



DIRECTOR'S REPORT

To,
The members of
Agrimony Commodities Limited.

Your Directors have pleasure in presenting the 29th Annual Report together with the Audited Financial Statements for the year ended on 31st March, 2020.

1. FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	2019-2020	2018-19	2019-2020	2018-19
Net Sales/ Income from Operations	10.40	211.41	11.04	212.84
Other Income	77.68	87.37	95.09	104.81
Total Income	88.08	298.78	106.13	317.65
Less: Expenditure	(52.87)	(281.08)	(73.67)	(306.12)
Profit / (Loss) before Interest & Exceptional Items	35.21	17.70	32.55	11.53
Less: Interest	10.26	9.03	10.28	9.07
Profit/(Loss) after Interest before Tax & Exceptional Items	24.95	8.67	22.27	2.46
Exceptional Items	(100.75)	---	(99.73)	0.95
Profit before Extraordinary Items and Tax	(75.80)	8.67	(77.46)	3.41
Profit/(Loss) before Tax	(75.80)	8.67	(77.46)	3.41
Less: Tax provisions	0.008	(4.79)	0.15	4.52
Profit/(Loss) After Tax	(75.81)	3.88	(77.31)	(1.11)
Add: Profit/(Loss) Brought Forward	177.04	173.16	157.34	158.46
Amount available for Appropriation/(Loss)	101.23	177.04	80.03	157.34

**2. STATEMENT OF COMPANY'S AFFAIRS:**

The Income from operation for the financial year 2019-2020, for the year under review was at Rs. 10.4 Lakhs compared to Rs. 211.41 Lakhs during the previous financial year 2018-19. The company revenue has decreased by 95.08%. The EBIDTA excluding exceptional items, stood at Rs. 72.16 lakhs during financial 2019-2020, as compared to Rs. 8.67 lakhs in the Previous Financial year 2018-19. The company has incurred loss of Rs. -75.81 Lakh as compared to profit of Rs. 3.87 lakh.

The Net Profit ratio is -728.94% in the current financial year (2019-2020) as compared to 1.84% is previous year (2018-19). In value terms the Net Profit went down 20.54 times from Rs. 3.87 Lakhs to -75.81 Lakhs.

3. SHARE CAPITAL:

During There is no change in paid up capital. The paid-up Equity Share Capital as at March 31, 2020 was Rs. 11,39,00,000/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

4.DIVIDEND:

With a view to strengthen the financial position of the Company, Your Board of Director's have not recommended any dividend for the financial year 2019-2020.

5.RESERVES:

The Company has not transferred amount to any reserve.

6. BOARD OF DIRECTORS:***6.1 Composition***

The Board of the Company presently consists of 4 directors, out of which 2 (Two) are independent Directors.

6.2 Retirement by Rotation



Pursuant to the Clause 129 of the Articles of Association of the Company read with Section 152 of the Companies, Act 2013, Mrs. Nalini Shetty is due to retire at the ensuing Annual General Meeting and is eligible for re-appointment.

6.3 Independent Director

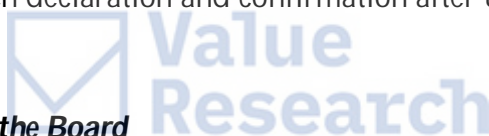
 Declaration by Independent Director:

All the Independent Directors have given declarations that they meet the criteria of independence as lay down under Section 149(6) of the Companies Act, 2013.

As per [Reg 25(8) & (9) of SEBI LODR AMENDMENT] Independent Director:

Independent Director provided, at first board meeting, a declaration confirming his independence.

Board to take on record such declaration and confirmation after undertaking assessment of the veracity of the same.



6.4 Number of Meetings of the Board

During the year under review, 5 (Five) Board Meetings were duly held. The intervening gap between the Meetings was not more than 120 days as prescribed under the Companies Act, 2013.

