, the said share capital will be written off accordingly in books.

#### Report on Corporate Governance:

A detailed report on Corporate Governance prepared in substantial compliance with the provisions of SEBI (LODR) Regulations, 2015 with the Stock Exchange together with Certificate given by the practising company secretary regarding the compliance of conditions of corporate governance, form a part of Annual Report.

#### Audit Committee and its Composition:

The Audit Committee of the Company reviews the reports to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process.



As on 31st March, 2018, the Audit Committee comprised of Mr. Harichandra Kantimahanti, Mr. Boosa Eshwar, Independent Directors and Mr. G. Ganesh Kumar, Managing Director of the Company as member.

Mr. Harichandra Kantimahanti was the Chairman of Audit Committee of the Company. The Compliance Officer of the Company acts as the Secretary of the Audit Committee.

#### Committees of the Board:

There are currently five Committees of the Board, which are as follows:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Share Transfer Committee
4. Nomination and Remuneration Committee
5. Corporate Social Responsibility Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", as part of this Annual Report.

#### Research & Development:

The Company has incurred an expenditure of Rs.0.77 Crores on research and development during the year.

#### Risk Management:

Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges.

Major risks identified for the Company by the management are Manufacturing & Supply, Regulatory, Information Technology, Currency fluctuation, Compliance, Litigation, etc. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialise.

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

#### Whistle Blower Mechanism:

The Company has set up Whistle Blower / Vigil Mechanism viz. Whistle Blower Policy to enable the employees and Directors to report genuine concerns and irregularities, if any in the Company, noticed by them. The same is reviewed by the Audit Committee from time to time. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company. We affirm that during the financial year 2017-18, no employee or director was denied access to the Audit Committee.

#### Loans, Guarantees or Investments:

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.



### Corporate Social Responsibility (CSR):

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with CSR Rules, the Company has constituted CSR Committee and formulated CSR Policy. During the year, the Company undertook several initiatives under the CSR program. The details of CSR policy and CSE activities undertaken during the year are annexed herewith as "Annexure II".

Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the Going Concern status and Company's operations in future:

There was no order passed by any regulator or court or tribunal, which impacts, the going concern status of the Company or will have bearing on Company's operations in future.

Information under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has constituted an Internal Compliant Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was made before the Committee.

### Extract of the Annual Return:

The extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure III".

### Managerial Remuneration and Particulars of Employees:

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014 are attached as Annexure IV.

In terms of Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of limits set out in said rules forms part of the annual report.

Considering the first proviso to section 136(1) of the Companies Act, 2013, the annual report, excluding the aforesaid information. The said information is available for inspection at the registered office of the Company during business hours on working days up to the date of the forthcoming 20th Annual General Meeting. Any shareholders interested in obtaining a copy thereof may write to the Company Secretary in this regard.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Information regarding Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 is enclosed as an Annexure -V and forms part of the Report.

### Human Resource:

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building programs are conducted to enhance employee skills, motivation as also to foster team spirit. Company also conducts in-house training programs to develop leadership as well as technical/functional capabilities in order to meet future talent requirements.



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, HDFC Bank, 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

Place: Hyderabad

Date : 10<sup>th</sup> August, 2018





ANNEXURES TO DIRECTORS' REPORT  
*Annexure –I*

FORM MR-3

Secretarial Audit Report for the financial year ended 31 March, 2018  
*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,  
M/s. Tyche Industries Limited  
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tyche Industries Limited (hereinafter called "the Company") Secretarial Audit was conducted in a manner that provided to me on a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (Not Applicable to the Company during the Audit Period);
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. (Not Applicable to the Company during the Audit Period);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not Applicable to the Company during the Audit Period);



- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) ; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -- NOT APPLICABLE.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- Drugs and Cosmetics Act, 1940.
- Food and Drug Administration licensing terms and conditions etc.
- The Air (Prevention & Control of Pollution) Act, 1981;
- The Environment (Protection) Act, 1986;

I have also examined compliance with the applicable clauses of the following:

- I) Secretarial Standards issued by The Institute of Company Secretaries of India have been followed with respect to Board meetings;
- II) The Listing Agreements entered into by the Company with the BSE Limited, Mumbai.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there are no non compliances that have come to my knowledge.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The minutes of the Board meetings have not identified any dissent by members of the Board; hence I have no reason to believe that the decisions by the Board were not approved by all the directors present.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-  
D. RENUKA  
Company Secretary in practice.

ACS No. 11963

C P No. 3460

Place: Hyderabad

Date: 10.08.2018



Annexure-A

To  
The Members  
Tyche Industries Limited  
Hyderabad

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-  
D. RENUKA  
Company Secretary in practice.

ACS No. 11963

C P No. 3460

Place: Hyderabad

Date: 10.08.2018

Annexure II

## Report on Corporate Social Responsibility (CSR) Activities

Sr. No.	Particulars	Details
1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Company is in process of formation of Trust to undertake projects in various areas of Rural upliftment, Education, livelihood, Health, Water, Sanitation and any other.
2	The Composition of the CSR Committee.	Mr. G. Ganesh Kumar – Chair Person Mr. Boosa Eshwar –Member Mr.Harichandra KantiMahanti- Member
3	Average net profit of the Company for last three financial years.	Rs. 378.00 Lakhs
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 7.56 lakhs
5	Details of CSR spent during the financial year. a) Total amount to be spent for the financial year b) Amount unspent , if any c) Manner in which the amount spent during the financial year	Rs 7.56 lacs  Rs 2.62 lacs The company spent an amount of Rs 12.01 lacs during the year on rural upliftment programs promoted by the local Municipality/panchayats.
6	In case the company has failed to spend the two per cent of the net profit or any part thereof, the reasons for not spending the amount:	The company has spent an amount of Rs 12.01 lacs during the financial year 17-18, which includes CSR expenditure of previous years.



Manner In Which The Amount Spent During The Financial Year Is Detailed Below:

*Amount Rs. in Lakhs*

S. No.	Projects/ activities	Sector	Projects/ programme District and State	Amount outlay (Budget) Project / Programme wise	Amount spent on the projects or programme	Cumulative expenditure up to reporting period	Amount Direct or through agency
1	Rural upliftment	Rural Development & Sustainability	Kakinada	7.56	4.94	4.94	Direct

CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

Sd/-

Place: Hyderabad

Date: 10<sup>th</sup> August, 2018

(G. Ganesh Kumar)

Chairman & Managing Director and  
Chairperson of CSR Committee



# TYCHE INDUSTRIES LIMITED

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

ANNEXURE-I

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:			
1	CIN	L72200TG1998PLC029809	
2	Registration Date	23-07-98	
3	Name of the Company	TYCHE INDUSTRIES LIMITED	
4	Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES INDIAN NON-GOVERNMENT COMPANY	
5	Address of the Registered office & contact details	C-21/A, ROAD NO.9, FILM NAGAR, JUBILEE HILLS, HYDERABAD- 500096	
6	Whether listed company	LISTED COMPANY	
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	CIL SECURITIS LIMITED, 214, RAGHAVA RATNA TOWERS, CHIRAG ALI LANE, ABIDS, HYDERABAD- 500001	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	PHARMACEUTICAL PRODUCTS	21002	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
The company does not have any holding, subsidiary and associate company					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NIL	NIL	NIL	NIL	

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual /	2,265,955	-	2,265,955	22.11%	2,265,955	-	2,265,955	22.11%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	4,085,641	-	4,085,641	39.86%	4,085,641	-	4,085,641	39.86%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A)	6,351,596	-	6,351,596	61.97%	6,351,596	-	6,351,596	61.97%	0.00%
(1)									
(2) Foreign									
a) NRI	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Foreign Institutional Investors	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Foreign Venture Capital Investors	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A)	-	-	-	0.00%	-	-	-	0.00%	0.00%
(2) TOTAL (A)	6,351,596	-	6,351,596	61.97%	6,351,596	-	6,351,596	61.97%	0.00%
B. Public									
Shareholders									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) Others	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (B)	-	-	-	0.00%	-	-	-	0.00%	0.00%
(B) (1) :-									



2. Non-Resident Indians (NRIs)									
(i) Indian	8,01,347		8,01,347	7.82%	9,16,846	0	9,16,846	8.94%	1.12%
(ii) Overseas	-		-	0.00%	-	-	-	0.00%	0.00%
(b) Individuals						0		0.00%	0.00%
(i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	22,37,256	3,19,013	25,56,269	24.92%	21,00,072	2,17,713	23,17,785	22.61%	-2.31%
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	4,90,520	-	4,90,520	4.79%	6,06,090	0	6,06,090	5.91%	1.12%
(c) Others									
(i) Government	43,393	-	43,393	0.42%	53,901	0	53,901	0.53%	0.10%
(ii) Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign	-	-	-	0.00%	-	-	-	0.00%	0.00%
(iii) Members	6,875	-	6,875	0.07%	3,782	-	3,782	0.04%	-0.03%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies -									
(i) Total	35,79,391	3,19,013	38,98,404	38.03%	36,80,691	2,17,713	38,98,404	38.03%	0.00%
(ii) Public (B)	35,79,391	3,19,013	38,98,404	38.03%	36,80,691	3,19,013	38,98,404	38.03%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	99,30,987	3,19,013	1,02,50,000	100.00%	1,00,32,287	3,19,013	1,02,50,000	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	UPPALAPATI SATYA SRINIVAS	12,825	0.13%	0	12,825	0.13%	0	0.00%
2	SUBBARAJU GOKARAJU	280	0.00%	0	280	0.00%	0	0.00%
3	VIJAYA KUMARI GOKARAJU	1,600	0.02%	0	1,600	0.02%	0	0.00%
4	GOKARAJU RAMA RAJU	280	0.00%	0	280	0.00%	0	0.00%
5	G GANESH KUMAR	14,08,095	13.74%	0	14,08,095	13.74%	0	0.00%
6	BHUPATHI KASIRAJU	100	0.00%	0	100	0.00%	0	0.00%
7	SANDEEP GOKARAJU	8,42,775	8.22%	0	8,42,775	8.22%	0	0.00%
8	INMAG PROJECTS PRIVATE LIMITED	1,87,057	1.82%	0	1,87,057	1.82%	0	0.00%
9	SIRI CELLARS PRIVATE LIMITED	31,000	0.30%	0	31,000	0.30%	0	0.00%
10	SRI INDRA DISTILLERY PRIVATE LIMITED	18,88,705	18.43%	0	18,88,705	18.43%	0	0.00%
11	SILVEROAK TECHNOLOGIES PRIVATE LIMITED	19,78,879	19.31%	0	19,78,879	19.31%	0	0.00%

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

0.1843

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year		NO CHANGE HELD DURING YEAR		0.00%		0.00%
	Changes during the year				0.00%		0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year				0.00%		0.00%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	PLUTUS TECHLABS LIMITED						
	At the beginning of the year	01-04-2017		6,56,086	6.40%		0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-2018			0.00%	6,56,086	6.40%
2	LINCOLN P COELHO						
	At the beginning of the year	01-04-2017		-			0.00%
	Changes during the year			1,50,000	1.47%		
	At the end of the Year	31-03-2018				1,50,000	1.47%
3	IEPF						
	At the beginning of the Year	01-04-2017		-	0.00%	-	0.00%
	Changes during the Year			1,03,773			1.02%
	At the end of the Year	31-03-2018				1,03,773	1.02%
4	RAGHU RAMARAJU GOKARAJU						
	At the beginning of the Year	01-04-2017		46,694	0.46%		0.46%
	Changes during the Year				0.00%		
	At the end of the Year	31-03-2018				46,694	0.46%





5	RAMESHWAR NATH PANDEY								
	At the beginning of the Year	01-04-2017		37,606	0.37%				0.37%
	Changes during the Year			(707)				-	0.00%
	At the end of the Year	31-03-2018						36,899	0.36%
6	SURYANARAYANA RAJU KANTHEI								
	At the beginning of the Year	01-04-2017		35,032					0.34%
	Changes during the Year								
	At the end of the Year	31-03-2018						35,032	0.34%
7	S V SITARAM RAJU								
	At the beginning of the Year	01-04-2017		34,964	0.34%				0.00%
	Changes during the Year			1					0.00%
	At the end of the Year	31-03-2018						34,965	0.34%
8	M Y NARAYANA								
	At the beginning of the Year	01-04-2017		32,074	0.31%			-	0.00%
	Changes during the Year								
	At the end of the Year	31-03-2018						32,074	0.31%
9	PARAVATHI GOKARAJU								
	At the beginning of the Year	01-04-2017						-	0.00%
	Changes during the Year			31,354	0.31%				
	At the end of the Year	31-03-2018						31,354	0.31%
10	BYNA MURALI								
	At the beginning of the Year	01-04-2017							0.00%
	Changes during the Year			30,000				-	0.00%
	At the end of the Year	31-03-2018						30,000	0.29%

