



40TH ANNUAL
REPORT OF
AGRIMAS
CHEMICALS
LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. GNANUMUTHU PAUL LAMECH (MANAGING DIRECTOR AND CHAIRMAN)

MR. RAJ KUMAR GOYAL (NON EXECUTIVE INDEPENDENT DIRECTOR)

MS. VANESSA KEISHING (NON EXECUTIVE INDEPENDENT DIRECTOR)

COMPANY SECRETARY

MS. SAPNA DUA

STATUTORY AUDITORS

M/S MANDHANIA & ASSOCIATES

COST AUDITORS

M/S RAVI SAHNI & CO.

BANKERS:

STATE BANK OF MYSORE & STATE BANK OF TRAVANCORE

REGISTERED OFFICE:

H-2, M.I.D.C, IND.ESTATE, TALOJA, DIST. RAIGADH, MAHARASHTRA
410208

INTERNAL AUDITORS:

Klynveld peat Marwick Goerdeler (KPMG)

CORPORATE & MARKETING OFFICE:

7, COMMUNITY CENTRE, 3RD FLOOR, EAST OF KAILASH, NEAR SAPNA CINEMA, DELHI- 110065

REGISTRAR & SHARE TRANSFER AGENT:

UNIVERSAL CAPITAL SECURITIES PVT. LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 40th ANNUAL GENERAL MEETING OF THE MEMBERS OF AGRIMAS CHEMICALS LIMITED WILL BE HELD AT H-2, M.I.D.C. IND. ESTATE, TALOJA, DIST. RAIGADH, MAHARASHTRA 410208 ON SATURDAY, 27TH DAY OF SEPTEMBER, 2014 AT 11:30 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider & adopt the audited Balance Sheet as at 31st March 2014 and Statement of Profit & Loss for the year ending on 31st March 2014 together with the Directors' & Auditors' Report thereon.
2. To appoint a director in place of Ms. Vanessa Keishing (DIN:01287959), who retire by rotation and being eligible, offers herself for re – appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and fix their remuneration.

Brief Resume of the Director being re-appointed

	Particulars of Director
Name	Ms. Vanessa Keishing
DIN	01287959
Date of Birth	16.11.1976
Date of appointment	27.06.2005
Expertise in field	She is Graduate in Bachelors of Arts and she has considerable experience particularly in the field of Marketing.
Directorships in other companies	None
Committee membership in Agrimas Chemicals Limited	1. Member of Audit Committee 2. Member of Shareholder'/ Investor/s Grievance Committee 3. Member of Remuneration Committee
Shareholding in the company.	NIL

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than Forty-Eight Hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the board resolution authorizing the representatives to attend and vote at the annual general meeting.
3. Members/proxies attending the meeting are requested to bring their copy of the AGM notice to the meeting.
4. Queries proposed to be raised at the AGM may be sent to the company at its registered office at least seven days prior to the date of meeting to enable the management to compile the relevant information to reply the same in the meeting.
5. Members are requested to notify any change in their address, e-mail address, contact numbers, etc immediately to the company at its registered office.
6. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
7. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Company. This opportunity is also being given in compliance with Rule 18 (3) (i) of Companies (Management & Administration) Rules, 2014.
8. The Register of Members and Share Transfer Book will remain closed from 25.09.2014 to 27.09.2014 (both days inclusive).

Regd. Office:
H-2, M.I.D.C. IND. ESTATE,
TALOJA, DIST. RAIGADH,
Maharashtra 410208

Place: Mumbai
Date: 03/09/2014

By order of the Board

S/d

(Mr. Gnanumuthu Paul Lamech)
Managing Director
DIN: 01232720

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 40th Annual Report and Audited Statement of Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS

in Rs.

	2013-14	2012-13
Revenue from operations(net)	1273481794	970371746
Profit before Tax(PBT)	39183597	3252584
Tax expense	15485177	1607159
Profit after tax(PAT)	23698420	1645426
Earning per share of Rs. 10 each	3.28	0.23
Amount transferred to General Reserve	23698420	1645426

COMPANY'S VISION

- To emerge as a strong niche player in agro-input industry in India through quality products and self motivated teams.
- To become an environment friendly green company through our selection of products and manufacturing processes.

COMPANY'S MISSION

- Continued induction of business partners
- Challenging and vibrant work environment.
- Passion to induct talented manpower, train to excel leading to continued satisfaction.

OPERATIONAL REVIEW

The Company recorded total net sales & other income of **Rs. 127.34 crores** for the Financial Year ended 31st March, 2014 as against **Rs. 97.037 crores** achieved during the Previous Financial Year.

The Net Profit before tax (PBT) of the Company is Rs. **391.83 lacs** as compared to previous year figures of Rs **32.52 lacs**.

