



# SANGINITA CHEMICALS LTD.

(Erstwhile known as Sanginita Chemicals Pvt. Ltd.)

## MANUFACTURERS & SUPPLIERS OF CHEMICALS

<b>Regd. Office</b>	: 301, Shalin Complex, B/H Megh Malhar Complex, Sector-11, Gandhinagar - 382 011, Gujarat State.
<b>Factory</b>	: Block No. 1133, Nr.GIDC-Chhatral Phase IV, At.: Chhatral, Ta. Kalol, Dist. Gandhinagar, Gujarat State.
<b>Phone</b>	: (O.& Fax) 079-23240270, M.: 98240 65056, 93270 23982, 98792 30034
<b>e-mail</b>	: dbchavada@yahoo.co.in / sanginitachemicals@yahoo.com
<b>Website</b>	: www.sanginitachemicals.co.in.
<b>CIN</b>	: L24100GJ2005PLC047292

24<sup>th</sup> August, 2019

To,  
**The National Stock Exchange of India Limited**  
Bandra Kurla Complex (Bandra East),  
Mumbai-400051.

**SYMBOL: SANGINITA**

Dear Sir,

**Sub: Copy of Annual Report 2018-19**

**Sub: Submission of Notice and Annual Report of Sanginita Chemicals Limited for the FY 2018-2019**  
**Ref: Regulation 34 (1) (a) of SEBI (LODR) Regulation, 2015**

With reference to the captioned subject, we are hereby uploading the soft copy of Annual Report of our Company for the FY 2018-2019, along with the Notice of Annual General Meeting.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,

**For, SANGINITA CHEMICALS LIMITED**

**DINESH SINGH CHAVADA (DIN NO. 01497977)**  
**CHAIRPERSON & DIRECTOR**



Encl: As above.



# **SANGINITA CHEMICALS LIMITED**

(CIN: L24100GJ2005PLC047292)

FOURTEENTH  
ANNUAL REPORT  
2018-19

**SANGINITA CHEMICALS LIMITED**  
**(CIN: L24100GJ2005PLC047292)**

**FOURTEENTH ANNUAL REPORT 2018 19**

<b>BOARD OF DIRECTORS</b>	:	Mr. Dineshsinh B. Chavada (DIN: 01497977)	Chairperson & Managing Director
		Mr. Vijaysinh D. Chavda (DIN: 00479413)	Whole Time Director
		Mrs. Hansaben D. Chavada (DIN: 00479509)	Director
		Mr. Faiyazkhan Y. Pathan (DIN: 07702208)	Independent Director
		Mr. Jagdishkumar V. Thakor (DIN: 07702521)	Independent Director
		Mr. Pramodsinh D. Dabhi (DIN: 08441361)	Independent Director
<b>CHIEF FINANCIAL OFFICER</b>	:	Mrs. Sangitaben D. Chavda	
<b>COMPANY SECRETARY</b>	:	CS Kavita J. Nanavati (upto. 26/11/2018) CS Aneri D. Vora (from 01/12/2018 to 16/02/2019) CS Bhumika V. Ranpura (w.e.f. 16/02/2019)	
<b>BANKERS</b>	:	IDFC First Bank Gandhinagar Kotak Mahindra Bank Gandhinagar	
<b>STATUTORY AUDITORS</b>	:	M/s. B. K. Chavda & Co., Chartered Accountants Gandhinagar	
<b>SECRETARIAL AUDITORS</b>	:	M/s. Manoj Hurkat & Associates Practicing Company Secretaries Ahmedabad	
<b>REGISTERED OFFICE</b>	:	301, 3 <sup>rd</sup> Floor, Shalin Complex Sector 11, Gandhinagar – 382011 (Gujarat)	
<b>ISIN</b> (for demat purpose)	:	INE753W01010	

**NOTICE**

NOTICE is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the Members of **SANGINITA CHEMICALS LIMITED** will be held as scheduled below:

Date	: 28 <sup>th</sup> September, 2019
Day	: Saturday
Time	: 2.30 p.m.
Place	: At the Registered Office: 301, 3 <sup>rd</sup> Floor, Shalin Complex, Sector 11, Gandhinagar – 382011 (Gujarat)

to transact the following business:

**ORDINARY BUSINESS:**

1. To receive and adopt audited financial statements of the Company for the financial year 2018-19 and to pass the following resolution, with or without modification, as an ORDINARY RESOLUTION:

**“RESOLVED THAT** audited financial statements of the Company for the financial year 2018-19 comprising of Balance Sheet as on 31<sup>st</sup> March, 2019 and the Profit and Loss Statement for the Financial year ended on 31<sup>st</sup> March, 2019 together with all annexure and attachment thereto including the Directors’ Report and Auditors’ Report thereon, which have already been circulated to the Members and as laid before this meeting, be and the same, are hereby approved and adopted.”

2. To appoint a Director in place of Mrs. Hansaben D. Chavada (DIN: 00479509), who retires by rotation and being eligible, offers herself for re appointment and to pass following resolution, with or without modification, as an ORDINARY RESOLUTION:

**“RESOLVED THAT** the retiring Director, Mrs. Hansaben D. Chavada (DIN: 00479509), be and is hereby reappointed, as Director of the Company, liable to retire by rotation.”

3. To appoint Auditors in place of M/s. B. K. Chavada & Co., Chartered Accountants and to pass following resolution, with or without modification, as an ORDINARY RESOLUTION:

**“RESOLVED THAT** pursuant to provisions of Section 140 (4) read with Section 139 and other applicable provisions, if any of the Companies Act, 2013 and Rules made thereunder and as per the Special Notice received from the member of the Company, M/s. Devpura Navlakha & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting i.e. 14<sup>th</sup> AGM till the conclusion of the 19<sup>th</sup> AGM (from F.Y. 2019-20 to 2023-24) in place of M/s. B. K. Chavada & Co., Chartered Accountants, who have completed their term as Statutory Auditors of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorised to fix their remuneration in consultation with the said Auditors and also to take all other actions as may be required in this regard.”

4. To appoint Mr. Pramodsinh D Dabhi as Independent Director of the Company for a term of five years and to pass following resolution, with or without modification, as an ORDINARY RESOLUTION:

**“RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) thereof) and pursuant to applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, Mr. Pramodsinh D. Dabhi (DIN: 08441361), in respect of whom the Company has received a notice in writing under section 160 of the Act from a member proposing his candidature for the office of the Director and who has submitted a declaration that he meets the criteria of independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) years w.e.f 11<sup>th</sup> May, 2019 and upto the date of Annual General Meeting to be held in the year 2024.

**RESOLVED FURTHER THAT** the Board of Directors are at liberty to alter and vary the terms and conditions of the appointment so as to include any modification or re enhancement thereof, for the time being in force or any amendments or modification that may hereafter be made thereto and as may be agreed between the Board of Directors and Mr. Pramodsinh D. Dabhi.

**RESOLVED FURTHER THAT** any one of the Director be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to aforementioned resolution.”

**Registered Office:**

301, 3<sup>rd</sup> Floor, Shalin Complex, Sector-11,  
Gandhinagar - 382011 (Gujarat)

**Date: 11<sup>th</sup> May, 2019**

**CIN:L24100GJ2005PLC047292**

**By Order of the Board**

sd/-

**Dineshsinh B Chavada**

**(DIN: 01497977)**

**Chairperson & Managing Director**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.**
2. **A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. 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.**
3. Pursuant to the provisions of SEBI (LODR) Regulations, 2015 and section 91 of the Companies Act, 2013, Register of Members and Shares Transfer Books of the Company will remain closed from Saturday, the 21<sup>st</sup> September, 2019 to Saturday, the 28<sup>th</sup> September, 2019 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Shareholders holding shares in dematerialized form should communicate the change of address, if any, to their Depository Participant and other who hold shares in physical form should communicate the change of address, to the Registrar and Share Transfer Agent of the Company at the following address:  
  
Purva Sharegistry (India) India Pvt. Ltd.  
  
Unit No. 9, Shiv Shakti Inds. Estate, J R Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400011.
6. As a matter of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Therefore, Members are requested to bring their copies at Annual General Meeting.
7. Members/Proxies should bring their attendance slip duly filed in for attending the meeting.
8. The Notice of the 14<sup>th</sup> AGM along with the attendance slip and proxy form are being sent by electronic mode to all the members whose email addresses are registered with Company/ Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
9. The Company, being listed on SME Exchange and in view of provisions of Rule 20 of the Companies (Management and Administration) Rules, 2014 is not required to provide remote e-voting facility to its members.
10. **E-VOTING**  
  
Pursuant to provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 the Company is pleased to offer remote e-voting facility to the members to cast their votes electronically on all resolution set forth in the notice convening 14<sup>th</sup> Annual General Meeting. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.  
  
The complete details of the instructions for e-voting are annexed to this notice.
11. Additional information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard on General Meeting (SS-2) notified under the Companies Act, 2013 in respect of the directors seeking appointment/reappointment at the AGM are furnished and annexed to the notice.

**EXPLANATORY STATEMENT:**

**ITEM NO. 3:**

M/s. B K Chavada & Co., Chartered Accountants, the existing auditors of the Company were appointed as Statutory Auditors of the Company at the 9<sup>th</sup> AGM for holding the office from the conclusion of that 9<sup>th</sup> AGM till the conclusion of the 14<sup>th</sup> AGM (Subject to ratification by the members at every subsequent Annual General Meetings).

However, the term of appointment of five years of M/s. B K Chavada & Co., Chartered Accountants ends at this Annual General Meeting. Hence, the Company needs to appoint any other Statutory Auditor for a term of five years.

The Company has received a Special Notice u/s 140 (4) of the Companies Act, 2013 from a member of the Company for appointing M/s. Devpura Navlakha & Co., Chartered Accountant, Ahmedabad as Statutory Auditor of the Company. Further M/s Devpura Navlakha & Co., Chartered Accountants are Peer reviewed Auditors and hence the Company will not require to Audit the Accounts separately from Peer Reviewed Auditors. Moreover, M/s. Devpura Navlakha & Co., Chartered Accountant, Ahmedabad has given their consent to act as Statutory Auditor of the Company and also provided declaration that their appointment, if made shall be within the limit prescribed.