Sr. No.	Date of Meeting
1	30/05/2019
2	01/06/2019
3	09/09/2019
4	
5	03/02/2020

ATTENDANCE OF THE MEETING:

NAME	DESIGNATION	ATTENDANCE PARTICULARS	
		BOARD MEETINGS	LAST AGM
ANADRAO BALKRISHNA	Managing Director	5	YES



GOLE			
JAIRAJ VINOD BAFNA	CFO (KMP)	5	YES
SURESH KULKARNI DATTATRAYA	Independent Director	5	YES
NALINI SUBBANNA SHETTY	Independent Director	5	YES

6.5 Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 30.03.2020 in accordance with the provisions of clause VII of the schedule IV of the Companies Act, 2013

7. KEY MANAGERIAL PERSONNEL:

In terms of the provisions of the Act and in terms of the Memorandum and Articles of Association of the Company, Mr. Jairaj Bafna retires by rotation. The said Director has offered himself for re appointment and resolution for his re appointment, is incorporated in the Notice of the ensuring Annual General Meeting.

8. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to the Directors' Responsibilities Statement, it is hereby confirmed that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. 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 at the end of the financial year and of the profit and loss of the company for that period;
- c. 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;
- d. the directors had prepared the annual accounts on a going concern basis; and



- e. 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.
- f. 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.

9. DISCLOSURES RELATED TO COMMITTEES/COMMITTEE RECONSTITUTION:

9.1 Audit committee

The Composition of the audit committee is in conformity with the provisions of the Section 177 of the Companies Act 2013 which comprises as follows:

Sr. No.	Name of Members	Designation	Number of Meetings during the Financial Year	
			Held	Attended
1.	Mr. Suresh Kulkarni	Chairman & Independent Director	4	4
2.	Ms. NaliniShetty	Member & Independent Director	4	4
3.	Mr. Jairaj Bafna	Member	4	4

Company has conducted 4 (Four) Audit Committee Meeting during the year 2019-2020.

9.2 Nomination & Remuneration Committee

The Composition of the Nomination Remuneration committee is in conformity with the provisions of the Section 178 of the Companies Act 2013 which comprises as follows:

Sr. No.	Name of Members	Designation	Number of Meetings during the Financial Year	
			Held	Attended
1.	Ms. NaliniShetty	Chairman & Independent Director	4	4
2.	Mr. Suresh Kulkarni	Member & Independent Director	4	4
3.	Mr. Jairaj Bafna	Member	4	4

Company has conducted 4 (Four) Nomination and Remuneration Committee Meeting during the year 2019-2020.



9.3 Stakeholder Grievances Committee Minutes

The composition of the Stakeholder Grievances Committee is in conformity with the provisions of the Section 178 of the Companies act 2013 which comprises as follows:

Sr. No.	Name of Members	Designation	Number of Meetings during the Financial Year	
			Held	Attended
1.	Mr. Suresh Kulkarni	Chairman & Independent Director	4	4
2.	Ms. Nalini Shetty	Member & Independent Director	4	4

Company has conducted 4 (Four) Stakeholders Grievances Committee Meeting during the year 2019-2020.

10. PERFORMANCE EVALUATION:

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and Schedule IV of the Companies Act, 2013, the board has carried out the annual performance evaluation of the Board as the whole, various Committees of the Board and of the Directors. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as Transparency, Performance, etc.

In the separate meeting of Independent Directors, performance of non-independent Directors, performance of the board as a whole and performance of the Chairman was evaluated, considering the views of the executive directors and non-executive directors. The same was discussed in the Board meeting that followed the meeting of independent



directors, at which the performance of the board, its committee and individual Directors was also discussed.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

11. DEPOSITS:

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013, during the financial year and as such, no amount on account of principal or interest on deposits from public was outstanding as on 31st March, 2020. The Company has no deposit which is not in compliance with the provisions of Chapter V of the Companies Act, 2013 and as the Companies (Acceptance of Deposit) Rules, 2014.

12. SUBSIDIARY:

Pursuant to the provisions of Section 129(3) of the Act, the Company has attached along with its financial statement a separate statement containing the salient features of the financial statement of the said wholly owned subsidiary in "**Form AOC-1**" which is annexed as "**Annexure - A**". Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company.