DIVIDEND

Considering the exigencies of funds for need based working capital, Directors have not recommended any dividend.

TRANSFER TO GENERAL RESERVE

During the year under review, the Company has not transferred any amount of to reserves and total reserve and surplus of the company stand at Rs. **11.9 crores** as on 31st March, 2014.

CURRENT PERFORMANCE

- ACL has appointed 17 C&F agents & 2100 distributors. It would be worth mentioning to note that now the company has its presence in 14 states.
- The company has been associated with Chambal Fertilisers and Chemicals Limited, Rallies India Limited and Sumitomo Chemicals, and now added few more new renowned Corporates like Crystal, GPS Corp, SMC and BR Agro Tech in its customer base.
- The company has planned to improve its efficiency by introducing Standard Operation Procedures (SOP). In SOP steps are developed to complete a task in a consistent manner. Using such steps result obtained from the process repeat itself regardless of who is performing the task. The company plans to controls costs and achieve quality standard for its products by applying SOP in its organisation.
- Further, the company has tied up with Deloitte Touche Tohmatsu India Private Limited to give consultancy on improvement of distributors channel management.
- The Company has appointed Pricewaterhousecooper to check and give consultancy to adhere all the concerning laws related to Indirect tax, Excise, Customs, VAT and Service tax.
- These all steps taken by the company will help it in achieving better results both top line and bottom line in the next financial year.

We are hopeful of delivering a fairly good and satisfying performance to our shareholders.

QUALITY MANAGEMENT SYSTEM

The Company has been accredited with ISO certification for adopting and implementing international quality systems in all its operations. Its streamline manufacturing process and ethical business practices have enabled it to earn international certification like: ISO 9001:2008.

INTEGRAL REPORTS

A “Corporate Governance Report” and a “Management Discussion and Analysis Report” form an integral part of this Directors’ Report as per the requirement of clause 49 of listing Agreement and have been placed as its **Annexure “A” and “B”** respectively.

The Corporate Governance Report highlights the philosophy of Corporate Governance, discloses composition of Board of Directors, discloses the code of conduct and Audit

Committee, their details, functions, attendance and remuneration of directors etc. and general information for shareholders. It is supplemented by two compliance certificates:-

- (i) Certificate signed by the Managing Director affirming receipt of compliance with the code of conduct from all Board members during the year 2013-2014. **(placed at Annexure “ A-2)** as per clause 49 (I) (D) (ii) of the Listing Agreement ; and
- (ii) Certificate of compliance of Corporate Governance provisions of clause 49 signed by the Practising Company Secretary of the company as per clause 49 (VII) of the Listing Agreement. **(placed at Annexure “ A-4)**

The Management Discussion and Analysis Report provides an overview of the affairs of the Company, its business environment, mission & objectives, outlook, operational performance, its resources & systems, strengths, opportunities, constraints, risks & concerns, strategies, prospects, etc.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Ms.Vanessa Keishing (DIN: 01287959) , the director, is due to retire at the forthcoming Annual General Meeting, and being eligible, have offered herself for re-appointment.

COST AUDITORS

In respect of Circular no. 52/26/CAB-2010, dated 30.06.2011, the Company has appointed M/s Ravi Sahni & Co., Cost Accountants as the cost auditor to conduct the cost audit of the company for the financial year 2014-15.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions under Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm:-

- i) that in preparation of the annual accounts for the financial year ended 31st March, 2014 they have followed the applicable accounting standards along with proper explanation relating to material departures;
- ii) that they have 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 for the year under consideration;
- iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv) that they have prepared the annual accounts of the Company for the financial year ended 31st March, 2014 on a going concern basis.

AUDITORS

M/s. Mandhania & Associates, Chartered Accountants, Auditors of the Company, retire in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013 and being eligible offer themselves for re – appointment in the ensuing Annual General Meeting.

PARTICULARS OF EMPLOYEES

None of the Employees of the Company is covered under sub section (2A) of Section 217 of the Companies Act, 1956.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Your Company's energy requirements continued to develop significantly and as it has increased production at existing facilities. However, the Company is making all efforts to put stress on energy conservation by taking measure to ensure that plant be kept continuous running and idle time is reduced to bare minimum.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Information pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of energy, technology absorption & foreign exchange earnings and outgo are given by way of Annexure to this Report.

HUMAN RESOURCES

ACL holds pride in its systems for providing a good quality of work-life to its employees. It encourages a culture of mutual respect and trust amongst peers, superiors and subordinates. We also maintain good harmonious industrial relations amongst the employees in our organization.