(v) Shareholding of Directors and Key Managerial Personnel :

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	G GANESH KUMAR						
	At the beginning of the year			14,08,095	13.74%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%
						14,08,095	13.74%
2	K. SRINIVAS						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
3	Y SRINIVASA RAO						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
4	Ms. LAXMI CHANDRA DEY						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Indebtedness of the company (including interest outstanding accrued but not due for payment)				(Amt. Rs.)	
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year					
i) Principal Amount	-		NIL		-
ii) Interest due but not paid	-			-	-
iii) Interest accrued but not due	-				-
Total (i+ii+iii)	NIL	-	NIL	-	-
Change in Indebtedness during the financial year					
* Addition	-	-		-	
* Reduction	-				-
Net Change	NIL	NIL	NIL	NIL	
Indebtedness at the end of the financial year					
i) Principal Amount	-		-	-	
ii) Interest due but not paid	-				-
iii) Interest accrued but not due	-				-
Total (i+ii+iii)	-	-	NIL		-



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL						
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:						
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (Rs)
		G GANESH KUMAR				
		MANAGING DIRECTOR				
1	Gross salary	0	0			0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.18				0.18
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					-
2	Stock Option	NIL	NIL			-
3	Sweat Equity	NIL	NIL			-
4	Commission	NIL	NIL			-
	- as % of profit					-
	- others, specify					-
5	Others, please specify	NIL	NIL			-
	Total (A)	0.18				Rs. 0.18
	Ceiling as per the Act	0.99				0.99
B. Remuneration to other Directors						
SN.	Particulars of Remuneration	Name of Directors				Total Amount (Rs)
		HARI CHANDRA KANTIMAHANTI	BOOSA ESHWAR	P VI JAYA LAKSHMI		
1	Independent Directors					
	Fee for attending board committee meetings	0.01	0.01			0.02
	Commission					-
	Others, please specify					-
	Total (1)	0.01	0.01			0.02
2	Other Non-Executive Directors					
	Fee for attending board committee meetings			0.01		0.01
	Commission					-
	Others, please specify					-
	Total (2)	-	-	0.01		0.01
	Total (B)=(1+2)	0.01	0.01	0.01		0.03
	Total Managerial Remuneration					-
	Overall Ceiling as per the Act					0.99
C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD						
SN.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount (Rs)
		CEO	CFO	CS		
1	Gross salary	NA	0.15	0.05		0.2
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					-
2	Stock Option	-	-	-		-
3	Sweat Equity	-	-	-		-
4	Commission					-
	- as % of profit					-
	- others, specify					-
5	Others, please specify	-	-	-		-
	Total	-	0.15	0.05		0.20
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:						
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (Give Details)	
A. COMPANY						
Penalty		NIL	NIL	NIL	NIL	
Punishment						
Compounding						
B. DIRECTORS						
Penalty		NIL	NIL	NIL	NIL	
Punishment						
Compounding						
C. OTHER OFFICERS IN DEFAULT						
Penalty		NIL	NIL	NIL	NIL	
Punishment						
Compounding						



ANNEXURE-IV									
information relating to remuneration of Director/Key Managerial Personnel as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014									
1	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year and the percentage increase in remuneration of each Director, CFO, CEO, CS, or Manager if any, in the Financial Year								
	Name of the Director	Ratio to Median		% increase /(decrease) in remuneration					
	G Ganesh Kumar	11:01		0%					
	Name of the KMP	Ratio to Median		% increase /(decrease) in remuneration					
	Laxmi Chandra Dey	03:01		0%					
	K. Srinivas	06:01		0%					
	Note: Directorship/Employment is part of the period, either in current year or in previous year. Hence, percentage increase in remuneration is not provided.								
2	The percentage increase in the median remuneration of employees in the financial year: 5%								
3	The number of permanent employee on rolls of the Company: 194								
4	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its composition with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exception circumstances for increase in the managerial personnel.								
	The percentage increase in the salaries of employees other than Managerial Personnel in the financial year 2017-18 was: 5%								
5	Affirmation that the remuneration is as per the Remuneration Policy of the Company								
	It is affirmed that the remuneration paid is as per the Remuneration policy applicable for Directors, Key Managerial Personnel and other employees, adopted by the Company. Yes								



## Extract of Annual Return and Details of remuneration of employee

## Annexure-V

Statement of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Pursuant to Provisions of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended 31<sup>st</sup> March, 2018.

## A. Conservation of Energy:

## (i) Steps and impact:

- Improved natural illumination to reduce power consumption.
- Arrest leakage in terms of steam, water and compressed air.
- External chemical cleaning of chilled and hot water coils for better heat transfer and avoid losses.
- The PVC fills of cooling towers have been replaced to improve efficiency.
- During the winter season the ambient condition is used to minimise the running hours of the chillers.
- Replacement of old energy efficient AHU's

## (ii) Steps taken by the Company for utilising alternate Sources of energy:

Husk is used for boiler by the Company for utilising alternate Sources of energy.

## (iii) Capital investment on energy conservation equipment: Rs. Nil

## Form - A

*Disclosure of particulars with respect to conservation of energy*

Particulars	Unit	2017-18	2016-17
<b>A. Power &amp; Fuel Consumption:</b>			
Electricity (purchased)			
- No. of Units (Nos/ Lacs)	KWH	27	24
- Total Amount (Lacs)	Rs.	212	184
- Average Rate per Unit	Rs.	7.83	7.70
Diesel			
- Quantity (Nos/ Lacs)	Ltr	0.10	0.10
- Total Amount (Lacs)	Rs.	8.00	6.40
- Average Rate per Unit	Rs.	65.10	59.07
Husk			
- Quantity	MT	1528	1550
- Total Amount (Lacs)	Rs.	46.00	38.00
- Average Rate per Unit	Rs.	3033	2460



B. Consumption per Unit of Production:		
- Electricity - Diesel - Husk	KWH Ltr MT	As the Company uses the same manufacturing facilities for various products, it is not practicable to give consumption per unit.

### 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. It has 1 PhD's and 33 B.S.C, B. Pharmacy M.Sc. Chemists engaged on the scientific work done at the Centre. The company has developed innovative processes for its new APIs. The company is planning to introduce new API's products after carrying extensive research and development in the therapeutic category to treat diseases namely hyperparathyroid, convulsant, asthma etc in the coming years.

##### 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	2017-18	2016-17
Capital Expenditure	0.00	0.00
Recurring Expenditure	0.77	0.55
Total	0.77	0.55
Total R&D Expenditure as a % of Total Turnover	1.48%	1.24%



## 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	2017-18	2016-17
i) Foreign Exchange Earnings:		
- FOB value of exports (Net of Freight & Insurance)	26.75	20.15
ii) Foreign Exchange Outgo (CIF):		
- Raw materials	1.58	1.22
- Capital Goods	0.00	0.00
- For expenses	0.71	0.60

For and on behalf of the Board of Directors  
Sd/-

G. Ganesh Kumar  
Chairman & Managing Director

Place: Hyderabad  
Date: 10th August, 2018



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ABOUT THE BULK DRUG INDUSTRY

#### A) OVERALL INDUSTRY SCENARIO IN INDIA

India has the largest number of FDA-approved drug manufacturing plants with more than 150 formulation facilities and is also the second-largest pharmaceutical supplier to the US market in terms of volume of generic drugs. About 30% or \$4 billion worth of India's pharma exports are to the US. According to a report by global credit rating agency stricter norms by USFDA will lead to higher compliance costs for Indian Pharma. The cost of compliance of Indian pharma companies has doubled over the past 5 years, the companies have to invest in bringing compliance processes up to speed as the cost of not doing so will be far higher. The report added that while the ratio of enforcements to manufacturing bases is lower in India compared with elsewhere, the enforcements in India have been clearly due to cultural differences, attitude of employees, inadequate interpretation/understanding and absence of due process and systems.

Most of the enforcements of the last 2 years were related to differences in interpretation or understanding. Stringent FDA norms are due to an increase in FDA staff and infrastructure with the number of inspectors being increased by 7 to 19 and opening offices in Hyderabad and Mumbai. This will include costs of hiring personnel and consultants, apart from investments in upgrading facilities to GMP standards. The agency believes that large Indian pharma companies have the financial flexibility to bear the increased cost of compliance and remain competitive in the US. On the other hand, India continues to enjoy a rising share of ANDA approvals compared to other countries. Till date, the top 10 Indian pharma companies account for more than 800 ANDA filings.

The pharmaceutical industry in India mainly comprises four segments:

- a) Formulations – These are the final products of the drug manufacturing process and they can be in the form of tablets, capsules, injectables, syrups, gel, paste, powder, ointment etc. These can be consumed directly by patients.
- b) API/Bulk drugs (intermediates) – Active Pharmaceutical Ingredients (API) is the primary active ingredient that is manufactured in the initial stage of pharmaceutical and drug production. It is the ingredient that results in desired therapeutic effect in the human body. Bulk drugs are active chemical substances and are used in the manufacturing of pharmaceutical and drug formulations. API/bulk drugs can be considered as inputs that are used in making of formulations.
- c) CRAMS – Contract Research and Manufacturing Services (CRAMS) is an outsourcing process that implies outsourcing of research and product manufacturing services at a lower cost.

About USD 55 billion is the expected sales gain to generics drugs on account of branded drugs going off patent during 2018-19. After these patents lose coverage, there will be a requirement to manufacture these drugs in a cost-effective manner to keep them price competitive. This, in turn, will create an opportunity for India that is one of the low-cost manufacturing centres in the world.

- d) Biosimilars - Biosimilars can be referred as medicines that are generic version of biological products. Biosimilars can be manufactured by new companies only after the patent expiry of the original biological product. A biological product is a medical product produced using biotechnology. The immense potential of India in biosimilars market can be supported by the





fact that India is equipped with sophisticated Research & Development facilities meeting international standards, cost effective labour.

#### Position of Indian pharmaceutical industry (IPI)

The Indian pharmaceutical industry holds a strong position in terms of production volumes in the global pharma market as the country contributes around 10% of the world production volumes and in terms of value, India holds a share of around 2.4% globally.

The Indian pharmaceutical industry is largely dominated by generics drugs as the industry earns around 70% of its revenues from the same. This can also be implied from the fact that India holds 13th position in terms of production value in spite of holding third position in terms of production volume globally.

IPI registered revenue of around USD 33 billion in 2016. Exports form a major part of the industry's turnover and over 50% of the sales comes from exports. Lower cost of production coupled by efficient scientific and technical skills of human resources are the prime reasons for growth in exports from India. The cost of drugs manufactured in India is one of the lowest in the world. According to IBEF, the cost of production in India is approximately 60% lower compared to US and almost half when compared to Europe.

(source: Noted articles published on Internet)

#### B) ABOUT THE OVERALL DOMESTIC MARKET GROWTH:

Robust domestic demand and rising need for complex products in the West will help domestic pharma players log in a 9-10 per cent revenue growth with healthy cash flows over the next coming years, offsetting headwinds in exports and rising competition, says a report. Revenue of domestic pharma companies is seen growing at 9-10 per cent per annum over the next coming fiscal years. Exports which account for nearly 45 per cent of industry revenue, will see marginal one per cent growth in fiscal 2018, but recovering thereafter. Further the industry is witnessing greater price erosion in existing products following competition, and delays in new product launches or import bans on existing products following scrutiny from the US food and drug administration. Besides remediation efforts, companies are also increasing their research and development (R&D) spends to capitalise on the \$20 billion-a-year complex products opportunity in the regulated markets. The industry expects R&D spend to increase 7% over fiscal 2017 to reach 30 per cent of annual revenue from the regulated markets over the medium-term. Another factor offsetting the export slowdown is the steady revenue growth from the domestic market, which accounts for 55 per cent of the industry revenue. "Strong demand will help firms maintain 10-11 per cent growth and healthy profitability, despite intense competition and frequent regulatory actions," says the report of one of the rating agency.