13. CONSOLIDATED FINANCIAL STATEMENTS:

As stipulated under the provisions of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited Consolidated Financial Statements together with Auditors' Report form part of the Annual Report.

**14. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:**

Company has reviewed the Internal Financial Control Report which has been submitted last year by Internal Auditor, which required management intervention and actions. The actions taken by the management were reviewed by the internal auditor as per their report for the financial year 2019-2020.

The Board of Directors hereby report that that the same has been considered and proper action as envisaged has been taken.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY COMPANY:

During the year under review, your company has granted loans to the extent of Rs.10,16,25,543 out of which Rs. 36,00,000 has been invested in Wholly Owned subsidiary i.e. Advantage Commodities Pvt. Ltd. and is following the provisions of Section 186 of the Companies Act, 2013.

During the year under review, your Company has not given any guarantee to any person falling under ambit of Section 186 of the Companies Act, 2013.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions made during the financial year 2019-2020 were on arm's length basis and were in the ordinary course of business. All transactions with related parties are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of afore seen and repetitive nature.

The transactions entered into pursuant to the omnibus approval so granted are audited and a statement specifying the nature, value and terms & conditions of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a Half yearly basis.

All transactions entered into with related parties during the year were on an arm's length basis and were in the ordinary course of business. Accordingly, there are no transactions that required to be reported in Form AOC-2.

17. EXTRACT OF ANNUAL RETURN:



As per Companies Act, 2013 section 134, Companies was required to prepare MGT-9 extract of Annual Return and such MGT-9 was required to file with Directors Report.

However, this provision has been amended by Companies Amendment Act, 2017 w.e.f. 31.7.2018 i.e. as per notification dated 31st July, 2017 provision in relation to MGT-9 has been removed from Section 134 and a new provision is added i.e. "the web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed".

Therefore, one can opine that MGT-9 is not required to prepare by any Company if Directors Report approved in Board Meeting on or after 31st July, 2018.

Therefore, the web address of the company wherein the annual return referred above is placed is "http://www.agrimonycommodities.com".

Additionally, for being Corporate Hygiene, the Company has also provided with the Extract of Annual Return in **Annexure B** under Form MGT 9.

18. MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments, affecting the financial position of the Company, which has occurred between the end of financial year of the Company and the date of this Report.

19. RISK MANAGEMENT POLICY:

During the year under review, the Company has identified and evaluated elements of business risk. Business risk, inter alia, further includes fluctuations in foreign exchange, Raw Material Procurement risk, Environmental & Safety Risk, Working Capital Risk, Market Risk and Business Operations Risk. The risk management framework defines the risk management approach of the Company and includes periodic review of such risk and also documentation, mitigating controls and reporting mechanism of such risks. The Board of Directors and senior management team currently assess the operations and operating environment to identify potential risks and take necessary mitigation actions.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS /TRIBUNALS:

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**21. REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes and other matters provided under sub section (3) of section 178 of the Companies Act 2013. The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is available on Company's website at www.agrimonycommodities.com and also enclosed as "**Annexure - B**".

22. CORPORATE GOVERNANCE:

As per Regulation 15 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, para C of Schedule V relating to Corporate Governance Report, shall not apply to company listed on SME Exchange. The Company being a company listed on BSE SME Platform, preparation of corporate governance is not applicable.

23. MANAGEMENT DISCUSSION AND ANALYSIS:

In terms of the Regulation 34 read with Schedule V of SEBI (LODR) Regulations, 2015, Management Discussion and Analysis is set out in the Annual Report as "**Annexure-D**".

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**A. Conservation of energy, technology absorption:**

As the Company does not fall under any of the industries listed out in the Schedule appended to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, particulars required to be disclosed with respect to conservation of energy and technology absorption, are not applicable to the Company.