ACL shares the growing concern on issues related to Environment and Occupational Health & Safety (EHS) and is committed to protect in and around its own establishment and to provide Safe & Healthy Environment to all its employees for fulfilling these obligations.

A Health, Safety & Environment Policy has been formulated and implemented through Management System.

Our HR Deptt. shall ensure competent and committed team engaged in building a culture of learning to achieve excellence in performance and employee satisfaction by enhancing their skills through Training & Development Programs for innovation & continual improvement of the employees.

FIXED DEPOSIT

Your Company has not accepted / invited any deposit within the meaning of Section 58 – A of the Companies Act, 1956.

CASH FLOW ANALYSIS

In compliance with the provision of Clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31st March, 2014 is annexed hereto.

CORPORATE GOVERNANCE

The Company is committed to build a long term shareholder value with full emphasis on corporate governance. In achieving this objective, the Company has always endeavored to operate as a responsible and law abiding, corporate entity. The corporate governance practices followed by your Company along with a certificate from the Auditors of the Company confirming the Compliance of Corporate Governance have been given separately & form part of this Annual Report.

ACKNOWLEDGEMENT

The Board of directors' place on record their sincere appreciation for the dedicated efforts put in by all employees, their commitment and contribution ensuring sustained growth that your Company has achieved in competitive and challenging times during the year. Your directors would like to record their sincere appreciation for the support and co-operation that your Company received from all government authorities, financial institutions, distributors, suppliers and business associates whom your Company regards as partners in progress. The Board of Directors also express their appreciation for the assistance and co-operation extended by the bankers and unstinted support received from all group Companies.

Your directors thank the shareholders for their confidence in the Company.

By order of the Board

Place: Mumbai

Date: 03.09.14

S/d

(Gnanumuthu Paul Lamech)
Managing Director
DIN: 01232720

S/d

(Vanessa Keishing)
Director
DIN: 01287959

ANNEXURE TO THE DIRECTORS' REPORT

Conservation of energy, Technology Absorption and Foreign Exchange Earnings and outgo pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A. Conservation of Energy

The Company continues its attempts to improve energy conservation and utilization

a) Energy Conservation measure taken:

The Company has monitored its energy consumption regularly and has made several modifications in the plant resulting in reduced energy consumption, such as:

- 1) Constant monitoring of energy consumption and further requisite follow-up.
- 2) Replacement of tube lights/lamps with energy efficient lamps, In off –hours, lights in work premises is kept off.
- 3) Introduction of methanol based systems in place of endogas generators.
- 4) Reduction of maximum demand and restricting the maximum demand to billing demand.
- 5) Air conditioning being set at relatively higher temperature.

The Company is making all efforts to put stress on energy conservation by taking measure to ensure that plant be kept continuous running and idle time is reduced to bare minimum.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

- 1) Use of Air Pneumatic Tools over Electric Tools.
- 2) Emphasis on installation of lower voltage energy efficiency lamps and use of CFL lamps.
- 3) Introduction of waste heat recovery system in furnace.
- 4) Setting the room Air Conditioners at a temperature of 24° C.
- 5) Rationalization of load on different DG sets.

The Company continues to adopt energy efficient practices in its operations and implement proposals arising out of regular energy audits. The Company has put in efforts to improve overall energy efficiency by installing power efficient equipments.

c) Impact of the measure at (a) and (b) above for reduction of energy conservation and consequent impact on the cost of production of goods.

As a result of above measures undertaken, the power and fuel consumption in plants has been reduced thus saving in energy cost during the period under consideration.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of industries specified in the Schedule thereto.

ANNEXURE

FORM A (See rule 2)

Form for Disclosure of Particulars with respect to Conservation of Energy.

1. POWER AND FUEL CONSUMPTION

	<u>Current Year</u> <u>2013 – 2014</u>	<u>Previous Year</u> <u>2012 - 2013</u>
a) Power		
Purchased		
i) Unit (KwH)	47051	57188
ii) Total Amount	4,16,340.00	4,93,800.00
iii) Rate Per Unit(in Rs.)	8.85	8.63
b) Own Generation	5200	2650
b) Fuel		
Coal	Nil	Nil
Diesel Oil (Ltrs.)	1000	525
Total Amount(Rs.)	57,430.00	27,879.00
Rate Per Ltr. (Rs.)	54.43	53.10
c) Gas		
Petroleum Gas (Kgs.)	Nil	Nil
Total Amount		
Rate Per Kg. (Rs.)		

2. CONSUMPTION PER UNIT OF PRODUCTION

Production (with details) Unit	<u>2013 – 2014</u>	<u>2012 – 2013</u>
Formulated BulktoG	342607 kg	205765 kg
Formulation	680890 kg	222900 kg
Productivity Formulation 12 hrs.	2270 kg	745 kg
Packing 12 hrs	1140 kg	685 kg
Electricity KWH/MT	51.05	139.59
Diesel Oil Ltr. / MT	0.977	1.22
LPG (In KG) MT		

B Technology Absorption:

- a) Efforts made in Technology absorption as per **Form B** of the Annexure.