The Indian Pharmaceuticals Industry (IPI) earns around 70% of its revenues from sale of generic drugs and generates around 50% of its revenues from exports. In the financial year 2016-17, the industry faced some issues with increased scrutiny of regulatory authorities, increase in competition in generics market of one of its primary export destination, United States of America. This, in turn, resulted in marginal growth in exports to USA. Also, the stricter enforcement of Drug Price Control Order has impacted revenue growth rate of the industry in domestic market.

In 2017-18, the industry is expected to continue to see pricing pressure in both the markets: domestic and exports. However, the rating agency believes that the steady growth in demand from domestic market coupled by a likely increase in export volumes to North American and African markets will support the industry's growth.



### Pharma Exports from India

Of the total exports of USD 16.8 billion during the year 2016-17, majority of the exports, accounting for 40.6% were to the American continent followed by 19.7% to Europe, 19.1% to Africa and 18.8% within Asia.

#### Significance of USA in Indian pharma exports (a major export destination)

Among the countries, United States of America is the primary export destination for India. Exports to USA have been on a rise since more than a decade. The exports are mainly driven by the cost advantage that India has. The share of exports to USA in total drugs & pharma exports from India which was 25.4% in 2012-13 increased to 33.1% in 2016-17. For other countries like UK, South Africa, Nigeria, Russia, Brazil, Germany, Australia, the share of each of these countries in total drugs & pharma exports remained in the range of 1.4%-3.3% in 2016-17.

In 2012-13, exports to USA grew by 14.2% y-o-y to USD 3.7 billion and increased in single digit in each of the following two years. In 2015-16, exports to USA surged by 27.8% to USD 5.5 billion on a y-o-y basis. However, the export scenario to USA weakened and it grew by a marginal 1.3% to USD 5.6 billion in 2016-17.

The prime reasons for the weak exports were price erosion in the generic market in USA due to consolidation among customers i.e. the distribution channels, increase in competition, absence of blockbuster drugs going off patent and regulatory issues faced by Indian Pharma companies.

In the financial year 2016-17, the profit margins of the industry remained almost at the year ago level. The industry's operating margin contracted by 70 basis points to 25.6% and the net margin eroded by 20 basis points to 14.5% on a y-o-y basis.

(source: Noted articles published on Internet)

### C) OUTLOOK

- i) Domestic market: As per the Union Budget 2017-18, the government wants to ensure the availability of drugs at reasonable prices and so it may continue with the drug price control regime which can have an impact on prices. The domestic demand for formulations however is expected to grow steadily backed by growth in presence of chronic diseases, increasing per capita income, improvement in access to healthcare facilities and penetration of health insurance.
- ii) Export market: The Indian pharmaceutical industry is likely to face competition from other countries to get ANDA approval. Apart from this, the Indian pharma companies will continue to witness pricing pressure in the US generics market due to consolidation of distribution channels and increase in competition. The pharma export volumes from India to US however are expected to rise. This will be backed by about USD 55 billion expected sales gain to generics drugs on account of branded drugs going off patent during 2018-19 which will create an opportunity for CRAMS segment. We expect growth rate for CRAMS to be higher compared to average growth rate of the industry. These factors are likely to support pharma exports from India.

### INDUSTRY OPPORTUNITIES AND THREATS

The Indian Pharmaceutical Companies has the advantages of Competent Workforce, Cost-effective Chemical Synthesis, Solid legal framework and Strong financial markets. Hence 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 (CRAMS) from Global generic companies.

However, increasing infrastructural costs 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 new drugs. The Indian Pharma Industry (IPI) has to contend several challenges, particularly the impact of new product patent, laws, Drug Price Control, Regulatory Reforms, Infrastructure Development.

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

(source: Noted articles published on Internet)

#### COMPANY PERSPECTIVE:

TYCHE INDUSTRIES LTD (TIL) has developed reputation as a quality and reliable manufacturer and exporter of Active Pharmaceutical Ingredients, Intermediates and Nutraceuticals.

TIL is one of the largest manufacturers in India of Glucosamine Hydrochloride and corresponding sodium and potassium salts which are mainly exported to USA and Europe.

The overseas Regulatory approvals facilitated entry of the Company into the overseas advanced regulatory markets. The year (2015-16) the company has obtained US FDA recognition for its facilities in Kakinada, and the company has already obtained EU- GMP certification. The company is in the process of filings for more ANDA's in the coming future.

#### SEGMENTWISE OR PRODUCTIONWISE PERFORMANCE

Company's operations are predominantly related to the manufacture of bulk drugs intermediates, as such there is only one primary reportable segment.

#### 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. The company has plans to introduce newer products after careful market study. The management always strives to introduce new products which it hopes will contribute to the top line and bottom line in the ensuing years by expanding its marketing network.

#### 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 some of the suppliers in India and more so from Global market including 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 expand the product portfolio and diversify the market, increasing the number of customers and introducing newer products by continuous research and development. 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 most of the raw materials are imported / imported products are used by the company. Further as most of the major customers are from outside India the company also faces exchange rate variation on its receivables, Finance Department is constantly monitoring the situation and taking action against major fluctuations.

4. RESEARCH AND DEVELOPMENT:

The company faces challenges on rolling out new and improved products, Research and development is a key to success of the unit and hence management takes steps to improve the strength of the R&D team continuously in order to face competition.

5. 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. An Internal Audit was conducted in various areas of operations of the Company. The Management duly considered and takes appropriate action on recommendations made by the Statutory Auditors, Cost Auditors, Internal Auditors and The Independent Audit Committee of the Board of Directors. The Company has an Audit Committee consisting of three directors out of which two are the 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, 2018 the Company had about 200 employees.

**CAUTIONARY STATEMENT:**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by Securities and Exchange Board of India (SEBI), Generally Accepted Accounting Principles in India and Accounting Standards / Ind AS 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 four directors. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013. The Company complies with the norms prescribed under Regulation 17 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015 for composition 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 2017-2018, the Board of Directors met 7 (Seven) times, viz., on 30th May, 2017, 07th July, 2017, 11th August, 2017, 13th November, 2017, 05th January, 2018, 13th February, 2018 and 30th March, 2018.



Details of composition and category of Directors, their attendance at each Board Meeting held during the financial year 2017-2018 and at the last Annual General Meeting, their Directorships in other Companies and Membership / Chairmanship in Committees are as follows:

Name	Name Category & Designation	Attendance at AGM held on 29th September, 2017	No. of meetings held during the last Financial Year 2017-2018	No. of meetings attended	No. of directorships on boards of other Companies	No. of Board committees in which he is a member in other companies	No. of Board committees in which he is a Chairman in other companies
Mr. G. Ganesh Kumar	Chairman, Managing Director and Promoter	Yes	7	7	1	NIL	NIL
Mr. Hari Chandra Kantimahanti	Independent Director	Yes	7	7	1	NIL	NIL
Mr. Boosa Eswar	Independent Director	Yes	7	7	NIL	NIL	NIL
Mrs. P. Vijaya Lakshmi	Non-Executive Non Independent Director	Yes	7	7	NIL	NIL	NIL

Notes:

- The Directorships held by directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies, Section 8 Companies and Private Limited Companies
- 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.
- Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all public Limited Companies has been considered.



### 3) MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 30th March, 2018, carried out inter alia, the following process:

Evaluation of performance of Non Independent Directors and the Board of Directors as a whole; evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors and evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. All the Independent Directors were present at the Meeting. The Company will organize necessary familiarization programmes as and when required. The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.

### 4) AUDIT COMMITTEE:

The Board has constituted a well-qualified Audit Committee. Majority of members of the Committee are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc.

The Audit Committee of the Company reviews the reports to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process.

The Audit Committee met 4 (four) times viz., on 30th May, 2017, 11th August, 2017, 13th November, 2017 and 13th February, 2018 during the year under review. The gap between two Audit Committee meetings was not more than four months in compliance with Listing Agreement. The details of meetings attended by each member during the year ended 31st March, 2018 is as follows:

Name of the member	Designation	No. of Meetings Held	Meetings Attended
Mr. Harichandra Kantimahanti	Chairman	4	4
Mr. Boosa Eshwar	Member	4	4
Mr. G. Ganesh Kumar	Member	4	4

#### Terms of Reference:

The Terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchange read with Section 177 of the Companies Act, 2013. These broadly includes (i) Develop an annual plan for Committee, (ii) review of financial reporting processes, (iii) review of risk management, internal control and governance processes, (iv) discussion on quarterly, half yearly and annual financial statements, (v) interaction with statutory, internal and cost auditors, (vi) recommendation for appointment, remuneration and terms of appointment of auditors and (vii) risk management framework concerning the critical operations of the Company.



In addition to the above, the Audit Committee also reviews the following

- Matter to be included in the Director's Responsibility Statement.
- Changes, if any, in the accounting policies.
- Major accounting estimates and significant adjustments in financial statement.
- Compliance with listing and other legal requirements concerning financial statements.
- Disclosures in financial statements including related party transactions.
- Management discussion and analysis of company's operations.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Periodical review of internal audit reports.
- Findings of any special investigations carried out by the Internal Auditors.
- Letters of Statutory Auditors to management on internal control weakness, if any.
- Major non routine transactions recorded in the financial statements involving exercise of judgment by the management.
- Recommend to the Board the appointment, re-appointment and if required the replacement or removal of the Statutory Auditors considering their independence and effectiveness, and recommend the audit fees.

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

#### 5) NOMINATION AND REMUNERATION COMMITTEE:

The Nomination & 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 2017-2018 the Nomination & Remuneration Committee met one time on 11th August, 2017. 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.Boosa Eswar	Chairman	1	1
Mr.Harichandra Kantimahanti	Member	1	1
Ms. P. Vijaya Lakshmi	Member	1	1





Terms of Reference of the Nomination & Remuneration Committee:

The Committee is empowered to -

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.
- Identify and assess potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors/ Independent Directors on the Board and as Key Managerial personnel's.
- Formulate a policy relating to remuneration for the Directors and the Senior Management Employees.

Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management Employees.

Remuneration of Managing Director;

- At the time of appointment or re-appointment, the Executive Directors shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & remuneration Committee and the Board of Directors) and the respective Executive Director within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of Executive Directors is broadly divided into fixed and variable component.
- The fixed compensation shall comprise salary, allowances, perquisites, amenities and retirement benefits.

In determining the remuneration (including the fixed increment and performance bonus) the Nomination & Remuneration Committee shall consider the following:

- a. The relationship of remuneration and performance benchmarks is clear;
- b. Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- c. Responsibility of the Managing Director's and the industry benchmarks and the current trends;
- d. The Company's performance vis-à-vis the annual budget achievement and individual performance.

Remuneration of Non-Executive Directors:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



The Independent Directors shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

#### Remuneration of Senior Management Employees:

In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Committee Members) the Nomination & Remuneration Committee shall consider the following:

1. The relationship of remuneration and performance benchmark is clear.
2. The fixed pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
3. The components of remuneration include salaries, perquisites and retirement benefits.
4. The remuneration including annual increment and performance incentive is decided based on the critically of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

The Managing director will carry out the individual performance review based on the standard appraisal matrix and after taking in to account the appraisal score card and other factors mentioned herein above, recommends the annual increment to the Nomination & Remuneration committee for its review and approval.

#### Details of Remuneration:

Non-Executive Directors are eligible for sitting fees for attending Board and Committee meetings.

#### Performance evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance and of the independent directors on parameters such as level of engagement, contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Chairman and the Non -Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process as well as the evaluation of the working of its Committees, information needs of the Board, execution and performance of specific duties, obligations and governance.

Details of remuneration paid to Managing Director during the year ended 31st March, 2018 and shares held by them are as follows:

(Rs. In Lacs)

Name of the Director	2017-18 (Salary)	No. of Shares held
G. Ganesh Kumar, Chairman & Managing Director	18.00	14,08,095

*Note: The Company has not granted any Stock Option.*



## 6) I. STAKEHOLDERS RELATIONSHIP 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

During the financial year 2017-2018, the Stakeholders' Relationship Committee met 4 (Four) times on 30th May, 2017, 11th August, 2017, 13th November, 2017 and 13th February, 2018. The composition of the Committee and the details of meetings attended by each member during the year ended 31st March, 2018 are as follows:

Name of the member	Designation	No. of Meetings Held	Meetings Attended
Mr. Harichandra Kantimahanti	Chairman	4	4
Mr. G. Ganesh Kumar	Member	4	4
Mr. Boosa Eshwar	Member	4	4

- Name of the Compliance Officer::

Ms. Laxmi Chandra Dey

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

Phone No. : 040 – 23541688

Email ID : cs\_tyche@tycheindustries.com

- Status of the Investor's Complaint as on 31st March 2018:

Opening	Received during the year	Resolved during the year	Pending
Nil	2	Resolved	NIL

There were no share transfers pending for registration for more than 15 days as on 31st March, 2018.