The operations of your Company are not energy intensive. Your Company takes various measures to reduce energy consumption by using energy-efficient computer systems, electrical and electronic equipment and procuring energy efficient equipment and gadgets in its operation. As an ongoing process, your Company evaluates new technologies and techniques to make its infrastructure more energy efficient.

B. Foreign Exchange Earning/Outgo:



The Company has no Foreign Exchange Earning/ Outgo in Financial Year 2019-2020.

25. AUDITORS:

25.1 Statutory Auditors:

Pursuant to the provisions of section 139, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. V. R. Bhabhra & Co. Chartered Accountants, bearing Registration No.112861W, hold office up to the conclusion of the Annual General meeting to be held in the year 2022. The Company has received a certificate from the said auditors that they are eligible to hold office as the Auditors of the company.

The Ministry of Corporate Affairs vide their notification dated 7th May, 2018 has amended the Section 139 of the Companies act, 2013 by omitting the necessity of ratification of the appointment of the Statutory Auditors by members of the Company at every subsequent Annual General Meeting. In order to align with the amended Section 139, the relevant subject matter is included in the notice of the ensuring Annual General Meeting for seeking approval of the members.

There are no qualifications, reservations or adverse remark in the Audit Report and Internal Financial Control Report issued by the Statutory Auditor of the Company for Financial year ended 31st March 2020.

Submission for the Key Audit Points as specified in the Independent Auditors' Report:

- Uncertain Tax positions:
 - Income Tax: The Company has filed an appeal with Commissioner of Income Tax and as per the expert opinion received, the Management is confident that the Company would succeed in the Appeal.
 - Sales Tax: The Company has filed an appeal and Likely to succeed in the appeal.
- Debtors and Creditors: The Company has recovered debtors, which was due for more than 3 years. Also Management is in discussion with creditors which are due for a year, to settle them by assigning debts, which shall be finalized within a few days.

25.2 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



appointed M/s. HD & Associates, Company Secretaries (C.P. No. 21073), to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure - E**" and forms an integral part of this report.

There are no qualifications, reservations or adverse remark or disclaimer made by the auditor in their Report.

26. MANAGERIAL REMUNERATION:

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith and marked "**Annexure - F**".

27. PARTICULARS OF EMPLOYEES:

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs.1.02 Crores per year to be disclosed in the Report of Board of Directors are not applicable to the Company since none of the employee was in receipt of remuneration in excess of Rs. 1.02 Crores during the financial year 2019-2020.

28. DISCLOSURE OF ANTI SEXUAL HARASSMENT POLICY AND INTERNAL COMPLAINTS COMMITTEE: (SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013):

The Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has constituted the Internal Complaint Committee to consider and resolve all sexual harassment complaints. During the year under review, no case was reported under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

29. CORPORATE SOCIAL RESPONSIBILITY (CSR):

CSR related provisions of the Companies act, 2013 do not apply to the Company as the Company does not meet profit, turnover or net worth criteria prescribed in this regard. Since



the CSR norms are not applicable to the Company, the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not required to be made.

30. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has established the Vigil Mechanism Policy/ Whistle Blower Policy for the Directors and employees for reporting the genuine concerns and grievances, significant deviations from the key managerial policies and reports any non-compliance and wrong practices, e.g. unethical behavior, fraud, violation of law, inappropriate behavior/ conduct etc.

The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time. None of the directors or employees has been denied access to the Audit Committee of the Board.

The Vigil Mechanism Policy/ Whistle Blower Policy is uploaded on the Website of the Company at www.agrimonycommodities.com.

31. ACKNOWLEDGEMENTS:

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by various Government Authorities, Company's Bankers, Dealers, Vendors, Customers, Suppliers, Shareholders, Stock Exchange and others who have supported the company during its difficult time and hope to receive their continued support.

The Directors also wish to place on record their appreciation for the all-round co-operation and contribution made by employees at all levels.

**By Order of the Board of Directors
For Agrimony Commodities Limited**

Sd/-



Agrimony Commodities Limited

Anandrao Gole

Chairman & Managing Director

DIN:06668955

Place: Mumbai

Date: December 08, 2020