Form B

(See rule 2)

Form for disclosure of particulars with respect to absorption.

Research and Development (R & D)

A. Specific areas in which R& D is carried out by the company

R&D is undertaken for extending the range of the existing products, lowering costs and process improvement. Certain activities which were initiated are as under:-

B. Expenditure on R& D

- | | | |
|------|--|---------|
| i. | Capital | Nil |
| i. | Recurring | Nil |
| ii. | Total | Rs. Nil |
| iii. | Total R& D expenditure as a percentage of total turnover nil | |

Technology, absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

- a. The Company has retained the accreditation of its quality systems being in line with ISO 9001-2008. Efforts are being made to get the vendors facilities accredited as per ISO9001-2008.
- b. Training of personnel in house.

2. Benefits derived as a result of the above efforts e.g product improvement, cost reduction, product development, import substitution etc.

- a. Process improvement resulting in higher production.
- b. Cost reduction.
- c. Constant updation of the Quality Management Systems has equipped the Company to meet the stringent Quality and general standards stipulated by customers.
- d. Development of eco-friendly processes results in less quantity of effluent and emission.

While the tangible benefits arising have been mentioned above, the intangibles are countless which includes promoting corporate social responsibility by making an effective use of natural resources, and to improve quality of life. The Company does nothing by which any harm is done to the environment and that the Company complies with all laws, rules and regulations seeking to control and reduce pollution of all types and protect the environment.

3. Activities relating to Technology Imported

Nil

C. Foreign exchange earnings and outgo:

- i) **Activities relating to exports; initiatives taken to increase exports; Development of the new exports markets for products and services and export plans**

No exports

Total foreign exchange used and earned.

During the year we have Foreign exchange outgo as follows:

Value of Imports on CIF basis in respect of Raw Material F.Y. 13-14 **Rs. 364,35,386** and F.Y. 13-14 **Rs. 282,51,290.**

Value of Imports on CIF basis in respect of Traded Goods F.Y. 13-14 **Rs. 181,34,736** and F.Y. 13-14 **Rs. 436,84,706.**

There are no Foreign Exchange Earnings during the year.

Annexure-“A”

CORPORATE GOVERNANCE REPORT

(As per Annexure I(c) to clause 49 of Listing Agreement with Stock Exchanges)

1. AGRIMAS PHILOSOPHY

Agrimas believes that fairness in corporate procedures, full disclosures in reporting system, total Transparency in corporate culture, fiduciary and Trustee relationship and maximization of shareholders' value in the long run are the pillars on which structure of the corporate governance rests.

2. BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of Executive & non Executive Directors with 2(two) Non-executive Directors (NEDs) out of 3(three) Directors, being more than 50% of the Board Strength. The Chairman is an Executive Director and the number of Independent Directors on the Board being 2 (two) is more than 50% of the Board strength as required. All directors are complying with the requirements of the Listing Agreement. The composition is as under:

Name of the Director	Categories	Designation
Mr. Gnanamuthu Paul Lamech	Independent & Executive Director	Managing Director
Mrs. Vanessa Keishing	Independent & Non-Executive Director	Director
Mr. Raj Kumar Goyal	Independent & Non-Executive Director	Director

b) Meetings

NUMBER OF BOARD MEETING HELD AND THE DATES ON WHICH HELD

During the financial year 2013-2014, the Board of Directors met Eleven times, on the following dates: 23rd April, 2013, 27th May, 2013, 29th July, 2013, 19th August, 2013, 20th August, 2013, 02nd September, 2013, 07th November, 2013, 07th December, 2013, 23rd December, 2013, 14th February, 2014, 31st March, 2014. The maximum time gap between the meetings was not more than four calendar months

Attendance during the financial year 2013-2014 of each Director at the Board Meetings and Number of other Directorship and Chairmanship/Membership of Committee of each Director in various Companies:

Name of Directors	No. Board Meetings Held during the previous Financial Year	No. of board meeting attended	*Number of Memberships in Boards of other Companies	Committee Membership	No. of Memberships/ Chairmanship in Committees of other Companies
Mr. Gnanamuthu Paul Lamech	11	09	NIL	3	NIL
Mr. Chander Shekhar Singh**	11	NIL	NIL	NIL	NIL
Ms. Vanessa Keishing	11	11	NIL	3	NIL
Mr. Raj Kumar Goyal	11	11	NIL	3	NIL

*Excluding Directorships in Private Limited Companies and alternate directorship.