**II. SHARE TRANSFER COMMITTEE:**

To ensure quicker investor services and expeditious of the Share Transfer approvals, this Committee has been constituted with the following members of the Board.

Name of the member	Designation	No. of Meetings Held	Meetings Attended
Mr. Harichandra Kantimahanti	Chairman	1	1
Mr. G. Ganesh Kumar	Member	1	1
Mr. Boosa Eshwar	Member	1	1

The Committee meets on 30th March, 2018 when the memorandum of transfer date is intimated by the CIL Securities Limited (Registrar and Share Transfer Agent) and accords its approvals accordingly.

**7) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 11th August, 2017, comprising of Mr. G. Ganesh Kumar as the Chairman and Mr. Boosa Eshwar and Mr. Harichandra Kanti Mahanti as Members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

**8) WHISTLE BLOWER MECHANISM:**

With the expansion of the business, various risk associated with the business have also increased considerably. Some such risks identified are the risk of fraud, misconduct & unethical behaviour. To ensure fraud free work & ethical environment Company has laid down a vigil mechanism policy. By which Company provide a platform to all the employee, vendors and customers to report any suspected or confirmed incident of fraud, misconduct, unethical behaviour etc. through any of the following reporting protocols:

Email : [cs\\_tyche@tycheindustries.com](mailto:cs_tyche@tycheindustries.com)  
 Phone No : 040-23541688  
 Written communication to : C-21/A, Road No.9, Film Nagar,  
 Jubilee Hills, Hyderabad-500096

The Mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism and direct access to the Chairman of the Audit Committee is also available in exceptional cases.

**9) Internal Complaint Committee:**

In accordance with the Sexual Harassment of woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has framed a policy for prevention of Sexual Harassment at Workplace and adopted the same. The existing policy has been amended by incorporating the rules and procedures as mandated in the notification issued by Ministry of Woman & Child Development on 9th December, 2013.



The objective of the policy is to provide its women employees, a workplace free from harassment/ discrimination and every employee is treated with dignity and respect.

#### 10) GENERAL BODY MEETINGS:

Annual General Meetings:

Financial Year	Date and Time	Venue	Description of Special Resolution passed
2016-2017	29th September, 2017 at 10.00 a.m.	Sagi Ramkrishnam Raju Community Hall, Madura Nagar, Hyderabad-38	Nil
2015-2016	30th September, 2016 at 10.30 a.m.	Sagi Ramkrishnam Raju Community Hall, Madura Nagar, Hyderabad-38	Nil
2014-2015	30th September, 2015 at 10.00 a.m.	Sagi Ramkrishnam Raju Community Hall, Madura Nagar, Hyderabad- 38	Nil

Postal Ballot:

No resolution was passed by means of Postal Ballot during the financial year 2017-2018. None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires passing a Special Resolution through Postal Ballot.

#### 11) 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. Details on materially significant related party transactions as per the requirements of the Accounting Standard (AS), are disclosed in the Notes to Accounts of the Financial Statements in the Annual Report. The Board has approved a policy for related party transactions which has been uploaded on the Company website at <http://www.tycheindustries.com/>.

##### ii. Code of Conduct and 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 Chairman & Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on 31st March, 2018 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 Certificate on compliance of Corporate Governance under (Listing Obligations Disclosure Requirements), Regulations, 2015 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.

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. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board.

vi. CEO/CFO Certification:

In terms of the requirements of Regulation 17(8) of (Listing Obligation Disclosure Requirements) Regulations, 2015, Mr. G. Ganesh Kumar, Chairman & Managing Director and Mr. K.Srinivas, CFO of the Company has submitted necessary certificate to the Board at its meeting held on 30th May, 2018 stating that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

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), 2015, 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. Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2018 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

ix. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

Mandatory Requirements:

The Company has complied with all mandatory requirements of SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015 and is being reviewed from time to time.

Non-mandatory Requirements:

- Shareholders' Rights: As the quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- Audit Qualifications:
- The Company's financial statement for the year ended on 31<sup>st</sup> March, 2018 does not contain any audit qualification.



- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

x. Reconciliation of Share Capital Audit Report:

As stipulated by the SEBI, a qualified Company secretary in practise carries out a reconciliation of share capital audit, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital with the Stock Exchange. The audit confirms that the total issued / paid up capital is in agreement with the aggregate of the total number of shares in physical forms and the total number of shares in dematerialised form (held with depository). The audit report is being submitted on quarterly basis to the Stock exchange.

12) MEANS OF COMMUNICATION:

- The quarterly, half-yearly and annual financial results of the Company are forwarded to the BSE Limited, where the Company's shares are listed and published in English daily newspaper and Telugu newspaper.
- The audited financial results and the shareholding pattern are displayed on the Company's website at [www.tycheindustries.com](http://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.
- The Management Discussion and Analysis is a part of the Annual Report and annexed separately.
- 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.

13) GENERAL SHAREHOLDERS INFORMATION:

(a) Annual General Meeting

20th Annual General Meeting

Date : Saturday, 29th September, 2018

Time : 10.00 a.m.

Venue : Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad- 38

(b) Financial Calendar 2018-19:

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

Subject Matter	Tentative Dates of the Board Meeting
Results for the quarter ending 30th June, 2018	By 14th August , 2018
Results for the quarter ending 30th September, 2018	By 14th November, 2018
Results for the quarter ending 31st December, 2018	By 14th February, 2019
Audited Results for the quarter and year ending 31st March, 2019	By 30th May, 2019



(c) Date of book closure: From 22nd September, 2018 to 29th September, 2018 (both days inclusive)

(d) Cut-off date for remote e-voting:

The remote e-voting /voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. Friday, 21st September, 2018.

(e) Dividend payment date:

Dividend shall be paid to all the eligible shareholders between 8th October, 2018 and 30th October, 2018.

(f) Unpaid / Unclaimed Dividend:

Pursuant to the provision of Section 123 of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by the Company to the Investor Education and Protection fund, established by the Central Government under the provisions of Section 125 of the Companies Act, 2013.

Shareholders of the Company who have either not received or not en-cashed their dividend warrants for the financial year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 and 2016-2017 are requested to claim the unpaid/unclaimed dividend from the Company before transfer to the fund.

(g) Listing on Stock Exchange : BSE Limited (BSE)

(h) CIN : L72200TG1998PLC029809

StockCode : 532384

Scrip Id : TYCHE

Demat ISIN : INE443B01012 (Fully paid up)

: IN9443B01010 (Partly paid up)

(i) Listing Fees:

The Company has paid the listing fees for the year 2017- 18 to the Stock Exchange where the shares are listed

(j) Market Price Data: Monthly high and low stock quotations of shares traded on BSE during the each month of the financial year 2017-2018 as compared to BSE Sensex are as follows:





Month	Volume (No. of Shares)	Share Price of shares of the Company at BSE* (Rs.)	
		High	Low
April, 2017	261284	91.9	73.1
May, 2017	268320	79.95	55
June, 2017	172037	62	55
July, 2017	178547	68.6	56.3
August, 2017	651109	91.2	48
September, 2017	529110	107	86
October, 2017	754325	140	87
November, 2017	442233	138.65	105.9
December, 2017	355867	157	115.05
January, 2018	268440	150	121
February, 2018	160055	134	101.6
March, 2018	121272	112.6	96.25

\* Source: www.bseindia.com

(k) (i) Registrar and Share Transfer Agent:

CIL Securities Limited

214, RaghavaRatna Towers, Chirag Ali Lane, Abids, Hyderabad - 500001

(ii) 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.

The Company has obtained and filed with the Stock Exchange(s), the half yearly certificates from Company secretary in practice for due Compliance with the share transfer formalities as required under regulation 40(9)&(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## (l) Shareholding Pattern as on 31st March, 2018:

Category	No. of Shares	% of Shareholding
Promoters	63,51,596	61.97
FII	0	0.00
Mutual Funds & Banks	0	0.00
NRIs (Repat & Non-Repat) and Foreign Body corporate	53,901	0.53
Corporate Bodies	9,16,846	8.94
Indian Public and Others	29,27,657	29.28
Total	1,02,50,000	100.00

## (m) The Distribution of Shareholding as on 31st March, 2018:

Category (No. of Shares) From To	No. of Shareholders	%	No. of Shares	%
Up to 500	2749	75.31	449583	4.38
501-1000	354	9.69	303053	2.95
1001-2000	215	5.89	332065	3.23
2001-3000	141	3.86	356789	3.48
3001-4000	38	1.04	136689	1.33
4001-5000	39	1.06	183809	1.79
5001-10000	64	1.75	501696	4.89
10001- 10250000	50	1.37	7986316	77.91
Total	3650	100.00	10250000	100.00

## (n) Dematerialization of Equity Shares and Liquidity

As on 31st March, 2018 about 97.88% of the Company equity shares have been dematerialized.

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

As on 31st March, 2018 the Company does not have any ADRs, GDRs, Warrants or any convertible instruments.

## (p) Address for investor correspondence:

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

## (q) Plant Location:

Address: Door No.6-223, Sarpavaram, Kakinada, East Godavari Dist , Andhra Pradesh  
PIN - 533 005.



## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
Tyche Industries Limited

I, have examined the compliance of conditions of Corporate Governance by Tyche Industries Limited ('the Company') for the year ended 31st March, 2018, as stipulated under the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of management. My 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 my 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 Listing Regulations.

I 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.

Sd/-  
D. RENUKA  
Company Secretary in practice.

Place: Hyderabad  
Date: 30th May, 2018

ACS No. 11963  
C P No. 3460

## DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To  
The Members of  
Tyche Industries Limited

I, Mr.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, 2018.

For Tyche Industries Limited

Place: Hyderabad  
Date: 30th May, 2018

Sd/-  
(G. Ganesh Kumar)  
Managing Director



## CEO/CFO Certification

To  
The Board of Directors  
Tyche Industries Limited

We, Mr. G. Ganesh Kumar, Chairman & Managing Director and Mr. K. Srinivas, CFO 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 31<sup>st</sup> March, 2018.
  - (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 am 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

Sd/-

(G. Ganesh Kumar)  
Chairman & Managing Director

Sd/-

(K.Srinivas)  
CFO

Place: Hyderabad  
Date: 30th May, 2018



INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF TYCHE INDUSTRIES LIMITED  
REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/s TYCHE INDUSTRIES LIMITED ("the Company"), which comprise of the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**OTHER MATTER:**

The comparative financial information of the Company for the Financial Year ended 31st March, 2017, prepared with Indian Accounting Standards, included in the aforesaid Financial Statements



under report, have been audited by the previous Auditors. The Report of the previous auditors on such Comparative Financial Information dated 30-05-2017 is unmodified.

**OPINION:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profits and its Cash Flows for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditors' Report) Order, 2016 ("The Order"), as amended issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, we give in the Annexure-"A" to this report a Statement on the matters specified in Paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including the other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015;
  - e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report of even date given in 'Annexure B' to this Report".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SURYAM & CO.  
Chartered Accountants  
(FRN : 012181S)

Sd/-  
(SRINIVAS OLETI)  
Partner  
ICAI M.No.206457

Place : Hyderabad,  
Date : 30-05-2018



## ANNEXURE – “A” TO THE INDEPENDENT AUDITORS’ REPORT

With reference to the annexure referred to in our Independent Auditors Report to the members of the Company on the financial statements for the year ended 31-03-2018, we report that:

- i. a) The Company has maintained proper records showing broad particulars including quantitative details and situation of fixed assets, on the basis of available information. However, the fixed assets register is to be updated.
- b) As explained to us by the management, majority of the fixed assets have been physically verified in a broad manner by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. We are informed that no material discrepancies were noticed on such physical verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the company the title Deeds of Immovable properties of the company are held in the name of the company.
- ii. The Inventories have been physically verified during the year by the management, in respect of majority of the high value items at reasonable intervals. In our opinion, the frequency of such verification is reasonable. The discrepancies, if any, have been properly dealt with in the books of account.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. As per the information and explanations furnished to us by the management the company has not given any loans; made investments; given guarantees to any company to which the provisions of section 185 and 186 of the companies Act, 2013 are applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO, 2016 are not applicable to the Company.
- vi. The Company has maintained cost records, which, prima facie, appear to broadly meet the requirements prescribed by the Central Government U/s.148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014. However, the contents of these accounts and records have not been examined by us in detail.
- vii. a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31-03-2018 for a period of more than six months from the date they became payable.
- b) We have been informed by the management that there are no pending disputes with the appropriate authorities relating to Statutory Dues and those dues outstanding for a period of more than six months from the date they became payable other than those referred to in Point No.Q of “Notes to Financial Statements for the year ended March, 31st 2018.



