

DIRECTORS' REPORT

To
The Members
PARKER AGROCHEM EXPORTS LIMITED

Your Directors take pleasure in presenting the **TWENTY SIXTH Annual Report** of the Company together with the Audited Accounts for the financial year ended on 31st March, 2019.

FINANCIAL SUMMARY/HIGHLIGHTS:

The brief financial results are as under:

Particulars	(` in lacs)	
	2018-19	2017-18
Gross Income	351.13	775.67
Profit/(Loss) before Depreciation and Tax	(18.93)	47.82
Less: Depreciation	47.70	48.31
Profit/(Loss) Before Tax and Extra Ordinary Items	(66.63)	(0.49)
Less: Extra Ordinary Items	-	-
Less: Current Tax	-	-
Add/Less: Deferred Tax Liability	6.30	5.06
Profit/(Loss) After Tax	(60.33)	4.57
Balance Carried to Balance Sheet	(60.33)	4.57

During the year under report, the Company continued to carry on the business of renting of storage tank. The Company continue to explore opportunities for trading in commodities such as various agriculture commodities, metals and also in gold and silver.

The Turnover of the Company for the year 2018-19 has decreased from Rs. 775.67 Lakhs to Rs.351.13 Lakhs as compared to previous year mainly due to the fact that there was no trading of commodities. Due to this, loss before Tax increased to Rs.66.63 Lakhs as compared to Rs.0.49 lakhs in the last year.

SUBSIDIARY COMPANIES/JOINT VENTURE COMPANY/ASSOCIATE COMPANY:

The Company does not have any Subsidiary Company or Joint Venture Company or Associate Company.

MATERIAL CHANGES AND COMMITMENT:

During the year under review, there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and the date of the report.

REASONS FOR REVISION OF FINANCIAL STATEMENT OR REPORT:

During the year, the financial statement or report was not revised. Hence further details are not applicable.

DIVIDEND:

In order to conserve resources, your Directors express their inability to declare any dividend.

TRANSFER TO RESERVE:

In view of loss, your Directors find it prudent not to transfer any amount to General Reserve.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

The term of Mr. Sukhdevbhai R.Acharya as Managing Director of the Company comes to end on 31st May, 2019 and he has resigned as Director of the Company w.e.f 1st June, 2019. Hence, Mr. Sukhdevbhai R. Acharya cease to be Managing Director as well as Director of the Company w.e.f 1st June, 2019. Moreover, Mr. Natvarlal J. Acharya was appointed as Additional Director of the Company to hold the office till the conclusion of ensuing AGM. The Board recommends the appointment of Mr. Natvarlal J. Acharya as Director of the Company

Mr. Jagdish R. Acharya and Mrs. Shantaben J. Acharya were regularised as Director of the Company at the 25th Annual General Meeting of the Company held on 29th September, 2018.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

ANNUAL REPORT 2018-19

VIGIL MECHANISM:

The Company has a vigil mechanism for its directors and employees, to deal with instance of fraud/ mismanagement, if any and to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The details of the policy posted on the website of the Company.

CODE OF BUSINESS CONDUCT AND ETHICS:

The Company has laid down a Code of Conduct (COC) which is applicable to all the Board members and Senior Management of the Company. The COC is available on the website of the Company www.parkeragrochem.com. All the members of the Board and Senior Management have affirmed compliance with the Code.

RISK MANAGEMENT POLICY/PLAN:

It may please be noted that as per the applicable requirement of Companies Act, 2013 a risk management policy/plan of the Company is developed and implemented for creating and protecting the Shareholder's value by minimizing threats or losses and to identify and Provide a framework that enables future activities of a Company to take place in a consistent and controlled manner.

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.

The Company's shareholders may refer the Company's website www.parkeragrochem.com for the detailed Nomination & Remuneration Policy of the Company on the appointment and remuneration of Directors including criteria for determining qualifications, positive attributes, independence of a Director; and other matters provided under sub-section (3) of section 178.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice.

ANALYSIS OF REMUNERATION:

The details of remuneration paid to Directors and Key Managerial Personnel are given in extract of Annual Return attached with this report.

Disclosure/details pursuant to provisions of Section 197(12) of the Companies Act 2013 read with Companies (appointment and Remuneration of managerial personnel) Rules, 2014 are given as follows:

Names and Positions	[A] Ratio of Directors' Remuneration to the median Remuneration of Employees	[B] Percentage (%) increase in Remuneration
Mr. Sukhdevbhai R. Acharya (Managing Director)	-	-
Mr. Jagdish R. Acharya (Chairperson & Managing Director)	27.70	N.A.
Mr. Liladharbhai L. Thakkar (Independent Director)	-	-
Mr. Pravinkumar M. Thakkar (Independent Director)	-	-
Mr. Shankarlal S. Thakkar (Independent Director)	-	-
The median remuneration of employees of the Company during the financial year was Rs. 86,650/- p.a.		
[C] Percentage increase in the median Remuneration of Employees	57.99%	
[D] Number of permanent Employees on the rolls of Company	17 (Seventeen)	
[E] Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof	There was decrease of 11.34% in the average salaries of employees other than managerial personnel in 2018-19. There was decrease of 46.67% in the Managerial Remuneration in 2018-19 as compared to the year 2017-18. There was increase of 100% in the remuneration of CFO in the year 2018-19. There was no change in the remuneration of CS in the year 2018-19.	