The Company needs to appoint the Statutory Auditor for a term of five years as per the applicable provisions of the Companies Act, 2013.

This statement shall be considered as circulation of Special Notice as received by the Company from a member for appointment of Statutory Auditors of the Company in place of existing Auditors.

Documents relating to this Agenda item are open for inspection at the Registered Office of the Company by members during normal business hours on all working days till the conclusion of Annual General Meeting.

None of the Directors, KMP or their relatives are in any way concerned or interested in this resolution.

The Board recommends the Ordinary Resolution set out on Item No. 3 of Notice for approval by members.

**ITEM NO. 4:**

The Company has received a Notice from a Member in writing along with requisite deposit under Section 160 of the Act, proposing candidature of Mr. Pramodsinh D. Dabhi (DIN: 08441361) for the office of the Independent Director.

Mr. Pramodsinh D. Dabhi, aged 36 years is B.Com Graduate. He has worked as Accounts officer in various Companies and having deep knowledge of Accounting, Banking, VAT, GST and management work.

He has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Pramodsinh D. Dabhi fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director and he is independent from the management.

Hence, in compliance with the provisions of Section 149 read with Schedule IV of the Act and applicable requirements of the SEBI (LODR) Regulations, the appointment of Mr. Pramodsinh D. Dabhi as an Independent Directors is being placed before the Members for their approval by an Ordinary Resolution.

The Company has received from Mr. Pramodsinh D. Dabhi the following documents:

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014;
- (ii) Intimation in Form DIR-8 in terms of Rule 14 of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act.

Looking to the diversified experience and expertise, the Board is of the opinion that the guidance and advice of Mr. Pramodsinh D. Dabhi as a Director will be of immense value.

Hence, the Directors recommend this resolution to be passed as an Ordinary Resolution.

The documents connected with this special business including terms and conditions of appointment of Mr. Pramodsinh D. Dabhi will be open for inspection at the registered office of the Company on all working day during normal working hours of the Company.

Mr. Pramodsinh D. Dabhi is interested in this resolution since it relates to his appointment as an Independent Director of the Company.

Except this, no other Director or Key Managerial Person or their relatives are concerned or interested in this resolution.

**Registered Office:**

301, 3<sup>rd</sup> Floor, Shalin Complex, Sector-11,  
Gandhinagar - 382011 (Gujarat)

**Date: 11<sup>th</sup> May, 2019**

**CIN:L24100GJ2005PLC047292**

**By Order of the Board**

sd/-

**Dineshsinh B Chavada**

**(DIN: 01497977)**

**Chairperson & Managing Director**

**Details of Director/s Seeking Appointment/Re-appointment at the Annual General Meeting**

<b>Particulars</b>	<b>Mrs. Hansaben D. Chavada</b>	<b>Mr. Pramodsinh D. Dabhi</b>
Date of Birth	01/06/1959	28/03/1983
Date of the first Appointment on the Board	15/12/2005	11/05/2019
Qualification	H. Sc.	B. Com
Expertise in Specific functional areas	Mrs. Hansaben D. Chavada has 8 years' experience in the field of chemical business	Mr. Pramod Dabhi is B.com Graduate and worked as Accounts officer in various companies and having deep knowledge of Accounting, Banking, VAT, GST and management work.
Directorships held in other Companies	1	Nil
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	Not Applicable	Not Applicable
Number of Board Meetings attended during the year	5	Not Applicable
Memberships/ Chairmanships of committees of Board of Directors of Company	1	Not Applicable
Memberships/ Chairmanships of committees of Board of Directors of other Companies in which he is director	Nil	Not Applicable
Number of shares held in the Company	14,85,000	Nil
Disclosure of relationship between directors inter-se	None of the Directors are related inter-se except Mr. Dineshsinh B. Chavada, Managing Director and Mr. Vijaysinh D. Chavda, Whole-Time Director being father & son and Ms. Hansaben D. Chavada, Director being mother and son.	Not Applicable

**INSTRUCTIONS FOR E-VOTING:**

The instructions for members for voting electronically are as under:-

- (i) The Remote E-voting period begins on 25<sup>th</sup> September, 2019 (Wednesday) at 9.00 a.m. (IST) and ends on 27<sup>th</sup> September, 2019 (Friday) at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21<sup>st</sup> September, 2019 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on 27<sup>th</sup> September, 2019.
- (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 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>- Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number (which is printed/indicated on the address label/details) in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>- If both 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 reach directly 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 **SANGINITA CHEMICALS 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 Resolutions Details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **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 Corporate.
  - 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 linked in the login 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.
- (xx) Any person who acquires the shares of the Company and becomes the Member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 21<sup>st</sup> September, 2019 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 person becoming member can use their existing user ID and password for casting their vote.
- (xxi) 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).
- (xxii) The Company shall be making arrangements for the members to cast their votes in respect to the businesses through poll/ballot, for members attending the meeting who have not cast their vote by remote voting.
- (xxiii) The Company has appointed Mr. Manoj Hurkat, a Practicing Company Secretary, Ahmedabad as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxiv) The scrutinizer shall, immediately after the conclusion of voting at AGM, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in presence of at least two witnesses not in employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer’s Report of the total votes casted in favour or against, if any, to the Chairperson or a person authorized by him in writing who shall countersign the same and Chairperson shall declare the results of voting forthwith, which shall not be later than 5:00 p.m., 1<sup>st</sup> October, 2019.
- (xxv) The result declared, along with the Scrutinizer’s Report shall be placed on the Company’s website: [www.sanginitachemicals.co.in](http://www.sanginitachemicals.co.in) and on the website of CDSL after the result is declared by the Chairperson and also be communicated to the Stock Exchanges where the equity shares of the Company are listed.

**DIRECTORS' REPORT****To****The Members****SANGINITA CHEMICALS LIMITED**

Your Directors take pleasure in presenting the **FOURTEENTH** Annual Report of the Company together with the Audited Accounts for the financial year ended on 31<sup>st</sup> March, 2019.

**FINANCIAL SUMMARY/HIGHLIGHTS:**

The brief financial results are as under:

(Rs. In lakhs)

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Gross Revenue from Operation	<b>22263.70</b>	22897.08
Less: Vat	-	(242.15)
Excise	-	(577.60)
CGST/SGST/IGST	<b>(3504.40)</b>	(2622.44)
Add: Job work	<b>Nil</b>	Nil
<b>Net Revenue from Operations</b>	<b>18759.30</b>	19454.89
Other income	15.41	17.99
<b>Total revenue</b>	<b>18774.71</b>	19472.88
Profit/(Loss) before Depreciation and Tax	<b>611.44</b>	564.50
Less: Depreciation	<b>65.18</b>	(46.92)
Profit/(Loss) Before Tax and Extra Ordinary Items	<b>546.26</b>	517.58
Less: Extra Ordinary Items	<b>Nil</b>	Nil
Less: Current Tax	<b>154.34</b>	172.59
Deferred Tax	<b>(2.40)</b>	(0.26)
<b>Profit/(Loss) After Tax</b>	<b>394.32</b>	345.25
Add: previous year Profit/(Loss)	<b>771.73</b>	426.48
Less: Issue of Bonus Shares	<b>Nil</b>	Nil
<b>Balance Carried to Balance Sheet</b>	<b>1166.05</b>	771.73

The net revenue from operations including job work of the Company for the year 2018-19 has decreased from Rs. 19454.89 Lakhs to Rs. 18759.30 Lakhs. However, profit before Depreciation and Tax stands increased from Rs. 564.50 Lakhs to Rs. 611.44 Lakhs in the last year. There was no negative effect under GST regime on the administration and business of the Company.

**SUBSIDIARY COMPANIES/JOINT VENTURE COMPANY/ASSOCIATE COMPANY:**

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

**MATERIAL CHANGES AND COMMITMENT:**

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:**

Your Directors find it prudent not to transfer any amount to General Reserve.

**MIGRATION OF LISTING OF SHARES FROM SME TO MAIN BOARD OF NSE:**

The Board of Directors at their meeting held on 9<sup>th</sup> April, 2019 have approved the migration of listing of its equity shares from SME Platform to the Main Board of NSE Limited. The Postal Ballot process has been started to seek approval of the members for the period from 15<sup>th</sup> April, 2019 to 14<sup>th</sup> May, 2019. Upon obtaining the consent of members, the Company proposes to apply for obtaining in- principle approval of NSE Limited for this purpose.

**DIRECTORS & KEY MANAGERIAL PERSONNEL:**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 Mrs. Hansaben D. Chavada, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself to be re-appointed as Director of the Company.

The Board recommends the re-appointment of Mrs. Hansaben D. Chavada as Director of the Company liable to retire by rotation.

Mr. Pramodsinh D. Dabhi has been appointed an Independent Director of the Company at the Board Meeting held on 11<sup>th</sup> May, 2019.

The Board recommends the appointment of Mr. Pramodsinh D. Dabhi as an Independent Director of the Company for the period of five years from 11<sup>th</sup> May, 2019 till the conclusion of Annual General Meeting to be held in the year 2024 for the approval of the members at the ensuing Annual General meeting.

Ms. Kavita J Nanavati resigned as Company Secretary of the Company w.e.f 26<sup>th</sup> November, 2018. Ms. Aneri Vora was appointed as Company Secretary w.e.f 1<sup>st</sup> December, 2018 and resigned as Company Secretary w.e.f 16<sup>th</sup> February, 2019. Further Ms. Bhumika V Ranpura was appointed as Company Secretary of the Company w.e.f. 16<sup>th</sup> February, 2019.

**UTILISATION OF ISSUE PROCEEDS:**

As reported earlier, the Company has fully deployed the entire funds of Rs. 1004.52 Lakhs received through the public offer as per the objects of the issue specified in the said offer document.

**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;
4. that the Directors had prepared the annual accounts on a going concern basis; and
5. that 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.
6. that 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.

**COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS:**

The Company has complied with applicable Secretarial Standards during the year under review.

**FORMAL EVALUATION BY BOARD OF ITS OWN PERFORMANCE:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of Audit and Nomination & Remuneration Committees based on the criteria and framework adopted by the Board.

**NUMBER OF MEETINGS OF BOARD:**

The Board of Directors duly met 5 (Five) times.

**DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary Declaration from each Independent Director/s under section 149(7) of the Companies Act, 2013 that they meet the criteria of Independence laid down in section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors is of the opinion that the Independent Directors fulfil the criteria of independence and are independent from the management of the Company.

**ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS / SWEAT EQUITY SHARES / EMPLOYEE STOCK OPTION SCHEME:**

During the year, the Company has not issued any equity shares with differential voting rights or sweat equity shares or shares under employee stock option scheme. Hence disclosure regarding the same is not given.

**AUDITORS:**

M/s. B K Chavada & Co., Chartered Accountants, the existing auditors of the Company were appointed as Statutory Auditors of the Company at the 9<sup>th</sup> AGM for holding the office from the conclusion of that 9<sup>th</sup> AGM till the conclusion of the 14<sup>th</sup> AGM (Subject

to ratification by the members at every subsequent Annual General Meetings). However, the term of appointment of five years of M/s. B K Chavada & Co., Chartered Accountants ends at this Annual General Meeting. Hence, the Company needs to appoint any other Statutory Auditor for a term of five years.

The Company has received a Special Notice u/s 140 (4) of the Companies Act, 2013 from a member of the Company for appointing M/s. Devpura Navlakha & Co., Chartered Accountant, Ahmedabad as Statutory Auditor of the Company. Further M/s Devpura Navlakha & Co., Chartered Accountants are Peer reviewed Auditors and hence the Company will not require to Audit the Accounts separately from Peer Reviewed Auditors. Moreover, M/s. Devpura Navlakha & Co., Chartered Accountant, Ahmedabad has given their consent to act as Statutory Auditor of the Company and also provided declaration that their appointment, if made shall be within the limit prescribed.

The members are requested to consider the matter of appointment of Auditors and also to fix their remuneration.

The Board has duly reviewed the Statutory Auditor's Report on the Accounts. The observations comments and notes of Auditor are self-explanatory and do not call for any explanation /clarification.

**COST AUDITORS AND COST AUDIT REPORT:**

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors on the recommendation of the Audit Committee appointed M/s. A G Tulsian & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2018-19. M/s A G Tulsian & Co. have confirmed that their appointment is within the limits of the section 139 of the Companies Act, 2013, and have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013.

The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. The Cost Audit Report for the financial year 2017-18 was filed with the Ministry of Corporate Affairs on 3<sup>rd</sup> August, 2018.

As required under the Companies Act, 2013 the remuneration payable to the Cost Auditor is required to be placed before the Members in the General Meeting for their ratification. Accordingly necessary resolution seeking Member's approval for ratification of remuneration payable to the Cost Auditor was approved by the members of the Company at the 13<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2018.

**SECRETARIAL AUDIT:**

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. Manoj Hurkat & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure-1".

**AUDIT COMMITTEE:**

The Audit Committee consists of the following Directors:

- |                            |             |
|----------------------------|-------------|
| 1. Mr. Jagdishkumar Thakor | Chairperson |
| 2. Mr. Faiyazkhan Pathan   | Member      |
| 3. Mr. Vijaysinh Chavda    | Member      |

**NOMINATION & REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee consists of the following Directors:

- |                            |             |
|----------------------------|-------------|
| 1. Mr. Faiyazkhan Pathan   | Chairperson |
| 2. Mr. Jagdishkumar Thakor | Member      |
| 3. Mrs. Hansaben Chavada   | Member      |

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee consists of the following Directors:

- |                            |             |
|----------------------------|-------------|
| 1. Mr. Faiyazkhan Pathan   | Chairperson |
| 2. Mr. Jagdishkumar Thakor | Member      |
| 3. Mr. Vijaysinh Chavda    | Member      |

**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.

**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 are 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.sanginitachemicals.co.in](http://www.sanginitachemicals.co.in). All the members of the

Board and Senior Management have affirmed compliance with the Code.

#### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment measures in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year, there were no complaints received under the said act. The Company has complied with all the applicable provisions of the said Act including the constitution of internal complaints committee.

#### 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 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 is 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. Dineshsinh B. Chavada (Chairperson & Managing Director)	1.52	Nil
Mr. Vijaysinh D. Chavda (Whole Time Director)	2.28	Nil
Mrs. Hansaben D. Chavada (Director)	Nil	Nil
Mr. Faiyazkhan Y. Pathan (Independent Director)	Nil	Nil
Mr. Jagdishkumar V. Thakor (Independent Director)	Nil	Nil
The median remuneration of employees of the Company during the financial year was Rs. 157954/- p.a.		
[C] Percentage increase in the median Remuneration of Employees	5.34%	
[D] Number of permanent Employees on the rolls of Company	28 (Twenty Eight)	
[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 increase of 12.18% in the average salaries of employees other than managerial personnel in the year 2018-19. There was no change in the Managerial Remuneration in the year 2018-19 as compared to the year 2017-18. There was no change in the remuneration to the CFO and CS in the year 2018-19	

It is hereby affirmed that the remuneration is as per remuneration policy of the Company.

#### 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 MD/WTD (AS PER CLAUSE-IV OF SECTION-II OF PART-II OF SCHEDULE V):

- 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**.
- 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.
- Service contracts, notice period and severance fees:  
Term valid till 22<sup>nd</sup> November, 2021. Notice period is 6 month on either side or the Company paying 6 months remuneration in lieu of such notice 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:**

<b>(A)</b>	<b>Conservation of energy</b>	
	(i) the steps taken or impact on conservation of energy	The Company accords high priority to conservation of energy. However, there are no specific steps taken in this regard.
	(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>(B)</b>	<b>Technology absorption</b>	
	(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 each of the sub clauses in this clause.
	(iv) the expenditure incurred on Research and Development	There are no expenditure incurred on Research and Development by the Company.
<b>(C)</b>	<b>Foreign exchange earnings and Outgo</b>	
	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 has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been 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.

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:**

It may please be noted that as our Company is not falling in the applicability criteria prescribed as mentioned in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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.

**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-4**” to Director's Report.

**RELATED PARTY TRANSACTION:**

There are no particulars of contacts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 which are required to be reported in the prescribed form AOC-2. The details of related party transactions as per AS-18 are otherwise reported in the financial statements. The related party transactions are otherwise carried out in the ordinary course of business and on arms length basis and the same are in the best interest of the Company. The related party transactions are due to business exigencies.

**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, Practicing Company Secretary, 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.

**Place : Gandhinagar**  
**Date : 11<sup>th</sup> May, 2019**

**By Order of the Board**  
Sd/-  
**Dineshsinh B Chavada**  
**(DIN: 01497977)**  
**Chairperson & Managing Director**

**SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Sanginita Chemicals Limited**  
(CIN: L24100GJ2005PLC047292)  
301, 3<sup>rd</sup> Floor, Shalin Complex,  
Sector-11, Gandhinagar-382011

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SANGINITA CHEMICALS LIMITED** (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the 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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder 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’**) to the extent applicable to the Company:-
  - 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, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

- VI. There are no other laws applicable specifically to the Company in respect of the business/activities carried out by the Company which are required to be reported under this clause.

We further report that:

- a) The Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors took place during the period under review.
- b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors 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.



- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We 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.

We further report that during the audit period, no event/action has taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For, MANOJ HURKAT AND ASSOCIATES**

*Practicing Company Secretaries*

Sd/-

**MANOJ R HURKAT**

*Partner*

FCS No. 4287, C P No.: 2574

**Place : Ahmedabad**  
**Date : 11<sup>th</sup> May, 2019**

Note: This Report is to be read with our letter of even date which is annexed as **Annexure A** and form an integral part of this Report.

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**‘Annexure A’**

To,  
The Members,  
**Sanginita Chemicals Limited**  
(CIN: L24100GJ2005PLC047292)  
301, 3<sup>rd</sup> Floor, Shalin Complex,  
Sector-11, Gandhinagar-382011

Our 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. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and cost records of the Company.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same 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.

**For, MANOJ HURKAT AND ASSOCIATES**

*Practicing Company Secretaries*

Sd/-

**MANOJ R HURKAT**

*Partner*

FCS No. 4287, C P No.: 2574

**Place : Ahmedabad**  
**Date : 11<sup>th</sup> May, 2019**

Statement showing the names of the top ten employees in terms of remuneration drawn:

Name	Designation/ Nature of duties	Nature of employment whether contractual or otherwise	Relation with Director or Manager of Company	Remune- ration (In ₹) p.a.	Qualifi- cation	Experience (Years)	Date of joining	Age (Years)	Last employment before	% Equity shares held
1	2	3	4	5	6	7	8	9	10	11
Vijaysinh Dineshsinh Chavda	Whole time Director	Otherwise	Son of Mr. Dineshsinh B. Chavada and Mrs. Hansaben D. Chavada	360000.00	Diploma in Chemical Engineering	13	15.12.2005	39	NA	5.31%
Sanjaybhai Kantilal Patel	General Manager	Otherwise	NIL	283200.00	B. Sc.	26	01.07.2015	48	Jay Agro	NIL
Baldevbhai Bababha Chauhan	Marketing Manager	Otherwise	NIL	283200.00	B. Sc.	28	01.07.2015	50	Parekh Enterprise	NIL
Sangitaben Dineshsinh Chavda	CFO	Otherwise	Daughter of Dineshsinh B. Chavada and Mrs. Hansaben D. Chavada	259200.00	BBA	6	01.01.2017	35	ICICI Bank	NIL
Bhailal Barot	Lab. Staff	Otherwise	NIL	258000.00	B. Sc.	5	01.04.2017	27	-	NIL
Dineshsinh Bhimsinh Chavada	Managing Director	Otherwise	Husband of Mrs. Hansaben D. Chavada and Father of Mr. Vijaysinh D. Chavda	240000.00	B.Sc.	35	10.01.2007	60	Environmental Officer in Narmada Project of the the Gujarat State	17.03%
Sanjaybhai K. Thakor	Helper	Otherwise	NIL	170342.00	12 <sup>th</sup> Pass	2	01.04.2017	26	-	NIL
Chaturbhai B. Pateliya	Helper	Otherwise	NIL	166601.00	6 <sup>th</sup> Pass	2	01.04.2017	23	-	NIL
Jayeshkumar R. Pateliya	Helper	Otherwise	NIL	164759.00	5 <sup>th</sup> Pass	2	01.04.2017	27	-	NIL
Shankarbhai P Vaghadiya	Operator	Otherwise	NIL	164558.00	4 <sup>th</sup> Pass	5	01.04.2017	33	Real Chemicals	NIL