**ceased to be a director w.e.f. 27/05/2013.

None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees (as specified in Clause 49 of the Listing Agreements).

3. AUDIT COMMITTEE.

(A) Qualified & Independent Audit Committee:

The Audit Committee is functioning as under:

- I. At present the committee comprises of
 1. Mr. Gnanamuthu Paul Lamech
 2. Mrs. Vanessa Keishing
 3. Mr. Raj Kumar Goyal
- II. All the members of the committee are financially literate.
- III. Mr. Raj Kumar Goyal is appointed as Chairman of the Audit Committee.
- IV. The terms of reference of the committee have been revised in conformity with the provisions of section 292A of the Companies Act 1956 and the new/revised clause 49 of the listing agreement.

The Board of Directors of the Company at its Meeting duly constituted an Audit Committee pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges.

The broad terms of reference of the Audit Committee include:

- a) Overseeing the Company's financial reporting process.
- b) To review financial statements and pre-publication announcements before submission to the Board.
- c) Recommending the appointment and removal of external auditors, fixation of audit fee.
- d) To ensure compliance of internal control system and action taken on internal audit report.
- e) To hold periodical discussion with statutory auditors on the scope and content of audit.
- f) To review the Company's financial and risk Management Policies.
- g) To apprise the Board on the impact of accounting policies, accounting standard and legislation.

MEETING AND ATTENDANCE DURING THE YEAR

During the financial year 2013-2014, the Audit Committee met five times on the following dates 23th April 2013, 27th May 2013 29th July 2013, 7th November 2013, 14th February, 2014 all the members were present except Mr. Chander Shekhar Singh.

Sr No	Members	Category	Attendance
1	Mr.Raj Kumar Goyal	**Chairman-Independent/Non executive	Yes
2	Mrs.Vanessa Keishing	**Chairman-Independent/Member-Non executive	Yes
3	*Mr. Chander Shekhar Singh	Member-Non executive	No
4	Mr. Gnanamuthu Paul Lamech	Member-Executive	Yes

**Resigned with effect from 27/05/2013*

***Ms. Vanessa Keishing was Chairman of the Audit committee in 23th April 2013, 27th May 2013 29th July 2013 following meetings. Mr. Raj Kumar Goyal was appointed as Chairman in 7th November 2013 and 14th February, 2014.*

The Company Secretary acts as the secretary to the committee.

4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Board has constituted a Shareholders'/Investors' Grievance Committee as a measure of good corporate governance and focusing on strengthening the relation with stakeholders.

CONSTITUTION AND COMPOSITION

The committee was constituted comprising of the following directors as member viz.,

Mr. Gnanamuthu Paul Lamech

Mrs. Vanessa Keishing

Mr. Raj Kumar Goyal

MEETING AND ATTENDANCE DURING THE YEAR

During the financial year 2013-2014, the Shareholders'/Investors' Grievance Committee met one time and all the members were present except Mr. Chander Shekhar Singh.

Sr No	Members	Category	Attendance
1	Mr.Raj Kumar Goyal	Chairman-Independent/Non executive	Yes
2	Mrs.Vanessa Keishing	Member-Non executive	Yes
3	*Mr. Chander Shekhar Singh	Member-Non executive	No
4	Mr. Gnanamuthu Paul Lamech	Member-Executive	Yes

**Resigned with effect from 27/05/2013*

5. COMPLIANCE OFFICER

Name and designation of the Compliance Officer:

Ms. Sapna Dua, Company Secretary is the Compliance officer of the Company appointed w.e.f 29/04/2013.

During the year the complaint received from Shareholders are replied. The Company has acted upon all valid transfers received during the year 2013-2014 and no transfers were pending as on 31st March, 2014.

6. REMUNERATION COMMITTEE

The Board has constituted a Remuneration Committee for the appointment of Mr. Gnanamuthu Paul Lamech as Managing Director on the 26th March, 2008

CONSTITUTION AND COMPOSITION

The committee comprises the following directors as member viz.

- a) *Mr. Chander Shekhar Singh,
- b) Mrs. Vanessa Keishing (Chairperson)
- c) Mr. Raj Kumar Goyal added in committee with effect from 1st July,2011

Sr No	Members	Category	Attendance
1	Mr.Raj Kumar Goyal	Chairman-Independent/Non executive	Yes
2	Mrs.Vanessa Keishing	Member-Non executive	Yes
3	Mr. Chander Shekhar Singh	Member-Non executive	No

**Resigned with effect from 27/05/2013*

7. GENERAL BODY MEETINGS

Location and time for the Annual General Meetings held in the last three financial years:

Year	Date	AGM/EGM	Venue	Time
2011-12	30.09.2011	AGM	H-2,MIDC INDL, Area, Taloja Dist. Raigad -410208	11.30 A.M.
2012-13	28.09.2012	AGM	H-2,MIDC INDL, Area, Taloja Dist. Raigad -410208	11.30 A.M
2013-14	30.09.2013	AGM	H-2,MIDC INDL, Area, Taloja Dist. Raigad -410208	11.30 A.M

All the resolutions at these meetings were passed by show of hands.