PARTICULARS OF EMPLOYEES:

The statement showing the names of the top ten employees in terms of remuneration drawn is given as **Annexure – 2**.

There are no employees of the Company drawing remuneration requiring disclosure of information under Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

DETAILS OF THE REMUNERATION TO MANAGING DIRECTOR/WHOLE-TIME DIRECTOR (AS PER CLAUSE-IV OF SECTION-II OF PART-II OF SCHEDULE V):

- (i) All elements of the remuneration package such as salary, benefits, bonuses, stock options and pension:
The details are given in clause- VI(A) of MGT-9 attached to this report as **Annexure –3**.
- (ii) Details of fixed component and performance-linked incentives, along with the performance criteria:
The details are given in clause- VI(A) of MGT-9 attached to this report as **Annexure – 3** and performance criteria is linked with net profit of the Company.
- (iii) Service contracts, notice period and severance fees:
Pursuant to the approval of members in the 25th Annual General Meeting Mr. Jagdish Acharya, Managing Director has been appointed for a period of 3 years w.e.f. 31st March, 2018. Notice period is 90 days and no severance fees.
- (iv) Stock option details, if any, and whether these have been issued at a discount, as well as the period over which they accrued and how they are exercisable:
The Company has not granted any stock option.

REGULATORY ORDERS:

During the year there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

CSR COMMITTEE:

As the requirement of CSR Committee is not applicable to the Company, no further details/disclosure required to be given in this regard.

DETAILS ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) Conservation of energy	
(i) the steps taken or impact on conservation of energy	The Company accords high priority to conservation of energy. Several concrete steps have been taken to save energy.
(ii) the steps taken by the company for utilizing alternate sources of energy	The Company is not utilizing alternate sources of energy.
(iii) the capital investment on energy conservation equipments	NIL
(B) Technology absorption	
(i) the efforts made towards technology absorption	NIL
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	NIL
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	The Company has not imported any technology during the year. Hence, there are no details to be furnished under this clause.
(iv) the expenditure incurred on Research and Development	There are no expenditure incurred on Research and Development by the Company
(C) Foreign exchange earnings and Outgo	
The Foreign Exchange earned in terms of actual inflows during the year and	NIL
The Foreign Exchange outgo during the year in terms of actual outflows	NIL

INTERNAL FINANCIAL CONTROL:

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.

DEPOSITS:

During the year under report, your Company has not accepted any deposits pursuant to Section 73 of the Companies Act, 2013. Hence further details are not given.

ANNUAL REPORT 2018-19

Details of money accepted (if any during the year) by the Company from the Directors and/or the relatives of Directors of the Company are given in the notes to the Financial Statements and the same are not deposit as per the applicable provisions of Companies Act, 2013 and rules made thereunder.

CORPORATE GOVERNANCE:

As per Regulation 15 (2) of SEBI (LODR) Regulations, 2015 the compliance with the corporate governance provisions as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Para C, D and E of Schedule V shall not apply, in respect of the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding Rupees Twenty Five Crore, as on the last day of the previous financial year.

It may please be noted that as our Company is not falling in the applicability criteria prescribed as mentioned above, Regulation 27 (2) is not mandatory for the time being to the Company.

Hence, the Report on Corporate Governance is not forming part of the Directors' Report.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “**Annexure -3**”

PARTICULARS OF LOANS, INVESTMENTS OR GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There are no Loans, Investments or Guarantees /Security given by the Company during the year under section 186 of the Companies Act, 2013; hence no particulars are required to be given.

RELATED PARTY TRANSACTION:

Particulars of material contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 in the prescribed form AOC-2 is appended as “Annexure-4” to Director's Report.

MANAGEMENT DISCUSSION AND ANALYSIS:

Necessary Management Discussion and Analysis Report, pursuant to Regulation 34(2)(e) of The SEBI (LODR) Regulations, 2015 is appended as “Annexure-5” to Director's Report.

APPRECIATION:

Your Directors wish to place on record their sincere appreciation for significant contribution made by the employees at all the levels through their dedication, hard work and commitment, thereby enabling the Company to boost its performance during the year under report.

Your Directors also take this opportunity to place on record the valuable co-operation and continuous support extended by its valued business associates, Auditors, Supplier, Customers, Banks / Financial Institutions, Government authorities and the shareholders for their continuously reposed confidence in the Company and look forward to having the same support in all its future endeavors.

By Order of the Board

sd/-

Jagdish R. Acharya

(DIN: 01251240)

Chairperson & Managing Director

Place : Ahmedabad
Date : 25th May, 2019