## FORM No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

CIN:	L24100GJ2005PLC047292
Registration Date	15/12/2005
Name of the Company	SANGINITA CHEMICALS LIMITED
Category of the Company	Listed Public Company
Sub Category of the Company	Limited by Shares & having Share Capital
Address	301, 3 <sup>rd</sup> Floor, Shalin Complex, Sector-11, Gandhinagar - 382011 (Gujarat)
Contact Details	+91-79-23240270
Whether Shares Listed	Yes
<b>Details of Registrar and Transfer Agent</b>	
Name	Purva Sharegistry (India) Private Limited
Address	Unit No. 9, Shiv Shakti Industrial Estate, J R Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400011
Contact Details	022-23016761

## 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:-

Sr. No.	Name and description of main products /services	NIC code of the product/ service	% of total turnover of the company
1.	Manufacturing of Inorganic Metal based Chemicals	24100	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

[No. of Companies for which information is being filled]

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
NA					

## 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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters &amp; Promoters Group</b>									
<b>1 Indian</b>									
a Individual/ HUF	5755032	-	5755032	33.33%	5755032	-	5755032	33.33%	-
b Central Govt	-	-	-	-	-	-	-	-	-
c State Govt(s)	-	-	-	-	-	-	-	-	-
d Bodies Corporate	6935916	-	6935916	40.17%	6935916	-	6935916	40.17%	-
e Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>12690948</b>	<b>-</b>	<b>12690948</b>	<b>73.50%</b>	<b>12690948</b>	<b>-</b>	<b>12690948</b>	<b>73.50%</b>	<b>-</b>

<b>2 Foreign</b>									
a NRIs - Individuals	-	-	-	-	-	-	-	-	-
b Other - Individuals	-	-	-	-	-	-	-	-	-
c Bodies Corporate	-	-	-	-	-	-	-	-	-
d Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
e Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>12690948</b>	<b>-</b>	<b>12690948</b>	<b>73.50%</b>	<b>12690948</b>	<b>-</b>	<b>12690948</b>	<b>73.50%</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1 Institutions:</b>	-	-	-	-	-	-	-	-	-
a Mutual Funds	-	-	-	-	-	-	-	-	-
b Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
c Central Govt	-	-	-	-	-	-	-	-	-
d State Govt(s)	-	-	-	-	-	-	-	-	-
e Venture Capital Funds	-	-	-	-	-	-	-	-	-
f Insurance Companies	-	-	-	-	-	-	-	-	-
g FII's	-	-	-	-	-	-	-	-	-
h Foreign venture Capital Funds	-	-	-	-	-	-	-	-	-
i Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2 Non Institutions:</b>									
a Bodies Corporate									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	582000	-	582000	3.37%	506368	-	506368	2.93%	- 0.44%
ii) Individual Shareholder holding nominal share capital in excess of Rs 2 lakh	2851752	-	2851752	16.51%	3357384	-	3357384	19.44%	+2.93%
c Others (NRI+CM+HUF+ Body Corporate)	1125000	-	1125000	6.62%	713000	-	713000	4.13%	-2.49%
<b>Sub-total (B)(2)</b>	<b>4576752</b>	<b>-</b>	<b>4576752</b>	<b>26.50%</b>	<b>4576752</b>	<b>-</b>	<b>4576752</b>	<b>26.5%</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>4576752</b>	<b>-</b>	<b>4576752</b>	<b>26.50%</b>	<b>4576752</b>	<b>-</b>	<b>4576752</b>	<b>26.5%</b>	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>17267700</b>	<b>-</b>	<b>17267700</b>	<b>100%</b>	<b>17267700</b>	<b>-</b>	<b>17267700</b>	<b>100%</b>	<b>-</b>

## (ii) SHAREHOLDING OF PROMOTERS:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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.	Hansaben D Chavada	1485000	8.60%	Nil	1485000	8.60%	Nil	-
2.	Vijaysinh D. Chavda	916500	5.31%	Nil	9,16,500	5.31%	Nil	-
3.	Dineshsinh B. Chavada	2940900	17.03%	Nil	2940900	17.03%	Nil	-
4.	Anitaben D Chavda	412632	2.39%	Nil	412632	2.39%	Nil	-
5.	Sanginita Industries Private Limited	6935916	40.17%	Nil	6935916	40.17%	Nil	-
	<b>Total</b>	<b>12690948</b>	<b>73.50%</b>	<b>Nil</b>	<b>12690948</b>	<b>73.50%</b>	<b>Nil</b>	<b>-</b>

## (iii) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sr. No.	Name of Promoter	Shareholding at the beginning of the year i.e. 1 <sup>st</sup> April, 2018		Shareholding at the end of the year i.e. 31 <sup>st</sup> March, 2019	
		No. of shares	% of total shares of the company	No. of shares*	% of total shares of the company
NA					

## (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year i.e. 1 <sup>st</sup> April, 2018		Shareholding at the end of the year i.e. 31 <sup>st</sup> March, 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Avadhi Rajesh Jain	39000	0.23%	311000	1.80%
2.	Shilpa Rajesh Jain	87000	0.50%	230000	1.33%
3.	Ravindrasinh Aswar	180000	1.04%	185000	1.07%
4.	Dipakkumar B. Chavda	42000	0.24%	168000	0.97%
5.	Prudent Broking Services Private Limited	3000	0.02%	151000	0.87%
6.	Pratibha B. Jain	141000	0.82%	141000	0.82%
7.	Bhagwatilal K Jain HUF	138000	0.80%	138000	0.80%
8.	Tejandrasinh B Vaghela	84846	0.49%	84846	0.49%
9.	Pareshbhai M Choksi	Nil	Nil	80000	0.46%
10.	Chavda Dipakkumar B.	84000	0.49%	74000	0.43%
11.	Beeline Broking Limited	582000	3.37%	Nil	Nil
12.	Shiv Shakar Tiwari	90000	0.52%	56000	0.32%
13.	Baldevsinh B. Vaghela	73428	0.43%	73428	0.43%
14.	Bhagwatilal K Jain	60000	0.35%	66000	0.38%

**Note:** Change in the shareholding is due to market transactions (purchase / sale in shares) made by shareholders during the year.

**(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year i.e. 1 <sup>st</sup> April, 2018		Shareholding at the end of the year i.e. 31 <sup>st</sup> March, 2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr.Dineshsinh B. Chavada (Chairperson and Managing Director)	2940900	17.03%	2940900	17.03%
2.	Mr. Vijaysinh D. Chavda (Whole Time Director)	916500	5.31%	916500	5.31%
3.	Mrs. Hansaben D. Chavada (Director)	1485000	8.60%	1485000	8.60%
4.	Mr. Faiyazkhan Y. Pathan (Independent Director)	Nil	Nil	Nil	Nil
5.	Mr. Jagdishkumar V. Thakor (Independent Director)	Nil	Nil	Nil	Nil
6.	Mr. Pramodsinh D. Dabhi (Independent Director)	Nil	Nil	Nil	Nil
7.	Mrs. Sangitaben D. Chavda (CFO)	Nil	Nil	Nil	Nil
8.	Ms. Bhumika V Ranpura (CS) (Appointed w.e.f. 16/02/2019)	Nil	Nil	Nil	Nil

**V. INDEBTEDNESS:**

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

(Amt in Rs.)

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	25,50,98,681	29,25,000	-	25,80,23,681
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>25,50,98,681</b>	<b>29,25,000</b>	<b>-</b>	<b>25,80,23,681</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	32,58,49,981	-	-	32,58,49,981
• Reduction	28,95,31,955	21,50,000	-	29,16,81,955
<b>Net Change</b>	<b>3,63,18,026</b>	<b>21,50,000</b>	<b>-</b>	<b>3,41,68,026</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	29,14,16,707	7,75,000	-	29,21,91,707
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>29,14,16,707</b>	<b>7,75,000</b>	<b>-</b>	<b>29,21,91,707</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sr. No.	Particulars of Remuneration	Name of MD/MTD/ Manager		Total Amount (in Rs.)(p.a.)
		Mr. Dineshsinh B. Chavada (MD)	Mr. Vijaysinh D. Chavda (WTD)	
1.	<b>Gross salary</b>			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,40,000	3,60,000	6,00,000
(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.	<b>Stock Option</b>	-	-	-
3.	<b>Sweat Equity</b>	-	-	-
4.	<b>Commission</b>			
	- as % of profit	—	—	—
	- Others, specify...	—	—	—
5.	<b>Others (Bonus)</b>	Nil	Nil	Nil
	<b>Total (A)</b>	<b>2,40,000</b>	<b>3,60,000</b>	<b>6,00,000</b>
	<b>Ceiling as per the act</b>	Within prescribed limit of Schedule V of the Companies Act, 2013.		

## B. REMUNERATION TO OTHER DIRECTORS:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	<b>Independent Directors</b>	NA	
-	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
-	Commission		
-	Others, please specify		
	Total (1)		
2.	<b>Other Non-Executive Directors</b>		
-	Fee for attending board / committee meetings		
-	Commission		
-	Others, please specify		
	Total (2)		
	<b>Total (B)=(1+2)</b>		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

Sr. No.	Particulars of Remuneration	CFO (Sangitaben D. Chavda)	Company Secretary	Total (in `)
1.	<b>Gross salary</b>			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,59,200	1,60,052*	4,19,252
(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.	<b>Stock Option</b>	-	-	-
3.	<b>Sweat Equity</b>	-	-	-
4.	<b>Commission</b>			
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
5.	<b>Others, please specify</b>	-	-	-
	<b>Total</b>	<b>2,59,200</b>	<b>1,60,052*</b>	<b>4,19,252</b>

\* Kavita J. Nanavati was paid salary of Rs. 1,12,385. Ms. Aneri Vora was paid salary of Rs. 25167 and Ms. Bhumika V Ranpura was paid salary of Rs. 22500/-

**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)
<b>A. COMPANY :</b>	NA				
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS :</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT :</b>					
Penalty					
Punishment					
Compounding					



## MANAGEMENT DISCUSSION AND ANALYSIS

This section contains certain forward-looking statements which are based on certain assumptions and expectations of certain future events.