- viii. As per the information and explanations given to us, the company has not defaulted in repayment of dues to the Banks or Government. The Company has not made any borrowings from the financial institutions or debenture holders.
- ix. During the year under review, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The company has not availed any fresh term loans.
- x. On the basis of our examination and according to the information and explanations furnished to us by the management, no fraud by the company or on the company by its officers or employees has been noticed or reported.
- xi. As per the information and explanations furnished to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the companies Act.
- xii. The company is not a Nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the company.
- xiii. As per the information and explanations furnished to us and based on our audit, in our opinion, all the transactions with the related parties are in compliance with provisions of section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period and accordingly the provisions of clause (xiv) of para 3 of the order are not applicable to the company.
- xv. As per the information and explanations given to us and based on our audit, the company has not entered into any non-Cash transactions with directors or persons connected with him. Hence, compliance with provisions of clause (xv) of para 3 of the order are not applicable to the company.
- xvi. As per the information and explanations given to us and based on our audit, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SURYAM & CO.  
Chartered Accountants  
(FRN : 012181S)  
Sd/-  
(SRINIVAS OLETI)  
Partner  
ICAI M.No.206457

Place : Hyderabad,  
Date : 30-05-2018





Annexure –B to Independent Auditors Report dated 30.05.2018  
issued to the Members of M/s Tyche Industries Limited

Report on the Internal Financial controls Over Financial reporting in terms of  
clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ( The Act)

We have Audited the Internal Financial controls Over financial Reporting of M/s TYCHE INDUSTRIES LIMITED ("the company") as of March 31st 2018 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

1) Managements Responsibility for Internal financial controls

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

2) Auditors Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial controls Over financial reporting ("the Guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

3) Meaning of Internal Financial controls over Financial reporting

A company's Internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting



principles. A company's internal financial control over financial reporting includes those policies and procedures that

- i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

4) Inherent limitations of Internal financial controls over Financial Reporting

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

5) Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal financial control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the institute of Chartered Accountants of India.

For SURYAM & CO.  
Chartered Accountants  
(FRN : 012181S)

Sd/-  
(SRINIVAS OLETI)

Partner  
ICAI M.No.206457

Place : Hyderabad,  
Date : 30-05-2018



BALANCE SHEET AS AT 31st MARCH 2018

(Amount in Rupees)

Particulars	Note No.	Figures as at the end of 31.03.2018	Figures as at the end of 31.03.2017	Figures as at the beginning of 01.04.2016
<b>(1) ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment	1	19,84,29,016	26,57,11,359	28,40,28,069
(b) Capital work-in-progress		-	33,38,513	33,38,513
(c) Investments	2	26,982	26,982	26,982
(d) Others (to be specified)	3	-	-	41,02,827
(e) Other non-current assets	4	2,21,06,832	2,05,04,202	1,79,17,932
		22,05,62,830	28,95,81,056	30,94,14,323
<b>(2) Current Assets</b>				
(a) Inventories	5	5,33,96,139	4,44,51,196	5,41,31,053
(b) Trade receivables	6	9,39,51,602	9,46,78,502	15,80,81,602
(c) Cash and cash equivalents	7	25,68,35,862	14,96,27,816	13,51,39,930
(d) Loans	8	30,67,215	1,10,26,614	26,26,390
(e) Other current assets	9	3,71,31,994	2,05,59,442	1,49,33,814
		44,43,82,811	32,03,43,570	36,49,12,789
<b>Total Assets</b>		66,49,45,641	60,99,24,626	67,43,27,112
<b>EQUITY AND LIABILITIES</b>				
(a) Equity Share capital	10	10,24,53,400	10,23,08,000	10,23,08,000
(b) Other Equity	11	42,87,92,881	37,65,59,469	35,35,50,153
<b>Total Equity</b>		53,12,46,281	47,88,67,469	45,58,58,153
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(a) Other financial liabilities (other than those specified in item (b), to be specified)	12	6,95,387	-	-
(b) Deferred tax liabilities (Net)	13	1,96,47,455	1,93,37,855	1,21,73,955
(c) Provisions	14	1,35,28,324	1,16,33,247	82,80,826
		3,38,71,166	3,09,71,102	2,04,54,781
<b>Current Liabilities</b>				
(a) Borrowings	15	-	-	9,97,68,191
(b) Trade payables	16	5,43,48,671	6,93,79,527	7,41,05,259
(c) Other current liabilities	17	25,42,416	24,85,467	1,11,44,453
(d) Provisions	18	4,29,37,107	2,82,21,061	1,29,96,275
		9,98,28,194	10,00,86,055	19,80,14,178
<b>Total Equity and Liabilities</b>		66,49,45,641	60,99,24,626	67,43,27,112

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached  
For SURYAM & CO  
Chartered Accountants  
FRN No : 012181S  
Sd/-  
(SRINIVAS OLETI)  
Partner  
ICAI M.No: 206457

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

Sd/-  
(G.GANESH KUMAR)  
Managing Director

Sd/-  
(HARICHANDRAKANTIMAHANTI)  
Director

Place : Hyderabad  
Date : 30.05.2018

Sd/-  
(K.SRINIVAS)  
CFO

Sd/-  
(Laxmi Chandra Dey)  
Company Secretary & Compliance Officer



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2018

(Amount in Rupees)

Particulars	Refer Note No.	For the year ended 31 <sup>st</sup> Mar, 2018	For the year ended 31 <sup>st</sup> Mar, 2017
INCOME			
I Revenue From Operations	19	51,59,54,025	42,60,96,075
II Other Income	20	1,68,97,428	1,88,62,579
III Total Income (I+II)		53,28,51,453	44,49,58,654
IV EXPENSES	21	23,67,18,125	18,68,45,406
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	22	(83,08,721)	72,81,950
Employee benefits expense	23	7,46,67,253	6,47,22,811
Finance costs	24	84,086	8,47,364
Depreciation and amortization expense	1	1,84,54,706	1,87,01,359
Other expenses	25	12,25,86,624	10,72,90,299
Total expenses (IV)		44,42,02,073	38,56,89,189
V Profit/(loss) before exceptional items and tax (III- IV)		8,86,49,380	5,92,69,465
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		8,86,49,380	5,92,69,465
VIII Tax Expense:			
(1) Current tax		2,97,13,000	2,13,16,000
(2) Deferred tax		3,09,600	71,63,900
IX Profit (Loss) for the period from continuing operations (VII-VIII)		5,86,26,780	3,07,89,565
X Profit/(loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII Profit/(loss) for the period (IX + XII)		5,86,26,780	3,07,89,565
XIV Other Comprehensive Income		-	-
A (i) Items that will not be reclassified to profit or loss.			
(ii) Income tax relating to items that will not be reclassified to profit or loss.			
B (i) Items that will be reclassified to profit or loss.			
(ii) Income tax relating to items that will be reclassified to profit or loss.			
XV Total Comprehensive Income for the period (XIII + XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		5,86,26,780	3,07,89,565
XVI Earnings per equity share (for continuing operation):			
(1) Basic		5.72	3.02
(2) Diluted		5.72	3.00
XVII Earnings per equity share (for discontinued operation):		-	-
(1) Basic		-	-
(2) Diluted		-	-
XVIII Earnings per equity share(for discontinued & continuing operations)			
(1) Basic		5.72	3.02
(2) Diluted		5.72	3.00

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached  
For SURYAM & CO  
Chartered Accountants  
FRN No : 012181S

Sd/-  
(SRINIVAS OLETI)  
Partner  
ICAI M.No: 206457

Place : Hyderabad  
Date : 30.05.2018

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

Sd/-  
(G.GANESH KUMAR)  
Managing Director

Sd/-  
(K.SRINIVAS)  
CFO

Sd/-  
(HARICHANDRAKANTIMAHANTI)  
Director

Sd/-  
(Laxmi Chandra Dey)  
Company Secretary & Compliance Officer



# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st, 2018

(Amount in Rupees)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Net increase decrease cash and cash equivalents		
Net cash flow from used in operating activities		
Net Profit/(loss) before taxation and adjustments	8,86,49,380	5,92,69,464
Adjustment in Depreciation	1,84,54,706	1,87,01,359
Adjustment in Provision for Taxes	(2,99,40,825)	(2,29,51,031)
Adjustment loss on (Profit) /sale disposal fixed assets	32,236	28,721
Adjustment interest received	(1,23,40,590)	(48,51,939)
Adjustment profit and loss operations	(2,37,94,473)	(90,72,890)
Operating profit loss before changes working capital	6,48,54,908	5,01,96,574
Changes working capital		
Changes current assets loans and advances		
Changes in Inventories	(89,44,943)	96,79,857
Changes in sundry debtors	7,26,900	6,34,03,101
Changes in other current assets	(1,65,72,552)	(63,28,775)
Changes in current assets, loans & advances	79,59,399	(84,00,224)
Changes current assets loans advances	(1,68,31,195)	5,83,53,959
Changes current liabilities provisions		
Changes in trade payables	(1,50,30,856)	(47,25,732)
Changes in other liabilities	56,949	(86,58,986)
Changes in provisions	88,89,183	32,16,229
Changes in current liabilities & provisions	84,17,326	1,53,60,978
Changes current liabilities provisions	23,32,603	51,92,489
Changes working capital	(1,44,98,592)	6,35,46,448
Net Cash Flow used in operating activities	5,03,56,315	11,37,43,022
Net Cash Flow used in investing activities		
Purchase tangible fixed assets	(1,42,14,599)	(7,03,373)
Loans to others	-	41,02,827
Advances to others	(16,02,630)	(25,86,270)
Proceeds sale disposal tangible fixed assets	6,63,48,513	2,90,000
Proceeds interest bank deposits	1,23,40,590	48,51,939
Net Cash Flow used in investing activities	6,28,71,874	59,55,123
Net cash flow from used in financing activities		
Proceeds short - term borrowings	-	(9,97,68,191)
Proceeds from share capital	1,45,400	-
Dividend equity shares paid	(51,22,670)	(51,05,800)
Dividend distribution tax equity shares paid	(10,42,873)	(10,39,417)
Net cash flow from used in financing activities	(60,20,143)	(10,59,13,408)
Net Increase/(decrease) in Cash and Cash equivalents	10,72,08,046	1,37,84,737
Cash and Cash equivalents at the beginning of the Year	14,96,27,815	13,58,43,078
Cash and Cash equivalents at the end of the Year	25,68,35,861	14,96,27,815

Summary of Significant Accounting Policies & Other Disclosures (Refer Note 1)

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

Sd/-  
(G .GANESH KUMAR)  
Managing Director

Sd/-  
(HARICHANDRA KANTIMAHANTI)  
Director

Sd/-  
(K. SRINIVAS)  
CFO

Sd/-  
(LAXMI CHANDRA DEY)  
Company Secretary & Compliance Officer

Place: Hyderabad  
Date: 30-05-2018

We have examined the Cash Flow Statement of M/s Tyche Industries Ltd for the year ending 31st March 2018. 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 29-05-2018 to the members of the Company.