8. DISCLOURES

There were no transactions of the company of material nature with related parties that may have potential conflict with the interest of the Company at large. No, Penalties or strictures were imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

9. MEANS OF COMMUNICATION

Annual reports of the company are sent to each shareholder of the Company. Half yearly/ Quarterly results are normally published in the Business Standard and Mumbai Mitra and copies thereof are sent to the Stock Exchange during the last three years.

CODE OF CONDUCT & ETHICS

The Company has adopted "Code of Conduct and ethics" for the Directors and Senior Executives of the Company. The object of the Code is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty.

10.GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date, Time and Venue : 27th September, 2014 at
11.30. A.M. at
Registered Office :

**H-2, M.I.D.C, IND.ESTATE,
TALOJA, DIST. RAIGADH,
MAHARASHTRA 410208**

Financial Calendar for 2013-2014:

Annual General Meeting : 30th September, 2013
Results for the quarter ended June 30th 2013 : Last week of July 2013
Results for the quarter ended September 30th 2013 : Second week of
November, 2013
Results for the quarter ended December, 31st 2013 : Last week of March, 2014
Results for the quarter ended March, 31st 2014 : Third week of May 2014

Book Closure : 25.09.2014 – 27.09.2014

Dividend Payment Date : No Dividend proposed

Stock Exchange Listing : Delhi, Calcutta, Ahemdabad
& Madras

Stock Code :
**Market Price Data &
Performance Comparison** : Shares of the Company
were not traded on any
Stock Exchange and no
rates were reported during
the financial year 2013-
2014

Registrar and transfer Agent : Universal Capital
Securities
Private Limited, 21 Shakil
Niwas, Mahakali Caves
Road, Andheri
(East).Mumbai

Share Transfer System : All orderly-received

transfers are processed and registered within 30 days.

Distribution of share holding as on March 31, 2014

Distribution of shareholding according to categories of shareholders as on March 31, 2014

Serial No.	Categories	No. of Shares	Amount in (Rs.)	Percentage of shareholding
1	Promoters, Directors and Relatives	8137690	81376900	73.645
2	Financial Institution and Banks	150000	1500000	1.357
3	Mutual Fund	0	0	0
4	FII's	0	0	0
5	Corporate Bodies	2157975	21579750	19.535
6	Indian Public	541835	5418350	4.897
7	NRI/OCBs	62500	625000	0.566
	Grand Total	11050000	110500000	100

11. Non Mandatory Requirements

1. The Board

All independent directors contribute effectively to the business carried on by the Company. In the opinion of the Board, it is not necessary to limit the aggregate tenure of each of the Directors.

2. Remuneration Committee

The company has not set up a remuneration Committee. The remuneration package of Executive Directors is determined by the Board subject to the approval of the shareholders. As per the requirements under the Companies Act, 1956, the executive directors neither participate in the discussion nor do they vote on such resolutions while considering the remuneration package by the board. In the opinion of the Board, there is no conflict of interest in determination of remuneration package to Executive directors.

3. Shareholders Rights

The quarterly/ annual results, after they are taken on record by the Board of Directors, are forthwith sent to the Stock exchanges with whom the Company has listing

arrangements. The results, in prescribed proforma, are published in “Financial Express” (English) and in “Jansatta” (Hindi).

4. Audit Qualification

There is no Audit Qualification by the Statutory Auditors.

5. Training of Board Members/ Mechanism for evaluating non-executive board members

All the Non–Executive (including independent) Directors are having rich experience and expertise in functional areas of manufacturing, operations, finance and sales and marketing. They are also members on the Board of other companies. All of them actively take part in the deliberations of the Board Meetings and contribute effectively to the business. In the opinion of the Board neither training of board members nor any evaluation is required.

6. Whistle Blower Policy

The Company is in process of creating a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of business conduct and ethics.

12. Compliance Certificate

This report duly complies with the legal requirements in respect of data that should be disclosed in a corporate governance report as per Clause 49 of the Listing Agreement. The non- mandatory requirements as specified in Annexure ID to Clause 49 have also been highlighted in the report to the extent they have been adopted by the Company. The quarterly report about compliance with the Corporate Governance requirements as prescribed in Annexure IB of Clause 49 is also being sent to the stock exchange within 15 days after the end of each quarter.