### Overall Review

The Company is engaged mainly in production of Cuprous Chloride, Cupric Chloride and Copper Sulphate at its factory situated at 1133, Near GIDC Phase-4 Chhatral, Ta. Kalol, Gandhinagar (Gujarat) with the optimum total producing capacity. In addition, our Company has also undertaken production of various other chemical products.

The Company installed manufacturing capacity of following three major products viz. Cuprous Chloride, Copper Sulphate and Cupric Chloride as 60,00,000 Kgs/p.a., 54,00,000 Kgs./p.a. and 3,50,000 Kgs./p.a. respectively. These products are widely used in dyes and pigment industries, paint industries, pharmaceuticals industries, electroplating industries, metal extraction industries and ink, Carbon paper, PVC pipe coating industries etc.

The Company is currently located and supplying the products in India including supply to Merchant Exporter. Going forward the Company plans to directly export its products and have started direct Exports in the end of the year 2018-19.

### Industry Structure and developments

Chemical industry is one of the oldest industries in India. It not only plays a crucial role in meeting the daily needs of the common man, but which are required in almost all walks of life. Over the last decade, the Indian Chemical industry has evolved from being a basic chemical producer to becoming an innovative industry. With investments in R&D, the industry is registering significant growth in the knowledge sector comprising of specialty chemicals, fine chemicals and pharmaceuticals. With Asia's growing contribution to the global chemical industry, India emerges as one of the focus destinations for chemical Companies worldwide. With the current size of approximately \$108 billion, the Indian chemical industry accounts for 3% of the global chemical industry. Two distinct scenarios for the future emerge, based on how effectively the industry leverages its strengths and manages challenges. Specialty chemical segment in India is poised for substantial growth and offers immense potential for investment as well as employment generation.

### Financial Performance with respect to Operational Performance

The net revenue from operations of the Company for the year 2018-19 has decreased from Rs. 19454.89 Lakhs to Rs. 18759.29 Lakhs due to decrease in prices. But the Profitability of the Company is increase by 14.22% and reached to 394.32 Lakhs (PAT) from 345.25 Lakhs in 2017-18.

### Internal Control Systems and their adequacy

The Company practices an internal control system which ensures proper handling and management of its assets. The internal control system of the Company is geared towards achieving efficiency in operations, effective monitoring and compliances with all applicable laws and regulations. The Company regularly conducts internal audit programs. The internal control department of the Company functions under the guidelines of the Audit Committee of the Company.

The Company regularly reviews the adequacy and effectiveness of the internal control system and suggests improvement for strengthening them.

### Opportunities and threats

While the domestic and International economic conditions continue to remain challenging and are expected to remain for some more time, we expect that with wide range of products, quality standards and team efforts, your Company will be in a position to wither this situation. Your Company has continued to be the preferred supplier of many leading Companies and has been successful in expanding its approval base, adding leading players from the industry. Therefore, we expect that Your Company will continue to be in a position to gradually expand its market reach and market share as per opportunities.

The Company regularly insures all its assets to enable itself in case of any mis-happening. The Company has framed a risk management team which constantly monitors the Indian and international markets and guides the management of any sort of prevailing risk to the company. The commodities prices being internationally traded are affected by the global market demand and supply forces and the dollar rate. The risk management team plays a major role here. Moreover, the industry is labour oriented and business operations of the Company may be materially affected by strikes, lock outs or work stoppage.

**Material Developments in Human Resources and Industrial Relations Front:**

As the Company continues to grow, the focus has been on enhancing morale and capabilities of employees. The staff and workers are provided orientation and training for the development of soft and hard skills on a regular basis. Human Resource is a precious asset of your Company. Efforts are made to improve the performance, providing work satisfaction and performance based increments, safety and social status. The Industrial relations remained cordial at all organizational levels and work places. The Company makes regular efforts to maintain relation with Stakeholders by transparency, good governance, regular communication and effective transactions.

**Outlook and Opportunities**

Indian chemical industry is expected to register a growth of 8-9% in the next decade and is expected to double its share in global chemical industry to 5-6% by 2021. Indian Chemical industry has the potential to grow significantly provided some of the key growth imperatives are taken care of. Securing Feedstock, Right Product Mix, M&A opportunities are currently the key imperatives for chemical industry in India. Few investment opportunities can be highlighted as:

- Chemical companies in India can either explore alternate feedstock or invest in setting up plants in resource rich nations to secure feedstock.
- Companies need to invest in exploring the right product mix to be competitive and profitable using the available feedstock in India i.e. Naphtha and its derivatives.
- Indian companies can explore possible Merger, JV opportunities for technology, capital or access to international market by taking advantage of increasing expansion of western companies in India.
- Chemical companies can invest in exploring strategic energy management and strategic water management to cut down their energy costs and contain water availability concerns.
- Companies can invest in upcoming PCPIRs in India and overcome challenges related to infrastructure, power and water availability.
- There are good opportunities in segments such as Speciality Chemicals, Speciality Polymers, for catering to huge emerging domestic demand as also as a manufacturing hub.

**Risks and Concerns**

The Company regularly insures all its assets to enable itself in case of any mishappening. The Company has framed a risk management division which constantly monitors the Indian and international markets and guides the management of any sort of prevailing risk to the Company.

**Environment and Safety**

The Company is committed to comply with the statutory requirements related to environment, health, safety and to prevent pollution through continuous improvement in processes, practices and EHS awareness. Your Company not only cares for compliances in this aspect but also contributes towards society health, safety and green environment.

**Material Developments in Human Resources and Industrial Relations Front, including number of people employed**

The Company has continued to give special attention to Human Resources/Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock out etc.

**Cautionary Statement**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

**By Order of the Board**

**Sd/-**

**Dineshsinh B Chavada**

**(DIN: 01497977)**

**Chairperson & Managing Director**

**Place : Gandhinagar**  
**Date : 11<sup>th</sup> May, 2019**

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Sanginita Chemicals Ltd.  
(CIN: L24100GJ2005PLC047292)  
301, 3rd Floor, "Shalin Complex" Sector-11  
Gandhinagar-382011, Gujarat.

### Report on the audit of the financial statements

#### Opinion

We have audited the accompanying Standalone financial statements of Sanginita Chemicals. Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('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, 2019, its profit and cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there were no key audit matters to be communicated in our report.

#### Information other than the standalone financial statements and auditors' report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management Responsibility For Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone 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 accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i) As explained the Company does not have any pending litigations which would impact its financial position;
    - ii) As explained the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii) As explained to us no such amount is required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the companies act, 2013 and the rules made there under.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For & behalf of  
**B. K. Chavda & Co.**  
Chartered Accountants

Sd/-  
**CA B.K. Chavda**  
(Partner)

Mem. No. : 116780  
FRN No. : 125064W

**Place :** Gandhinagar  
**Date :** 11.05.2019

#### **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sanginita Chemicals Limited of even date)

#### **Report on the Internal Financial Controls under 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 Sanginita Chemicals Ltd. ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on 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 of 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 timely preparation of reliable financial information, as required under the companies act, 2013.

#### **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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether 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 and their operating effectiveness. Our audit of internal financial controls 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 auditor's judgement, including the assessment of the risks of material misstatement in 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 control system over financial reporting.

### **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.

### **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 of 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 procedures may deteriorate.

### **Opinion**

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

For & behalf of  
**B. K. Chavda & Co.**  
Chartered Accountants

Sd/-

**CA B.K. Chavda**  
(Partner)

Mem. No. : 116780  
FRN No. : 125064W

**Place :** Gandhinagar

**Date :** 11.05.2019

### **"ANNEXURE B" TO THE AUDITORS' REPORT**

This is an annexure on the accounts of **Sanginita Chemicals Ltd.** as referred above in paragraph 2 under the heading 'Report on other Legal & Regulatory Requirement' of our report of even date to the standalone financial statement for the year ended **31<sup>st</sup> March, 2019**:

#### **1. In respect of Fixed Assets :**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. in accordance with this programme certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) on the basis of information and explanation given to us, the Title Deeds of Immovable Properties are held in name of company.

#### **2. In respect of Inventories :**

- (a) The management has conducted physical verification of inventory at reasonable intervals. In our opinion, the procedure followed by the management for such physical verification is reasonable and adequate in relation to the size of the Company and nature of his business.

- (b) In our opinion the Company is maintaining proper records of inventory. No discrepancy on verification between physical inventories and the book records were noticed.
3. 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. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6. We have just broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records u/s. 148 (1) of the Companies Act. And we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess, Goods & Service Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of duty of customs, Goods & Service Tax outstanding on account of any dispute. According to the records, information and explanation given to us the Company is generally regular in depositing with appropriate authorities the applicable statutory dues, which are not disputed.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to financial institutions or banks Governments or due to debenture holders.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year concerned. The term loan has been applied for the purpose for which it was raised.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, and according to the information and explanations given to us the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve Bank Of India Act, 1934.

For & behalf of  
**B. K. Chavda & Co.**  
Chartered Accountants

Sd/-  
**CA B.K. Chavda**  
(Partner)

Mem. No. : 116780  
FRN No. : 125064W

**Place :** Gandhinagar  
**Date :** 11.05.2019

BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2019

(Amount in Rs.)