For SURYAM & CO  
Chartered Accountants  
Sd/-  
(OLETI SRINIVAS)  
Partner  
ICAI M.No: 206457

Place: Hyderabad  
Date: 30-05-2018



1. Property Plant & Equipment

Description	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at 1 April 2017	Additions	Acquired through business combinations	Disposals	Balance as at 31 March 2018	Balance as at 1 April 2017	Depreciation charge for the year	Depreciation short previous years	Adjustment due to revaluations
a									
Property, Plant & Equipment									
Land	1,99,89,030				1,99,89,030	-	-	-	-
Assets under lease	6,26,10,000			6,26,10,000	-	-	-	-	-
Factory Buildings	6,90,91,705	-			6,90,91,705	1,57,72,808	23,25,048		
Factory Roads	23,58,455				23,58,455	8,02,521	7,77,967		
Plant and Equipment	20,27,99,259	13,63,323			20,41,62,582	9,55,33,192	1,02,65,823		
Furniture and Fixtures	1,19,64,636	17,900			1,19,82,536	97,69,684	5,47,054		
Lab Equipment	2,65,26,382	80,80,521			3,46,06,903	1,55,09,948	25,64,685		
Vehicles	1,34,01,397	47,52,855		11,64,339	1,69,89,913	1,09,42,342	8,45,158		7,32,078
Electrical Equipment	1,32,81,534	-			1,32,81,534	79,80,513	11,28,971		
Total	42,20,22,398	1,42,14,599	-	6,37,74,339	37,24,62,658	15,63,11,008	1,84,54,706	-	7,32,078
b									
Capital Works In Progress	33,38,513	-	-	33,38,513	-	-	-	-	33,38,513
Grand Total	42,53,60,911	1,42,14,599	-	6,71,12,852	37,24,62,658	15,63,11,008	1,84,54,706	-	7,32,078

1. Property, Plant & Equipment of Previous period ended 31.03.2017.

Description	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at 1 April 2016	Additions	Acquired through business combinations	Disposals	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the year	Depreciation short previous years	Adjustment due to revaluations
a									
Property, Plant & Equipment									
Land	1,99,89,030				1,99,89,030	-	-	-	-
Assets under lease	6,26,10,000				6,26,10,000	-	-	-	-
Factory Buildings	6,90,91,705				6,90,91,705	1,34,47,759	23,25,049		
Factory Roads	23,58,455				23,58,455	24,554	7,77,967		
Plant and Equipment	20,25,08,297	2,90,962			20,27,99,259	8,51,98,482	1,03,34,710		
Furniture and Fixtures	1,15,52,228	4,12,408			1,19,64,636	92,20,957	5,48,727		
Lab Equipment	2,65,26,382				2,65,26,382	1,33,02,542	22,07,406		
Vehicles	1,41,96,397			(7,95,000)	1,34,01,397	1,00,32,533	13,86,088		4,76,279
Electrical Equipment	1,32,81,534				1,32,81,534	68,59,127	11,21,413		
Total	42,21,14,028	7,03,370	-	(7,95,000)	42,20,22,398	13,80,85,954	1,87,01,359	-	4,76,279
b									
Capital Works In Progress	33,38,513	-	-		33,38,513	-	-	-	
Grand Total	42,54,52,541	7,03,370	-	(7,95,000)	42,53,60,911	13,80,85,954	1,87,01,359	-	4,76,279



STATEMENT OF CHANGES IN EQUITY

Name of the Company: TYCHE INDUSTRIES LIMITED  
Statement of Changes in Equity for the period ended 31.03.2018

Note No-11

A. Equity Share Capital

	Changes in equity share capital during the year	Balance at the end of the reporting period
Balance at the beginning of the reporting period	10,23,08,000	10,23,08,000
	1,45,400	10,24,53,400

### The amount received on calls on shares is shown here.

B. Other Equity

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other Items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (General reserve)	Retained Earnings								
Balance at the beginning of the reporting period	-	-	-	-	5,47,76,963	32,17,82,506	-	-	-	-	-	-	-	37,65,59,469
Changes in accounting policy or prior period errors	-	-	-	-	-	(2,27,825)	-	-	-	-	-	-	-	(2,27,825)
Restated balance at the beginning of the reporting period	-	-	-	-	5,47,76,963	32,15,54,681	-	-	-	-	-	-	-	37,63,31,844
Total Comprehensive Income for the year	-	-	-	-	-	5,86,26,780	-	-	-	-	-	-	-	5,86,26,780
Proposed Dividend						(51,22,670)								(51,22,670)
Dividend Tax						(10,42,873)								(10,42,873)
Transfer to retained earnings					30,00,000	(30,00,000)								-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	-	-	5,77,76,963	37,10,15,916	-	-	-	-	-	-	-	37,01,66,101

(Amounts in Rupees)



## 2. Non Current Investments

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
Investments in Mutual funds			
- Investments in Mutual Funds			
- (ICICI Prudential life 226.757 units)	26,982	26,982	26,982
Total	26,982	26,982	26,982

## 3. Long Term Loans and Advances

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
- Loans and advance to related parties			
- Sudershan Laboratories limited			
Unsecured, considered good	-	-	41,02,827
Total	-	-	41,02,827

## 4. Other Non -current assets

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
- Contribution to employee Gratuity Trust	1,27,86,800	1,08,91,723	75,62,643
- Others - Security Deposits			
Unsecured, Considered good	58,15,979	59,70,669	59,43,969
--Income tax refund receivable	13,08,609	13,08,609	20,78,119
--Cenvat Refund Receivable	21,95,444	23,33,201	23,33,201
Total	2,21,06,832	2,05,04,202	1,79,17,932





## 5. Inventories

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
(As certified by the Management)			
a) Raw Materials (Valued at Cost)	1,69,92,977	1,63,07,069	1,66,65,971
b) Work - in - progress (Valued at Cost) - Refer to Note 23	3,07,48,116	2,24,39,395	2,37,68,115
c) Finished goods(Valued at lower of Cost or NRV) Refer to Note 23	-	-	59,53,230
d) Stores, Spares and Consumables (Valued at cost)	53,45,846	54,85,178	69,66,737
e) Husk- (Valued at Cost)	3,09,200	2,19,554	7,77,000
<b>Total</b>	<b>5,33,96,139</b>	<b>4,44,51,196</b>	<b>5,41,31,053</b>

## 6. Trade Receivables

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
Trade receivables outstanding for a period not exceeding six months (Unsecured, considered good)	9,32,43,798	9,44,10,836	15,24,56,376
Trade receivables outstanding for a period exceeding six months (Unsecured, considered good) 9,50,444			
Less: Provision for Bad & Doubtful Debts (2,42,640)	7,07,804	2,67,666	56,25,226
<b>Total</b>	<b>9,39,51,602</b>	<b>9,46,78,502</b>	<b>15,80,81,602</b>

## 7. Cash and cash Equivalents

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
i) Cash and Cash equivalents					
a. Cash on hand		82,418		65,097	3,13,581
b. Balances with banks		2,45,05,407		1,96,94,909	2,94,12,842
ii) Other Bank Balances					
a. Balances with banks					
This includes:					
Deposit balances & Guarantee balances	23,22,48,037	23,22,48,037	12,98,67,810	12,98,67,810	10,57,75,421
<b>Total</b>		<b>25,68,35,862</b>		<b>14,96,27,816</b>	<b>13,55,01,844</b>



## 8. loans

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
- Other loans:					
Unsecured, considered good except stated otherwise					
- Loans to Employees	22,84,865		18,08,755		14,17,387
- Advance to Rawmaterials	5,74,064		7,45,799		6,94,841
- Prepaid Expenses	2,37,627		5,32,673		4,31,207
- Advance for Capital goods & Service providers	4,70,659		84,39,387		82,955
Less: Bad advances written off	(5,00,000)	30,67,215	(5,00,000)	1,10,26,614	
Total		30,67,215		1,10,26,614	26,26,390

## 9. Other Current Assets

### Other Current Assets (Secured & Considered good)

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
Advance Income Tax	2,85,00,000	1,60,00,000	60,00,000
GST Balances	58,11,226	20,72,380	63,33,287
TDS Receivable	12,58,760	11,62,957	14,22,331
C.E & CST Refund receivable	15,62,008	13,24,105	8,16,282
Total	3,71,31,994	2,05,59,442	1,45,71,900

## 10. Equity Share Capital

Particulars	As at 31st Mar-2018		As at 31st Mar-2017		As at 1st April 2016	
	Number	Rs.	Number	Rs.	Number	Rs.
Authorised Equity Share Capital	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
Equity Shares of Rs. 10/- each						
Issued, Subscribed and Paid up						
Equity Shares of Rs. 10/- each	1,02,50,000	10,25,00,000	1,02,50,000	10,25,00,000	1,02,50,000	10,25,00,000
Less: Calls unpaid on 9,320 equity shares of Rs.5/-each	9,320	46,600	38,400	1,92,000	38,400	1,92,000
Total	1,02,40,680	10,24,53,400	1,02,11,600	10,23,08,000	1,02,11,600	10,23,08,000



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

Particulars Equity Shares	As at 31st Mar-2018		As at 31st Mar-2017		As at 1st April 2016	
	Number	Rs.	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	1,02,50,000	10,25,00,000	1,02,50,000	10,25,00,000	1,02,50,000	10,25,00,000
Shares issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	1,02,50,000	10,25,00,000	1,02,50,000	10,25,00,000	1,02,50,000	10,25,00,000

## 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, 2018 amount of Dividend per share recognised as distributions to equity shareholders is Rs. 0.50 (March 31, 2017: Rs.0.50)"

## C. Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013

Name of Shareholders	As at 31st Mar-2018		As at 31st Mar-2017		As at 1st April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
G Ganesh Kumar	14,08,095	13.74%	14,08,095	13.74%	14,08,095	13.74%
G.Sandeep	8,42,775	8.22%	8,42,775	8.22%	8,42,775	8.22%
Silver Oak Technologies (P) Limited	19,78,879	19.31%	19,78,879	19.31%	19,78,879	19.31%
Sri Indra Distillery (P) Limited	18,88,705	18.43%	18,88,705	18.43%	18,88,705	18.43%
Plutus Techlabs Limited	6,56,086	6.40%	6,56,086	6.40%	6,56,086	6.40%



## 11. Reserves &amp; Surplus

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
a. General Reserves			
Opening Balance	5,47,76,963	5,17,76,963	4,87,76,963
(+) Current Year Transfer	30,00,000	30,00,000	30,00,000
(-) Written Back in Current Year		-	
Closing Balance   A	5,77,76,963	5,47,76,963	5,17,76,963
b. Surplus			
Opening balance	32,17,82,506	30,17,73,190	28,67,82,942
(+) Net Profit for the current year	5,86,26,780	3,07,89,564	2,46,61,887
(-) Proposed Dividend & Dividend Tax	(61,65,543)	(61,45,217)	(61,45,239)
(+/-) Excess/(Short) Provision for Income Tax	(2,27,825)	(16,35,031)	(5,26,400)
(-) Transfer to Reserves	(30,00,000)	(30,00,000)	(30,00,000)
Closing Balance   B	37,10,15,918	32,17,82,506	30,17,73,190
Total   (A+B)	42,87,92,881	37,65,59,469	35,35,50,153

## 12. Other financial Liabilities

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
(a) Others- Hire Purchase loans form Banks (Secured by Hypothecation of Vehicles)	6,95,387	-	-
Total	6,95,387	-	-



## 13. 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 aggregating to Rs 309,600/- in the Profit & Loss Account. Deferred Tax Liability (Net) of ` Rs. 1,96,47,455/- shown in the Balance Sheet as on 31.03.2018 comprises of the following:

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
Opening Deferred Tax Liability	1,93,37,855	1,21,73,955	1,72,75,855
On Account of Depreciation provided on Fixed Assets	3,09,600	71,63,900	(51,01,900)
Deferred Tax Liability (Net)	1,96,47,455	1,93,37,855	1,21,73,955

## 14. Provisions

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
Provision for employee benefits Gratuity (funded)	1,35,28,324	1,16,33,247	82,80,826
Total	1,35,28,324	1,16,33,247	82,80,826

## 15. Borrowings

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
Secured Loans repayable on demand from banks- working Capital Limit from Bank of India: - Cash Credit Facilities - Packing Credit Facilities ( 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 Sy 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)	-	-	9,97,68,191



## 16. Trade Payables\*\*

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
Trade Payables for Raw Materials	4,91,20,821	5,25,66,222	5,56,50,347
Creditors for Expenses	51,99,850	99,77,395	86,00,582
Creditors for Capital Goods	28,000	68,35,910	98,54,330
Total	5,43,48,671	6,93,79,527	7,41,05,259

\*\*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.

## 17. Other Current Liabilities

Note: 1 Disclosure pursuant to Note no 6 (G) of Part I of Schedule III to the Companies Act 2013.