Certificate obtained from the Practicing Company Secretary regarding compliance of the conditions of corporate Governance as stipulated in Clause 49 VII of the Listing Agreement has been included as “Annexure-A4” to the Directors’ report.

Annexure –A1

Code of Conduct for all Members of the Board of Directors of Agrimas Chemicals Limited

We the members of the Board of Directors of **AGRIMAS CHEMICALS LIMITED** (ACL) hereby accept and undertake to follow in letter and spirit the Code of conduct as given below :-

1. **Attend all the meetings of the Board/ it's Committees with reasonable regularity;** dedicate sufficient time, energy and attention thereto, and make reasonable enquiries to enable well informed and sound decision making by the Board of Directors.
2. **Act honestly, fairly, and in good faith with due care and diligence** and in team spirit while performing duties and while exercising powers as director in the best interest of the Company.
3. **Respect and ensure compliance** of all the applicable laws of the land and Rules and Regulations thereunder in letter and spirit.
4. **Ensure confidentiality** of information received as Director and disclose it only if authorized by the company or as required by law.
5. **Not to allow personal interest to conflict with the interest of the Company** and not to engage in any activity which is likely to conflict with duty/ responsibility as a Director towards the Company.
6. **Not to make improper use** of information received and not to take advantage of the position as a Director for personal gain.
7. **Limit Directorship** of companies to a number in which he can best devote his time and effectiveness; each director is an own judge of his abilities and how to manage his time effectively in the company in which he holds Directorship.
8. **Not to accept directorship** on the Board **of any other company** that competes with the business of MFL, **while being a Director of Agrimas Chemicals Limited.**
9. **Not use the assets of the company** for any illegal purpose.
10. **Adopt an objective and positive attitude** and give the utmost cooperation for the common good when dealing with government authorities or regulatory bodies.

Place: Mumbai
Date: 03.09.14

S/d

Gnanamuthu Paul Lamech
Managing Director
(DIN: 01232720)

Annexure-A2

DECLARATION BY MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS OF COMPLIANCE WITH THE CODE OF CONDUCT

I, **Gnanamuthu Paul Lamech, Managing Director (DIN: 01232720)** of AGRIMAS CHEMICALS LIMITED , do hereby declare that the Directors of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the Code of Conduct as prescribed by the Company and have adhered to the provisions of the same.

Place: Mumbai

Date: 03.09.14

**S/d
Gnanamuthu Paul Lamech
Managing Director
DIN: 01232720**

Annexure-A3

CEO Certification

To,

The Board of Directors,

I, the undersigned, certify to the Board that I have reviewed financial statements and the cash flow statement for the year ending 31.03.2014 and to the best of my knowledge and belief:

- 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.
- III. There are, to the best of my knowledge and belief, no transaction entered into by the Company during the years which are fraudulent, illegal or violative of the Company's code of conduct.
- IV. I accept responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the company. I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- V. I have discussed with the auditors and the Audit Committee
 - a) significant changes made/to be made in internal control during the year;
 - b) significant changes in accounting policies during the year , and the same have been disclosed in the notes to the financial statements; and

There was no instance of significant fraud of which I am aware nor there has been involvement of the management or an employee having a significant role in the company's internal control system

Place: Mumbai
Date: 03.09.14

S/d

Gnanamuthu Paul Lamech
Managing Director
DIN: 01232720

Annexure-B

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Agrimas Chemicals Limited is pleased to present the 'Management Discussion & Analysis Report' covering the performance for the financial year 2013 – 2014.

OVERVIEW

The financial statements of the Company have been prepared in compliance with the requirements of the Companies Act, 1956 and companies Act 2013 to the extent applicable and rules thereto and generally accepted accounting principles in India. There are no material deviations from prescribed accounting standards. The Management of our Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions and the state of affairs and profits for the year.

ECONOMIC ENVIRONMENT

The Economic Environment has lately become very dynamic. The world is a much smaller place than people would expect. The global economies are quite dependent on each other and the G20 plays an important role to make sure that a slackness in demand in any part of the world is addressed on a shorter/quicker basis to avoid its widespread. India as a responsible member plays its role effectively. However at the domestic front, political compulsions coupled with absence of bold decisions and a high inflation rate is surely affecting the environment.

Growing manufacturing economies and increases in fixed investment among the world's emerging economies will bring more rapid growth in fastener demand in these regions. Consequently, fastener demand growth in the Asia/Pacific, Africa/Middle East, Eastern Europe and Latin America which will definitely benefit Indian fasteners industry. Market growth will be strong as well as Sales growth will be stimulated by favorable economic conditions and higher income levels leading to a rise in manufacturing activity and consumer expenditures for durable goods.