PARTICULARS	Note No.	As at 31.03.2019	As at 31.03.2018
<b>I. EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders funds</b>			
(a) Share capital	1	17,26,77,000	17,26,77,000
(b) Reserves & surplus	2	17,97,63,363	14,03,30,926
(c) Money received against share warrents		-	-
		<u>35,24,40,363</u>	<u>31,30,07,926</u>
(2) <b>Share application money pending allotment</b>			
(3) <b>Non-current liabilities</b>			
(a) Long term borrowings	3	35,16,233	64,54,954
(b) Deferred tax liabilities (Net)	4	5,07,953	7,47,976
(c) Other long term liabilities		-	-
(d) Long term provisions		-	-
		<u>40,24,186</u>	<u>72,02,930</u>
(4) <b>Current liabilities</b>			
(a) Short term borrowings	5	28,86,75,385	25,15,68,728
(b) Trade payables	6	-	-
(A) total outstanding dues of creditors micro enterprises and small enterprises		24,10,434	53,58,380
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		4,17,96,146	95,09,245
(c) Other current liabilities	7	1,10,10,802	55,53,289
(d) Short term provisions	8	1,54,34,000	1,72,59,300
		<u>35,93,26,767</u>	<u>28,92,48,942</u>
<b>Total</b>		<u><b>71,57,91,316</b></u>	<u><b>60,94,59,798</b></u>
<b>II. ASSETS</b>			
(1) <b>Non-current assets</b>			
(a) Property, Plant & Equipment			
(i) Tangible assets	9	4,26,81,753	3,99,08,037
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non current investment		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	10	21,21,938	6,87,785
(e) Other non-current assets		-	-
		<u>4,48,03,691</u>	<u>4,05,95,822</u>
(2) <b>Current assets</b>			
(a) Current investments		-	-
(b) Inventories	11	18,93,64,010	14,28,55,925
(c) Trade receivables	12	31,75,31,119	35,60,00,107
(d) Cash & cash equivalents	13	4,38,013	2,36,193
(e) Short term loans & advances	14	16,26,03,851	6,81,95,376
(f) other current assets		-	-
(g) Misc Expenditure not Written Off	15	10,50,632	15,76,375
		<u>67,09,87,625</u>	<u>56,88,63,976</u>
<b>Total</b>		<u><b>71,57,91,316</b></u>	<u><b>60,94,59,798</b></u>
Subject to notes forming part of accounts	23		

AS PER OUR REPORT OF EVEN DATE  
FOR B.K.CHAVIDA & CO.

Chartered Accountants

Sd/-

(CA B.K.Chavda)  
PartnerMem. No. 116780  
FRN. No. 125064W

sd/-

(Mr. Dineshsinh Chavada)  
Chairman & Managing Director  
(DIN : 01497977)

sd/-

(Mr. Faiyazkhan Pathan)  
Independent Director  
(DIN : 07702208)For & On behalf of the Board of Directors  
Sanginita Chemicals Limited

sd/-

(Mrs. Hansaben Chavada)  
Non-Executive Director  
(DIN : 00479509)

sd/-

(Mr. Jagdishkumar Thakor)  
Independent Director  
(DIN : 07702521)

sd/-

(Ms. Sangita D Chavada)  
Chief Financial Officer

sd/-

(Mr. Vijaysinh Chavda)  
Whole Time Director  
(DIN : 00479413)

sd/-

(Ms. Bhumika Ranpura)  
Compliance Officer (CS)Place : Gandhinagar  
Date : 11/05/2019



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2019**

(Amount in Rs.)

Sr. No.	PARTICULARS	Note No.	For the year ended on 31.03.2019	For the year ended on 31.03.2018
I.	<b>Gross Revenue from operations</b>	16	2,22,63,70,415	2,28,97,08,688
	<b>Less: Excise duty , VAT &amp; CST, GST</b>	16	(33,63,90,006)	(34,42,19,822)
	<b>Less: Goods Return</b>	16	(1,40,50,795)	-
	<b>Net revenue from operations</b>		<u>1,87,59,29,614</u>	<u>1,94,54,88,866</u>
II.	<b>Other Income</b>	17	15,41,255	17,99,153
III.	<b>Total Revenue (I+II)</b>		<u><b>1,87,74,70,869</b></u>	<u><b>1,94,72,88,019</b></u>
IV.	<b>Expenses</b>			
	Cost of material consumed	18	1,75,14,70,292	1,83,80,33,697
	Purchases of Stock-in-trade		-	-
	changes in inventories of finished goods			
	work in-progress and stock-in-trade		(5,44,398)	(1,25,56,308)
	Employees Benefit expense	19	50,75,442	52,57,828
	Finance cost	20	3,18,71,518	2,44,40,010
	Depreciation and amortisation expense	21	65,17,893	46,92,716
	Other expense	22	2,84,53,707	3,56,62,160
	<b>Total expense</b>		<u><b>1,82,28,44,454</b></u>	<u><b>1,89,55,30,103</b></u>
V.	<b>Profit before exceptional and extraordinary items and tax Expenses (III-IV)</b>		5,46,26,415	5,17,57,916
VI.	Exceptional item		-	-
VII.	Profit before extraordinary items and tax (V-VI)		5,46,26,415	5,17,57,916
VIII.	Extraordinary items			
IX.	Profit before tax (VII-VIII)		5,46,26,415	5,17,57,916
X.	Tax expense			
	(1) Current tax		1,54,34,000	1,72,59,300
	(2) Previous year tax		-	-
	(3) Deferred Tax Asset		(2,40,023)	(26,720)
XI.	Profit(Loss) for the period from continuing operations (IX-X)		3,94,32,438	3,45,25,336
XII.	Profit/(loss) from discontinuing operations		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit/(loss) from discontinuing operations(after Tax ) (XII-XIII)		-	-
XV.	Profit(loss) for the period (XI+XIV)		3,94,32,438	3,45,25,336
XVI.	Earning per equity share			
	(1) Basic		2.28	2.00
	(2) Diluted		2.28	2.00

Subject to notes forming part of accounts

23

**AS PER OUR REPORT OF EVEN DATE  
FOR B.K.CHAVIDA & CO.****Chartered Accountants**

Sd/-

**(CA B.K.Chavda)  
Partner****Mem. No. 116780  
FRN. No. 125064W**

sd/-

**(Mr. Dineshsinh Chavada)**  
Chairman & Managing Director  
(DIN : 01497977)

sd/-

**(Mr. Faiyazkhan Pathan)**  
Independent Director  
(DIN : 07702208)**For & On behalf of the Board of Directors  
Sanginita Chemicals Limited**

sd/-

**(Mrs. Hansaben Chavada)**  
Non-Executive Director  
(DIN : 00479509)

sd/-

**(Mr. Jagdishkumar Thakor)**  
Independent Director  
(DIN : 07702521)

sd/-

**(Ms. Sangita D Chavada)**  
Chief Financial Officer

sd/-

**(Mr. Vijaysinh Chavda)**  
Whole Time Director  
(DIN : 00479413)

sd/-

**(Ms. Bhumika Ranpura)**  
Compliance Officer (CS)**Place : Gandhinagar  
Date : 11/05/2019**

## NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2019

## 1 SHARE CAPITAL :

The authorised share capital of the company is Rs. 1800 lakhs (180 lakhs shares of Rs. 10 each) during the year. The paid up share capital of the company is 1726.77 lakhs (172.677 lakhs shares of Rs. 10 each). The Equity Share of the company have been listed on SME platform of NSE limited on 10<sup>th</sup> March 2017. The share price as on 31<sup>st</sup> Day of March, 2019 was Rs. 64. The details regarding the authorised, issued and paid up share capital of the company is given hereunder in a tabular format for better understanding.

PARTICULARS	As at 31.03.2019 Amt in Rs.	As at 31.03.2018 Amt in Rs.
<b>AUTHORISED SHARE CAPITAL :</b>		
18,000,000 Equity Shares of Rs. 10/- each	18,00,00,000	-
18,000,000 Equity Shares of Rs. 10/- each in previous year	-	18,00,00,000
<b>ISSUED SHARE CAPITAL</b>		
1,72,67,700 Equity Shares of Rs. 10/- each	17,26,77,000	-
1,72,67,700 Equity Shares of Rs. 10/- each in previous year	-	17,26,77,000
<b>PAID UP SHARE CAPITAL</b>		
1,72,67,700 Equity Shares of Rs. 10/- each	17,26,77,000	-
1,72,67,700 Equity Shares of Rs. 10/- each in previous year	-	17,26,77,000
<b>PAID UP SHARE CAPITAL:- ( Directors )</b>		
Dineshsinh D.Chavada		
( 2940900 Equity Share of Rs.10/- each)	2,94,09,000	-
( 2940900 Equity Share of Rs.10/- each in previous year)	-	2,94,09,000
Vijaysinh Dineshsinh Chavda		
(916500 Equity Share of Rs.10/- each)	91,65,000	-
(916500 Equity Share of Rs.10/- each in previous year)	-	91,65,000
Hansaben Dineshsinh Chavada		
(1485000 Equity Share of Rs.10/- each)	1,48,50,000	-
(1485000 Equity Share of Rs.10/- each in previous year)	-	1,48,50,000
<b>( A )</b>	<b>5,34,24,000</b>	<b>5,34,24,000</b>
<b>PAID UP SHARE CAPITAL:- ( Others )</b>		
Sanginita Industries Pvt. Ltd.		
(69,35,916 Equity Share of Rs.10/- each)	6,93,59,160	-
(69,35,916 Equity Share of Rs.10/- each in previous year)	-	6,93,59,160
Anitaben D. Chavda		
(4,12,632 Equity Share of Rs.10/- each)	41,26,320	-
(4,12,632 Equity Share of Rs.10/- each in previous year)	-	41,26,320
Others :		
( 10,752 Equity Share of Rs.10/- each)	1,07,520	-
(10,752 Equity Share of Rs.10/- each in previous year)	-	1,07,520
<b>( B )</b>	<b>7,35,93,000</b>	<b>7,35,93,000</b>
<b>ISSUED SHARE CAPITAL:- ( IPO)</b>		
Others Paid Up Share Capital		
( 45,66,000 Equity Share of Rs.10/- each)	4,56,60,000	-
(45,66,000 Equity Share of Rs.10/- each in previous year)	-	4,56,60,000
<b>( C )</b>	<b>4,56,60,000</b>	<b>4,56,60,000</b>
<b>( A ) + ( B ) + ( C )</b>	<b>17,26,77,000</b>	<b>17,26,77,000</b>

## ANNUAL REPORT 2018-2019

### 2 RESERVES & SURPLUS :

- 2.1 As per the information provided and explanation given to us, the company is not transferring any amount to any special reserve.
- 2.2 The profit and loss account is the balance of net profit after provision of taxation and all carried over to balance sheet from profit and loss account