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
(a) Current Maturities of long-term debt-Hire purchase loans	7,37,797	-	-
(b) Current maturities of lease obligations for land at SEZ Vizag, JNPC	-	-	85,00,800
(c) Other Payable (specify Nature) Statutory Dues	15,37,278	20,83,056	24,43,587
Others	2,67,341	4,02,411	2,00,066
Total	25,42,416	24,85,467	1,11,44,453

## 18. Provisions

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 1st April 2016 Rs
(a) Provision for employee benefits			
Due to employee Benefits	70,58,564	7,59,844	8,96,036
(b) Others (Specify nature) Proposed Dividend	51,22,670	51,05,800	51,05,800
Dividend tax	10,42,873	10,39,417	10,39,439
Provision for Current Tax	2,97,13,000	2,13,16,000	59,55,000
Total	4,29,37,107	2,82,21,061	1,29,96,275



19. Revenue From operations

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs
Sale of Products	52,53,03,637	44,99,31,749
Less: Excise Duty	(93,49,612)	(2,74,94,949)
Net Revenue from sale of Products	51,59,54,025	42,24,36,800
Processing Charges	-	36,59,275
Total	51,59,54,025	42,60,96,075

20. Other income

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs
Interest Income (In case of a company other than a finance company)	1,23,40,590	48,51,939
Foreign Exchange Gain/(loss)	13,20,319	10,62,423
Product Development Fees	-	1,29,47,322
Credit Balances written off	32,36,519	-
Profit on sale of asset	-	895
Total	1,68,97,428	1,88,62,579

21. Cost of Materials consumed

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs	As at 31-Mar-2017 Rs
Opening Stock				
- Rawmaterials	1,63,07,069		1,66,65,971	
- Stores, Spares & Consumables	54,85,178		69,66,737	
Add: Purchases		2,17,92,247		2,36,32,708
Less: Closing Stock		23,72,64,701		18,50,04,945
- Rawmaterials	1,69,92,977		1,63,07,069	
- Stores, Spares & Consumables	53,45,846		54,85,178	
		2,23,38,823		2,17,92,247
Total		23,67,18,125		18,68,45,406



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

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs
Closing Stocks		
Stock-in-process	3,07,48,116	2,24,39,395
Finished Goods	-	-
<b>Total A</b>	<b>3,07,48,116</b>	<b>2,24,39,395</b>
Opening Stocks		
Stock-in-process	2,24,39,395	2,37,68,115
Finished Goods	-	59,53,230
<b>Total B</b>	<b>2,24,39,395</b>	<b>2,97,21,345</b>
<b>Total A - B</b>	<b>(83,08,721)</b>	<b>72,81,950</b>

## 23. Employee Benefit Expenses

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs
Employee Benefit Expenses		
(a) Salaries and other Benefits	6,47,57,262	5,31,82,381
(b) Contributions to -		
(i) Provident fund	31,26,346	27,28,540
(ii) ESI	12,66,330	9,46,591
(c) Gratuity fund contributions	18,95,077	33,52,421
(d) Staff welfare expenses	18,22,238	13,62,878
(e) Directors remuneration	18,00,000	31,50,000
<b>Total</b>	<b>7,46,67,253</b>	<b>6,47,22,811</b>

## 24. Finance Costs

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs
Interest expense		
on Working Capital	-	3,39,361
LC opening & Bank charges	42,785	5,08,003
On Vehicle Hire Purchase loan	41,301	-
<b>Total</b>	<b>84,086</b>	<b>8,47,364</b>





## 25. Other Expenses

## (a) Manufacturing Expenses

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs
Manufacturing Wages	1,99,56,651	1,67,74,600
Conversion Charges	-	12,77,237
Lab Expenses	76,44,906	55,10,943
Power & Fuel	2,67,47,057	2,28,88,370
Consumption of chemicals, Packing & Stores Material	66,30,044	60,44,490
Plant Repairs and Maintainance	1,93,35,388	1,08,99,009
Product Testing and Development expenses	-	41,10,465
Total	8,03,14,046	6,75,05,114

## (b) Administration, Selling and Distribution Expenses

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs
Rent	24,00,000	13,91,000
Rates and Taxes	11,68,672	4,02,432
Printing and Stationery	10,91,825	8,38,393
Postage & Telephone.	8,51,084	15,50,247
Insurance	5,99,181	7,94,834
Travelling and Conveyance	36,19,066	23,75,286
Legal and Professional Charges	24,64,000	9,31,533
Sales commission and Selling Expenses	1,50,17,086	1,24,23,672
General and Office Expenses	17,30,222	14,93,995
Vehicle Maintenance	11,56,301	17,56,732
Donations	10,000	18,000
Statutory Audit, Tax Audit & Internal audit fees.	2,50,000	4,00,000
Cost Audit Fees	30,000	30,000
Listing Fees	2,87,500	2,29,000
Business Promotion Expenses	14,40,970	14,22,836
Baddebts & Advances written off	-	12,63,344
Total	3,21,15,907	2,73,21,304



## C. Other Expenses

Particulars	As at 31-Mar-2018 Rs	As at 31-Mar-2017 Rs
Advertisement Expenses	1,00,061	1,27,357
Books and Periodicals	61,751	40,616
Computer Maintenance	1,90,185	3,82,178
US FDA Expenses	-	39,97,703
CSR Expenditure	12,00,726	23,85,946
Loss on transfer of Land lease hold rights	9,48,513	-
Other Administrative Expenses	76,55,435	55,30,081
Total	1,01,56,671	1,24,63,881



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

## 1. Significant Accounting Policies:

## A. Basis of Preparation of Financial Statements

The financial statements of Tyche industries limited( Tyche or the company), for the financial year ended 31.03.2018, are the first time the company has presented in accordance with Indian Accounting Standards ("Ind AS"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Tyche has voluntarily adopted the preparation & presentation of financial statements from the financial year 31.03.2017 as per Ind AS including the comparatives upto 31.03.2016. 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'. Accounting policies not referred to herein otherwise are consistent with Accounting Principles in India as notified in Ind AS.

## B. Property, Plant and Equipment.

Items of Property, Plant and Equipment, are measured 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

Depreciation on property, plant and equipment is provided based on straight line basis on useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Land is not depreciated.

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, including consultancy charges for implementing the software, is capitalised as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognised as expense as incurred. The capitalised costs are amortized over the estimated useful life of the software or the remaining useful life of the tangible fixed asset, whichever is lower.

## C. Use of estimates

The preparation of financial statements in conformity with Ind AS (Indian Accounting Standard) 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. Current and non- current classification:

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

**Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent.

**E. 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 (upto 30.06.2017) and net of trade discounts, sales returns and sales tax, where applicable. The company post implementation of Goods and Services Tax (GST) wef 01.07.2017 has reported the revenues net of GST and hence the revenues of the subsequent quarters and period are not comparable with the previous periods reported figures. 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.

**Milestone payments and out licensing arrangements**

Revenues include amounts derived from product out-licensing agreements. These arrangements typically consist of an initial up-front payment on inception of the license and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front license fees received in connection with product out-licensing agreements are deferred and recognised over the period in which the Company has continuing performance obligations. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or



over the period the Company has continuing performance obligations, if the milestones are not considered substantive. If milestone payments are creditable against future royalty payments, the milestones are deferred and released over the period in which the royalties are anticipated to be paid.

F. Investments:

Investments are readily realisable and intended to be held for not more than 12 months are classified as current investments. All other investments are classified as long-term investment. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost less diminution in value, if any.

G. Inventories

Raw materials, packing materials, stores, spares, consumables and finished goods are valued at cost, after providing for obsolescence, if any.

Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

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.

H. 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.

I. 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.

J. 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 financial year. Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to



items recognised in the equity, in which case it is recognised in equity. Provision for Deferred tax on account of timing difference is made as per Accounting Standard-22 (AS-22) "Accounting for taxes on income" notified under the Companies (Accounting) Rules, 2014, on the temporary differences in carrying amount of the assets and liabilities as at the reporting date on the carrying value and the amounts used for taxation purposes.

K. Employee benefits

Short-term Employee Benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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.

L. Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. In the opinion of the Management, during the year there is no impairment loss.

M. Confirmation of Balances:

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

N. 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:

Particulars	As at 31.03.2018	As at 31.03.2017
1) Net Profit as per the Profit and loss account available to Equity shareholders	5,89,06,531	3,07,89,565
2) Weighted Average Number of Equity shares	1,02,45,340	1,02,11,600
3) Basic earnings per share	5.75	3.02
4) Diluted Earnings Per share	5.75	3.01

## O. 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	2017-18		2016-2017	
	Revenue	%	Revenue	%
Domestic	24.84	48.15	21.57	51.07
Export	26.75	51.85	20.67	48.93
Total	51.59	100.00	42.24	100.00

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

## P. 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.

## 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 Contingent Liabilities of the Company as at 31-03-2018 are as under:

Financial Years (Asst. Year)	Nature	Amount (Rs in lakhs) As at 31-03- 2018 (Previous Year)	Forum where dispute is Pending with	Status
2009-2010 (2010-2011)	Income Tax demand	13.08 (13.08)	Representation for rectification filed with DCIT.	Amount modified and unsettled as on 30.05.2018
2011-2012 (2012-2013)	Income Tax Demand	17.11 (17.11)	Appeal lying with CIT (Appeals)	Unsettled as on 30.05.2018
2013-2014 (2014-2015)	Excise duty under dispute	21.95 (21.95)	Appeal with CCE (Appeals)	Unsettled as on 30.05.2018

#### 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.

(Rs in Crores)

S.No	Name of party	Nature of Relation	2017-18	2016-17
1	Mr. G. Sandeep	Relative to Director		
	- Salary/Remuneration		0.27	0.13
	- Rent		0.24	0.13

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

#### T. Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. For this purpose, “short-term” means investments having maturity of twelve months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.



**U. Forfeiture of shares:**

The company has issued notices to the shareholders for payment of calls in arrears on various dates, after the issue of said notices the company is left with unpaid capital of Rs 46,600/- unpaid on 9,320 equity shares @ Rs 5/- share. The company after taking approvals from stock exchange, the said share capital is written off accordingly in books.

**V. Managerial Remuneration:**

Name of the Director	2017-18 (Rs in Lacs)	2016-2017 (Rs in Lacs)
G. Ganesh Kumar, Chairman & Managing Director	18.00	18.00

W. The Figures of the previous years have been re-grouped/re-arranged wherever necessary.

**27. Additional Information:****a) Particulars of Managerial Remuneration:****(Rs. In Crores)**

Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.
Remuneration to Managing Director	0.18	0.18
Remuneration to Whole Time Director	-	0.13
<b>Total</b>	<b>0.18</b>	<b>0.31</b>

**b). Auditor's Remuneration:****(Rs. In Crores)**

Particulars	As at 31-Mar-2018 Rs.	As at 31-Mar-2017 Rs.
Statutory Audit Fee	0.025	0.025
Cost Audit Fees	0.003	0.003
Secretarial Audit Fees	0.005	0.005

**( c ) Foreign Exchange Earnings and Out go****(Rs. In Crores)**

Particulars	2017-18	2016-17
i) Foreign exchange earnings:		
'- FOB Value of exports (net of Freight & Insurance)	26.75	20.15
ii) Foreign Exchange Outgo (CIF)		
- Raw Materials	1.58	1.22
- Capital Goods	-	-
- For Expenses	0.71	0.60

**(d) Break up of imported/ indigeneous Material****(Rs. In crores)**

For the Year Ended on 31st March	2017-18	2016-17
a) Value of Imported rawmaterials consumed	1.66	1.38
b) Value of Indigeneous raw material consumed	22.01	17.30
c) Percentage of above to total consumption		
- Imported raw materials consumed	7.01%	7.33%
- Indigeneous raw materials consumed	92.99%	92.67%



## e) Details of Raw Material consumed (as certified by the Management)

Particulars	2017-18		2016-17	
	Qty (M.Ts)	Value	Qty (M.Ts)	Value
2 Piperidino Ethanol	21.60	0.91	21.80	0.92
Toluene	124.72	0.67	93.41	0.49
Methanol	649.08	1.90	340.00	0.78
Cooked Prawn Shell	231.84	3.94	157.47	2.76
Iso Nipectic Acid Ethyl Ester	9.45	1.55	4.55	0.76
Potassium Tertiary Butoxide	9.18	1.18	4.18	0.53
Chloroform	117.29	0.34	51.79	0.18
Para- Methoxy Phenyl Acetone	2.26	0.25	1.13	0.14
Raney Nickle Catalyst	1.15	0.17	0.29	0.04
Caustic Soda Lye	117.99	0.23	73.07	0.11
Adenine	1.47	0.40	1.85	0.56
Hydro Bromic Acid	11.88	0.13	16.77	0.18
Meganesuim Tetriry Butoxide	1.29	0.22	1.83	0.32
Racemate Hydrochloride	24.89	2.92	50.85	6.01
DESMP	4.00	0.16	5.65	0.24
RPC	1.31	0.05	1.73	0.09
Others		8.65		4.57
Total		23.67	-	18.68