OUTLOOK

Robust demand in the user industry, ongoing expansion, established clientele base and strong order booking makes the company a suitable investment candidate with a long-term horizon. To increase the export percentage in the total revenue and make their presence felt in the international arena, the company has been very active in acquiring companies overseas. In order to meet the market challenges your company has been following the philosophy of providing the highest quality products and services to the customers. It has been focusing on elimination of waste, tight management of working capital and building people capability. All endeavors are made to maximize gains and reduce cost. Enough emphasis is laid on value addition per employee.

TARGETS

- Food Grain Production will be doubled in ten years, so as to make India hunger free.
- Special emphasis will be on horticulture production in order to achieve a quantum increase.
- Allied sectors like live stock, dairy poultry, fisheries, will be promoted

Production of oilseeds and pulses will be raised substantially.

OPPORTUNITIES:

India is among the rapidly developing agrarian economies in Asia Pacific region with over 50% of the population being dependent on agriculture which is dependent on four main factors viz: water, fertilizers, seeds and pesticides. The twelve five year plan period has expected the segment to grow at 12% to 13% p.a. with rise in domestic demand at 8% to 9% p.a. and export demand at 15% to 16% p.a. Scope for increase in usage: With only 35-40% of the total farmland under crop protection, there is a significant unserved market to seize into. By educating farmers and conducting special training programmes regarding the need to use agrochemicals, Company can hope to increase consumption of its products. Huge export potential: The excess production capacity is a perfect opportunity to increase exports by utilizing India's low cost producer status.

Under challenging conditions, your Company will continue to focus on cost control mechanism and cost effective measures supplemented by excellence in quality and specific thrust to innovative Branded formulation export.

THREATS, RISK AND CONCERN:

With sizeable number of end users spread across the geography inventory management and distribution costs is a challenge for the industry players. Efficacy of current supply practices in agrochemicals is another area of concern for the industry. Raw material prices have continuously increased during the year. The constant increase in the prices of raw material continues to build up further pressure. The uncertainty in power supply continues to be a concern for the company. Despite the strong growth drivers, Indian agrochemicals industry faces challenges in terms of low awareness among farmers (only 25-30% of the farmers are aware of agrochemical products and their usage). With large number of end users spread across the geography, managing inventory & distribution costs is a challenge for the industry players. Due to seasonal nature of the business and uncertainties involved in the coverage of monsoon, a large inventory is required to be maintained. The growth of Indian agriculture sector was supplemented by several agriculture oriented policy initiatives taken by the Government recently and resultant improving productivity in the Agriculture Sector and the availability of credit to the agriculture sector as priority sector, the prospects of Agrochemicals industry is expected to improve as a whole.

Management of your Company always keeps stakeholders' interests in mind while taking all decisions such that their interests are not adversely affected. The Company has also put in place a risk management framework to identify, assess, prioritize and alleviate risk. The risks are periodically assessed and reviewed¹⁶ and corrective actions are taken to mitigate effects.

ADEQUACY OF INTERNAL CONTROLS

The Company has proper and adequate internal controls to ensure that its assets are safeguarded and protected against the loss from unauthorized use or disposition and transactions are authorized, recorded and reported correctly.

The Company has an Internal Audit system which is commensurate with its size and nature of its business. The internal controls implemented by the management is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

The Company has an Audit Committee headed by a non-executive independent director, inter-alia, which periodically reviews the internal control systems to ensure their effectiveness and adequacy as also the annual financial statements with particular reference to major accounting entries, involving estimates based on the exercise of judgement by the management as well as other areas requiring mandatory review as per clause 49 of the Listing Agreement with the stock Exchange.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company recorded total net sales & other income of **Rs. 127.34 crores** for the Financial Year ended 31st March, 2014 as against **Rs. 97.037 crores** achieved during the Previous Financial Year.

The Net Profit before tax (PBT) of the Company is **Rs. 391.83 lacs** as compared to previous year figures of **Rs 32.52 lacs**.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company enjoyed harmonious relation with all employees in the factory and office throughout the year. Your Directors wish to place on record their appreciation of the dedicated and commendable services rendered by the staff and workers of the Company.

The industrial relations continued to be cordial throughout the year and human resource and its development continue to be our focus area. Due to intensive training, there has been an improvement in terms of quality, productivity and house keeping.

CAUTIONARY STATEMENT

Statements in this management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual might differ from the statements expressed in the above report.

S/d

**(Mr. Gnanumuthu Paul Lamech)
Managing Director
DIN: 01232720**

S/d

**(Vanessa Keishing)
Director
DIN: 01287959**

**Place: Mumbai
Date: 03/09/2014**