PARTICULARS	As at 31.03.2019 Amt in Rs.	As at 31.03.2018 Amt in Rs.
<b>Share Premium ( A )</b>		
Opening	6,31,57,440	6,31,57,440
Add: addition during the year	-	-
Less: use of premium	-	-
Total share premium ( A )	6,31,57,440	6,31,57,440
<b>Profit &amp; Loss A/c ( B )</b>	7,71,73,486	4,26,48,150
Add: Profit of the year	3,94,32,438	3,45,25,336
Less: issue of bonus shares	-	-
Total Profit & Loss A/c ( B )	11,66,05,923	7,71,73,486
<b>Total (A+B)</b>	<u>17,97,63,363</u>	<u>14,03,30,926</u>

### 3 LONG TERM BORROWING

- 3.1. Kotak Mahindra bank WCTL (00140) of Rs100.00 (Rs in Lac) @ 10.50%p.a are repayable in 36 monthly installements and it is fully repaid during the year.
- 3.2 Kotak Mahindra bank Jaguar Car Loan of Rs 37.50 (Rs in Lac) @ 7.75%p.a are repayable in 60 monthly installements.
- 3.3. Kotak Mahindra bank Jeep Compass Car Loan of Rs 19.20 (Rs in Lac) @ 8.51%p.a are repayable in 36 monthly installements.
- 3.4. As per the information & explanation provided to us the company's directors has decided not to remmit their loan in atleast one year and thus the same has been treated as the Long term Borrowing. The same details are hereunder:

PARTICULARS	As at 31.03.2019 Amt in Rs.	As at 31.03.2018 Amt in Rs.
<b>Secured Borrowing</b>		
<b>(a) Term Loans From bank</b>		
Kotak mahindra bank WCTL (00140)	-	8,40,001
Kotak mahindra bank Jaguar Car Loan	20,37,948	26,89,953
Kotak mahindra bank Jeep Compass Car Loan	7,03,285	-
Total (a)	<u>27,41,233</u>	<u>35,29,954</u>
<b>Unsecured Borrowing</b>		
<b>(a) Loans and advances from related parties</b>		
<b>From Directors</b>		
Dineshsinh B Chavada	7,00,000	7,00,000
Hansaben D Chavada	30,000	7,30,000
Vijaysinh D Chavda	45,000	14,95,000
Total (b)	<u>7,75,000</u>	<u>29,25,000</u>
Toatl ( a+b )	<u>35,16,233</u>	<u>64,54,954</u>

### 4 DEFERRED TAX LIABILITIES

Opening deferred tax liability	7,47,976	7,74,696
Add/Less : DTL/(DTA)	(2,40,023)	(26,720)
Closing deferred tax liability	<u>5,07,953</u>	<u>7,47,976</u>

### 5 SHORT TERM BORROWING

- 5.1. Cash credit, working capital demand loan (WCDL) and working capital term loan (WCTL) from the bank is secured by way of hypothecation of all existing and future current assets/movable fixed assets of the company.
- 5.2 Kotak Mahindra bank WCTL (00082) of Rs 200.00 (Rs in Lacs) @ 10.85%p.a are repayable in 36 monthly installements and it is fully repaid during the year.
- 5.3 Kotak Mahindra bank WCDL (00011) of Rs 200.00 (Rs in Lac) @ 9.45%p.a are repayable in 60 Days and it is fully repaid during the year.

**SANGINITA CHEMICALS LIMITED**

PARTICULARS		As at 31.03.2019 Amt in Rs.	As at 31.03.2018 Amt in Rs.
<b><u>Secured Borrowing</u></b>			
<b>(a) Loans repayable on demand</b>			
<b>From Banks</b>			
Kotak Mahindra Bank Cash Credit (8910)		(3,64,71,221)	22,98,23,189
IDFC Bank Cash Credit (65074)		32,51,46,606	-
Kotak mahindra bank WCTL (00082)		-	17,45,539
Kotak mahindra bank WCTL (00011)		-	2,00,00,000
Total		<u>28,86,75,385</u>	<u>25,15,68,728</u>
<b>6 TRADE PAYABLES</b>			
Sundry creditors includes creditors for assets, expense & raw material.			
<b>(A) total outstanding dues of micro enterprises and small enterprises;</b>		24,10,434	53,58,380
<b>Total (a)</b>		<u>24,10,434</u>	<u>53,58,380</u>
<b>(B) total outstanding dues of creditors other than micro enterprises and small enterprises</b>			
Sundry Creditors for Assets		3,56,490	4,27,424
Sundry Creditors for Expense		49,58,824	54,88,561
Sundry Creditors for Raw material		3,64,80,832	35,93,260
<b>Total (b)</b>		<u>4,17,96,146</u>	<u>95,09,245</u>
<b>Total (a+b)</b>		<u>4,42,06,580</u>	<u>1,48,67,625</u>
<b>7 OTHER CURRENT LIABILITIES</b>			
<b>(a) Other payables</b>			
(i) Unpaid expenditure		8,23,578	5,12,514
(ii) TDS payable		44,728	20,861
(iii) Deposit received TCE		3,36,000	1,74,720
(iv) provisions for interest on Jaguar car Loan		18,955	23,152
(v) provision for interest on Jeep Compass Car Loan		10,452	-
(vi) GST payable		81,42,593	-
(vii) provision for interest on TL		-	14,686
(viii) Current Portion Of a Long term Debt			
(a) Kotak mahindra bank WCTL (00140)		-	39,00,288
(b) Kotak mahindra bank Jaguar Car Loan		9,07,068	9,07,068
(c) Kotak mahindra bank Jeep Compass Car Loan		7,27,428	-
<b>Total</b>		<u>1,10,10,802</u>	<u>55,53,289</u>
<b>8 SHORT TERM PROVISION :</b>			
<b>(a) Others provision</b>			
(i) Provision for Income Tax (A.Y. 2018-19)		-	1,72,59,300
(ii) Provision for Income Tax (A.Y. 2019-20)		1,54,34,000	-
		<u>1,54,34,000</u>	<u>1,72,59,300</u>

All Income tax liabilities have been netted off for all previous years and net balance is taken to books.

**9 PROPERTY, PLANT & EQUIPMENT :**

		GROSS BLOCK				DEPRECIATION			NET BLOCK		
Sr. No	Particulars	As on 01.04.18	Addition during the year	Deduction during the year	Total on 31.03.19	As on 01.04.18	For the year	Adjustment For Sale In Asset	As on 31.03.19	As on 31.03.19	As on 31.03.18
1	Furniture	3,04,610	-		3,04,610	2,85,355	6,343		2,91,698	12,912	19,255
2	Land & Building	3,45,80,004	-		3,45,80,004	1,73,55,845	13,96,762		1,87,52,607	1,58,27,397	1,72,24,159
3	Vehicle	56,59,152	21,04,400	14,27,225	63,36,327	18,96,625	18,64,125	13,61,680	23,99,070	39,37,257	37,62,527
4	Office Equipment	6,00,608	44,376		6,44,984	4,88,966	30,477		5,19,443	1,25,541	1,11,642
5	Plant & Machinery	4,73,32,081	71,85,721		5,45,17,802	2,90,72,681	31,47,004		3,22,19,685	2,22,98,117	1,82,59,400
6	Laboratory	17,15,588	22,656		17,38,244	11,84,534	73,182		12,57,716	4,80,528	5,31,054
S U B TOTAL		9,01,92,043	93,57,153	14,27,225	9,81,21,971	5,02,84,006	65,17,892	13,61,680	5,54,40,218	4,26,81,753	3,99,08,037

**10 LONG TERM LOANS AND ADVANCES**

As per the information provided and explanation given to us the security deposit includes telephone deposit and deposit with UGVCL and it is considered as secured and good.

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amt in Rs.</b>	<b>As at 31.03.2018 Amt in Rs.</b>
<b>(a) Secured considered good</b>		
(i) Telephone security Deposit	3,000	3,000
(ii) UGVCL security Deposit	19,03,478	4,69,325
(iii) UGVCL atriya Office Deposit	15,460	15,460
(iv) Deposit at Office (301 shalin)	2,00,000	2,00,000
	<u>21,21,938</u>	<u>6,87,785</u>

**11 INVENTORIES**

11.1 The value of closing stock is verified, valued and certified by the management according to AS -2 and the same is accepted by us.

11.2 Raw Material includes Ammonium Molybdate, Causrtic Soda Lye & Flake, Copper, Hydrochloric Acid, Liquid Chlorine, Phthalic Anhydride, Sulphuric Acid, T.g.Urea

11.3 Finished Goods includes Copper Sulphate, cupric chloride, Cuprous Chloride, Copper Oxide Black

11.4 Stores & Spares includes Fire Wood, Fuel Gas, HDPE Bag, Lab Chemicals, Polythene Liner Bag.

<b>PARTICULARS</b>	<b>As at 31.03.2019 Amt in Rs.</b>	<b>As at 31.03.2018 Amt in Rs.</b>
<u>(as verified, valued and certified by the management according to AS - 2)</u>		
Raw Material	16,88,64,514	12,34,24,378
Stores & spares	8,02,590	2,79,039
Finished Goods	1,96,96,906	1,91,52,508
	<u>18,93,64,010</u>	<u>14,28,55,925</u>

**12 TRADE RECEIVABLES**

Trade Receivables (Unsecured, Considered Good unless stated otherwise)

Outstanding for the period exceeding three month from the date they become due considered good

Others Considered good

-	-
31,75,31,119	35,60,00,107
<u>31,75,31,119</u>	<u>35,60,00,107</u>

**13 CASH & CASH EQUIVALENTS**

The cash in hand is taken as certified by directors.

Cash on hand

Balance with Banks :

In Current Accounts with scheduled banks

SBI - A/c No. 20691

2,51,210	1,48,107
1,86,803	88,086
<u>4,38,013</u>	<u>2,36,193</u>

**14 SHORT TERM LOANS AND ADVANCES**

As per the information provided and explanation given to us the amount of short term loans and advances is unsecured and considered good.