## f) Details of Work in Progress (as certified by the Management)

Particulars	2017-18		2016-17	
	Qty (M.Ts)	Value	Qty (M.Ts)	Value
Under Process GLH	16.62	0.58	3.51	0.12
Under Process GLH Pottasium	3.46	0.11	1.77	0.05
Under Process RSL	0.10	0.03	2.22	0.10
Under Process Nevarapine	-	-	0.31	0.22
Under Process RSL- Hcl	1.02	0.12	0.54	0.01
Under Process Rhq- V	0.16	0.26	0.02	0.01
Under Process Tnv- 2			0.10	0.08
Under Process Tnv- 4	0.17	0.16	0.50	0.50
Others		1.81	-	1.15
Total		3.07	-	2.24



## g) Details of Finished Goods (as certified by the Management)

QTY in MTS

Particulars	2017-18			2016-17		
	Sales	Closing Inventory	Opening Inventory	Sales	Closing Inventory	Opening Inventory
GLH	7.24	-	-	7.52	-	0.34
CPH	2.96	-	-	3.41	-	-
RSL - HCL	12.08	-	-	11.39	-	-
DM-I-III	-	-	-	0.50	-	-
TMH	8.05	-	-	4.88	-	-
TNV-4	4.30	-	-	4.66	-	-
RHQ	10.34	-	-	4.65	-	-
RSL- Base	-	-	-	0.17	-	-
RPF	1.79	-	-	2.62	-	-
AZA	1.41	-	-	1.53	-	-
Others	3.43	-	-	0.91	-	0.25
Total	51.60	-	-	42.24	-	0.59

As per our Report of even date attached  
For SURYAM & CO  
Chartered Accountants  
FRN No : 012181S  
Sd/-  
(SRINIVAS OLETI)  
Partner  
ICAI M.No: 206457

Place : Hyderabad  
Date : 30.05.2018

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

Sd/-  
(G.GANESH KUMAR)  
Managing Director

Sd/-  
(K.SRINIVAS)  
CFO

Sd/-  
(HARICHANDRAKANTIMAHANTI)  
Director

Sd/-  
(Laxmi Chandra Dey)  
Company Secretary & Compliance Officer



## NECS MANDATE FORM

## TYCHE INDUSTRIES LIMITED

CIN: L72200TG1998PLC029809

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

Email: info@tycheindustries.com; website: www.tycheindustries.com

Tel: 040-23541688 Fax: 040-23540933

CIL SECURITIES LIMITED  
UNIT: TYCHE INDUSTRIES LIMITED  
214, Raghavaratna Towers,  
Chirag Ali Lane, Abids, Hyderabad-500 001  
Email: rta@cilsecurities.com; Website: www.cilsecurities.com  
Tel: 040-23202465, Fax: 040-23203028

For SHARES HELD IN THE PHYSICAL MODE  
please complete the form and mail to

For SHARES HELD IN TELETRNIC MODE  
Please inform respective DPs

Dear Sirs,

Sub: Payment of Dividend through NECS

I hereby consent to have the amount of dividend on my Equity Shares credited through National Electronic Clearing Service (NECS). The particulars are:

1. Folio No. /Client ID. No./DPIDNo.: \_\_\_\_\_  
(Folio no. given in equity share certificate(s)/customer ID No. given by your DP's)
2. Shareholders Name: Shri/Smt./Kum./M/s. \_\_\_\_\_  
\_\_\_\_\_
3. Shareholders Address : \_\_\_\_\_  
\_\_\_\_\_
4. Telephone No. \_\_\_\_\_ 5. Mobile No. \_\_\_\_\_ 6. E-mail \_\_\_\_\_
7. Particulars of the Bank:
  - Bank Name: \_\_\_\_\_
  - Branch Name and Address: \_\_\_\_\_
  - Mention the 9 digit code number issued by the bank and Branch appearing on the MICR cheque issue by the bank: \_\_\_\_\_
  - Account Type (please ) Savings ☐ Current ☐ Cash Credit ☐
  - Account Number (as appearing on the Cheque Book) \_\_\_\_\_
  - IFSC Code Number: \_\_\_\_\_
8. Date from which the mandate should be effective: \_\_\_\_\_

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the company /Registrars & hare Transfers Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through NECS Facility.

\_\_\_\_\_  
Signature of the first/sole shareholder

Note :

- 1) Please attach the photocopy of a Cheque or a cancelled bank cheque issued by your bank for verifying the accuracy of the code number
- .2) The Form can be downloaded from the company's website: www.tycheindustries.com



## TYCHE INDUSTRIES LIMITED

(CIN:L72200TG1998PLC029809)

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

Email: CS\_tyche@tycheindustries.com, website: www.tycheindustries.com

## FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholders,

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

Folio No.	
Name of the Shareholder	
Father's/Mother's/Spouse's Name	
Address (Registered Office Address in case the Member is a Body Corporate)	
E-mail Id	
PAN or CIN	
UIN (Aadhar Number)	
Occupation	
Residential Status	
Nationality	
In case member is a minor, name of the guardian	
Date of birth of the Member	

---

Signature of the Member

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company viz. "CIL Securities Limited, 214, Raghavaratna Towers, Chirag Ali Lane, Abids, Hyderabad-500 001."

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking you,

For Tyche Industries Limited

Sd/-

G. Ganesh Kumar  
Chairman & Managing Director



## Tyche Industries Limited

(CIN: L72200TG1998PLC029809)

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

Email: cs\_tyche@tycheindustries.com; Website: www.tycheindustries.com

Phone: 040 – 23541688

## ATTENDANCE SLIP

20<sup>TH</sup> ANNUAL GENERAL MEETING ON 29<sup>TH</sup> SEPTEMBER, 2018

Registered Folio/ DP ID & Client ID	
Name and address of the shareholder(s)	
Joint Holder 1 Joint Holder 2	

I/we hereby record my/our presence at the 20th Annual General Meeting of the Company held at Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad – 500 038 on Saturday, 29th September, 2018 at 10.00 a.m.

.....  
Member's Folio/DP ID/Client ID No.    Member's/Proxy's name (in Block Letters)    Member's/Proxy's Signature

## Note:

1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Please read the instructions for e-voting given along with Annual Report. The Voting period starts from Wednesday, 26th September, 2018 (9.00 a.m.) and ends on Friday, 28th September, 2018 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.



TYCHE INDUSTRIES LIMITED

## Tyche Industries Limited

(CIN: L72200TG1998PLC029809)

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

Email: cs\_tyche@tycheindustries.com; Website: www.tycheindustries.com

Phone: 040 – 23541688

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

20<sup>TH</sup> ANNUAL GENERAL MEETING ON 29<sup>TH</sup> SEPTEMBER, 2018

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP Id:

I/We being a member(s) of ..... Shares of the above named Company hereby appoint:

(1) Name .....

Address .....

Email Id: ..... Signature ..... or failing him;

(2) Name .....

Address .....

Email Id: ..... Signature ..... or failing him;

(3) Name .....

Address .....

Email Id: ..... Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company to be held on Saturday, 29th September, 2018 at 10.00 a.m. at Sagi Ramakrishnam Raju Community Hall, Madhura Nagar, Hyderabad – 500 038 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:





Resolution Number	Resolutions	Vote (Optional see Note 2) (Please mention no. of share)		
		For	Against	Abstain
	Ordinary Business:			
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31st March, 2018 along with Reports of the Directors' and of the Auditors'.			
2	Ordinary Resolution for declaration of Dividend on Equity Shares for the financial year ended 31st March, 2018.			
3	Ordinary Resolution for appointment of a director in place of Mr. G Ganesh Kumar, Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.			
4	Ordinary Resolution for re-appointment of M/s Suryam & Co., Chartered Accountants, Hyderabad (having FRN: 012181S) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting.			
	Special Business:			
5	Ordinary Resolution for approval of remuneration payable to Mr. Sativada Venkat Rao, Cost Accountant, Hyderabad, the Cost Auditors of the Company for the financial year 2018-19.			

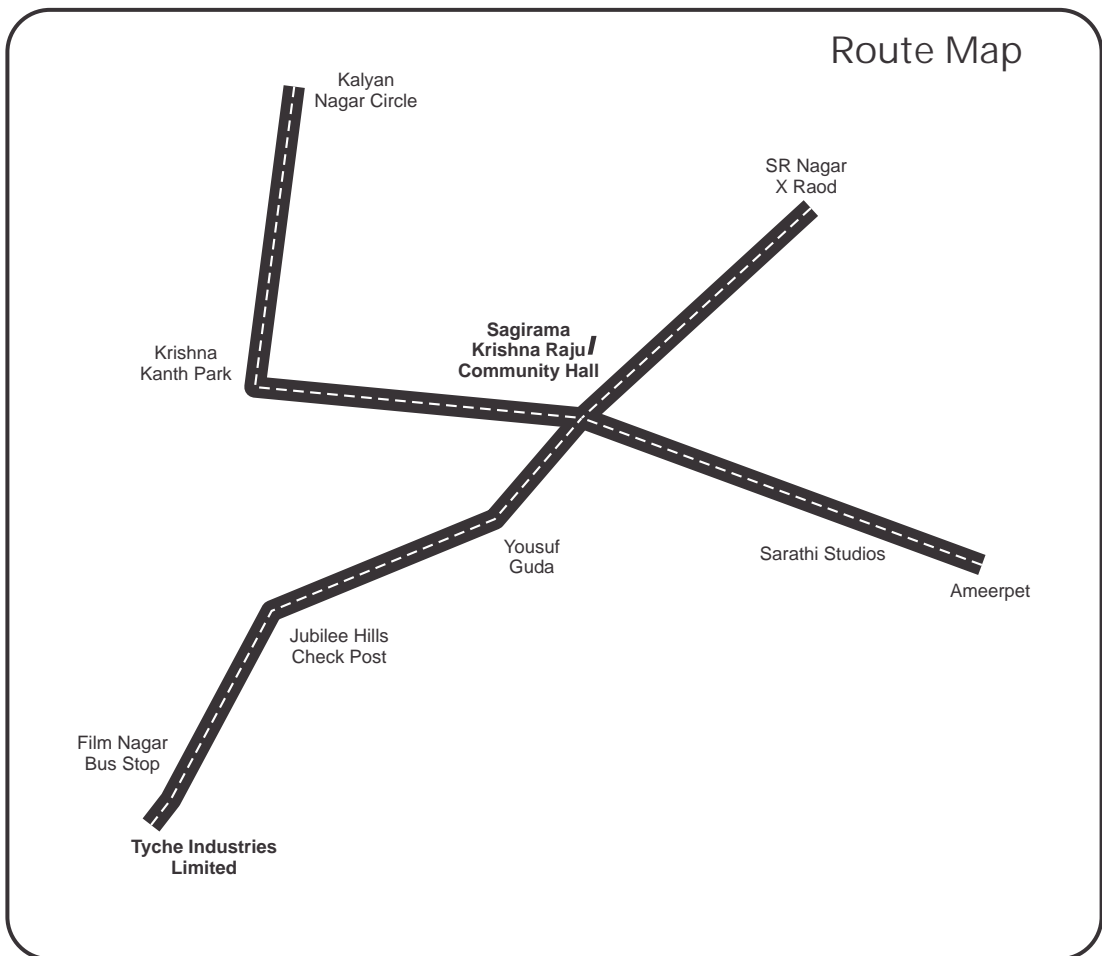
<p>Signed this ..... day of ..... 2018</p> <p>Signature of shareholder .....</p>	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">             Affix Revenue Stamp Re.0.15           </div>
<p>Signature of Proxy holder(s) .....</p>	

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deemed appropriate.



## Route Map



Printed Matter  
BOOK-POST



*If undelivered please return to :*



**TYCHE INDUSTRIES LIMITED**

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