**(a) Advance to others/Deposits****(i) Unsecured considered good**

Prepaid expenditure

Ambika Transport (Advance)

Advance to suppliers

52,248	15,497
4,67,643	4,67,643
14,60,61,838	4,94,81,043
<u>14,65,81,729</u>	<u>4,99,64,183</u>

**(b) Advance Tax and Tax deducted at source**

Advance Income Tax (A.Y. 2018-2019)

Advance Income Tax (A.Y. 2019-2020)

-	1,73,00,000
1,51,00,000	-
<u>16,16,81,729</u>	<u>6,72,64,183</u>

Refund Due from Income Tax (A.Y. 2015-16)

Refund Due from Income Tax (A.Y. 2018-19)

T.D.S. Receivable (A.Y. 2018-2019)

T.D.S. Receivable (A.Y. 2019-2020)

2,660	2,660
1,68,520	-
-	1,27,025
2,49,481	-
<u>4,20,661</u>	<u>1,29,685</u>

**(c) Advance to Other Statutory Department**

Custom duty refund claim

Value Added Tax Credit (F.Y. 2015-16)

State GST

4,51,461	3,97,265
50,000	50,000
-	3,54,243
<u>5,01,461</u>	<u>8,01,508</u>

Total (a+b+c)

<u>16,26,03,851</u>	<u>6,81,95,376</u>
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1. The custom duty refund due is due to receipt of lesser quantity from Shar Metal Scrap Co. Ltd.

**SANGINITA CHEMICALS LIMITED**

PARTICULARS				As at 31.03.2019 Amt in Rs.	As at 31.03.2018 Amt in Rs.	
<b>15 MISCELLANEOUS EXPENDITURE NOT WRITTEN OFF</b>						
(a) Issue Expense				10,50,632	15,76,375	
				<u>10,50,632</u>	<u>15,76,375</u>	
<b>16 REVENUE FROM OPERATIONS :</b>						
The company is dealing in manufacturing of chemicals. The sales of the company is inclusive of excise duty & VAT and w.e.f 01.07.2017 it is inclusive of GST . The total revenue from the operations during the year is Rs. 1875.92 lakhs which is bifurcated as below:						
PARTICULARS	Sales	CGST	SGST	IGST	For the year ended on 31.03.2019 Amt in Rs.	For the year ended on 31.03.2018 Amt in Rs.
<b>Revenue from sales :</b>						
<b>Sales</b>						
(i) Sales	1,06,74,57,013	9,60,71,133	9,60,71,133	-	1,25,95,99,279	1,36,60,53,832
(ii) Less : Sales return	-	-	-	-	-	-
Net Sales	1,06,74,57,013	9,60,71,133	9,60,71,133	-	1,25,95,99,279	1,36,60,53,832
<b>Less : Vat</b>					-	1,42,29,719
<b>sales Including</b>						
<b>Excise &amp; GST</b>	-	-	-	-	1,25,95,99,279	1,35,18,24,113
less : Excise Duty	-	-	-	-	-	3,01,76,566
Sales Including GST	-	-	-	-	1,25,95,99,279	1,32,16,47,547
less : CGST & SGST	-	-	-	-	19,21,42,266	16,27,97,844
Sales Excluding Tax (A)	-	-	-	-	1,06,74,57,013	1,15,88,49,703
<b>Sales OGS/Interstate</b>						
(i) Sales	81,07,39,131	-	-	14,59,33,049	95,66,72,180	68,19,67,061
(ii) Less : Sales return	93,67,700	-	-	16,86,188	1,10,53,888	-
Net Sales	80,13,71,431	-	-	14,42,46,861	94,56,18,292	68,19,67,061
<b>Less : CST</b>	-	-	-	-	-	20,67,846
<b>Sales Including Excise</b>						
less : Excise Duty	-	-	-	-	94,56,18,292	67,98,99,215
Sales Including IGST	-	-	-	-	94,56,18,292	66,96,32,746
less : IGST	-	-	-	-	14,42,46,861	8,79,41,737
Sales Excluding Excise (B)	-	-	-	-	80,13,71,431	58,16,91,009
<b>Sales Trading</b>						
(i) Sales	-	-	-	-	-	24,16,87,795
(ii) Less : Sales return	-	-	-	-	-	-
Net Sales	-	-	-	-	-	24,16,87,795
<b>Less : Vat</b>	-	-	-	-	-	79,17,543
<b>Net sales Including Excise &amp; GST</b>						
less : Excise Duty	-	-	-	-	-	23,37,70,252
Sales Including GST	-	-	-	-	-	21,64,52,834
less : CGST & SGST	-	-	-	-	-	1,15,04,680
Sales Excluding Tax (C)	-	-	-	-	-	20,49,48,154
<b>Export Sales</b>						
(i) Sales	92,19,077	-	-	-	92,19,077	-
(ii) Less : Sales return	29,96,907	-	-	-	29,96,907	-
Net Sales Excluding Tax (D)	62,22,170	-	-	-	62,22,170	-
<b>Deemed Export Sales</b>						
(i) Sales	8,79,000	-	-	879	8,79,879	-
(ii) Less : Sales return	-	-	-	-	-	-
Net Sales	8,79,000	-	-	879	8,79,879	-
less : IGST	-	-	-	-	879	-
Sales Excluding Tax ('E)	-	-	-	-	8,79,000	-
Total Sales(A+B+C+D+E)	1,87,59,29,614	9,60,71,133	9,60,71,133	14,42,47,740	1,87,59,29,614	1,94,54,88,866

**ANNUAL REPORT 2018-2019**

PARTICULARS				For the year ended on 31.03.2019 Amt in Rs.	For the year ended on 31.03.2018 Amt in Rs.
<b>17 OTHER INCOME :</b>					
Other income of the company includes the following income					
Rent Income Office Atria				12,91,683	12,28,730
Kasar				1,67,547	2,21,059
Profit on sale of Car				69,455	3,49,006
Foreign Exchange Gain				12,570	
Excess Provision of Issue Exps w/o				-	285
Income tax provisions for earlier period				-	73
Total Income				15,41,255.00	17,99,153.00
<b>18 COST OF MATERIAL CONSUMED :</b>					
The value of stock is taken as valued and certified by the management as per AS-2. The details of cost of consumption of raw material and stores & spares is as under. The detaied purchase list is also hereunder :					
PARTICULARS	RM	STORE & SPARES	FINISHED GOODS	For the year ended on 31.03.2019 Amt in Rs.	For the year ended on 31.03.2018 Amt in Rs.
Opening stock	12,34,24,378	2,79,039	1,91,52,508	14,28,55,925	10,89,25,068
Add : Purchases (see note below)	1,78,78,88,434	95,45,545	-	1,79,74,33,979	1,86,02,32,771
Less : Closing stock	16,88,64,514	8,02,590	1,96,96,906	18,93,64,010.00	14,28,55,925
Consumption	1,74,24,48,298	90,21,994	(5,44,398)	1,75,09,25,894	1,82,63,01,914
<b>PARTICULARS</b>					
Purchase				-	28,36,20,686
Exempted purchase				-	5,59,970
Import purchase				-	3,67,41,840
Purchase Local (Trading)				-	11,01,44,311
OGS purchase				-	1,63,28,740
OGS purchase (Trading)				-	2,90,33,888
GST Local Purchase				1,33,90,23,035	1,07,21,00,378
GST Interstate purchase				23,37,14,361	26,60,26,220
GST Exempt Purchase				56,82,476	27,53,146
GST Import Purchase				21,90,14,107	4,29,23,592
Total				1,79,74,33,979	1,86,02,32,771
<b>19 EMPLOYEE BENEFIT EXPENSE :</b>					
The detailed information of employee benefit expense as required by the new schedule VI is here under :					
<b>(i) Factory Salaries &amp; wages</b>					
Salary factory staff				30,36,548	31,23,480
Salary Lab Staff				2,58,000	2,83,200
Bouns exp				2,33,197	2,18,112
Staff welfare				1,56,186	1,67,700
Medical health care				5,774	3,157
Total				36,89,705	37,95,649
<b>(ii) Office Salary Office</b>					
Salary Exp (office)			4,53,652		
Salary Audit			1,08,000		
Salary Directors			6,00,000	11,61,652	12,07,751
<b>(ii) Contribution to PF &amp; other fund</b>					
Contribution to provident fund			1,01,030		
ESIC contribution			1,22,467		
Labour Welfare Fund Employers Contribution			588	2,24,085	2,54,428
Total				50,75,442	52,57,828
<b>20 FINANCE COST :</b>					
Finance cost includes Interest on Bank C.C., WCDL Loan, WCTL Loan, Interest on Car Loan and other charges as detailed below :					
<b>(i) Interest Expense</b>					
Bank C.C. interest	1,96,81,139			2,15,11,251	
Interest on WCDL	84,11,609			8,10,438	
Interest on WCTL	86,714			11,73,872	
Interest on CAR Loan	3,78,221			96,940	
			2,85,57,683		2,35,92,501
<b>(ii) Other cost</b>					
Bank Charges	1,045			2,309	
Processing fees	13,90,000			7,25,000	
Franking and Stamp Duty	19,22,790		33,13,835	1,20,200	8,47,509
Total (i+ii+iii)			3,18,71,518		2,44,40,010

**SANGINITA CHEMICALS LIMITED**

PARTICULARS			For the year ended on 31.03.2019 Amt in Rs.	For the year ended on 31.03.2018 Amt in Rs.	
21	<b>DEPRECIATION AND AMORTISATION COST</b>				
	The company is following the WDV method for calculating the depreciation. The detailed calculation of the depreciation is attached herewith in a separate sheet.				
	Depreciation		65,17,893	46,92,716	
22	<b>OTHER EXPENSES :</b>				
	All other cost and expense not included in above heads are given as below :				
PARTICULARS		Factory	Office	For the year ended on 31.03.2019 Amt in Rs.	For the year ended on 31.03.2018 Amt in Rs.
	Powe & fuel	-	-	-	-
	Rent office	-	1,80,000	1,80,000	1,80,000
	Insurance	1,04,611	54,371	1,58,982	1,30,762
	<b>Rates &amp; taxes excluding taxes on income</b>				
	Custom duty	2,88,623	-	2,88,623	24,17,257
	<b>Other Exps Factory</b>				
	Eletric Expenses	3,33,492	-	3,33,492	5,33,113
	Factory Exps	64,299	-	64,299	1,30,073
	Forwarding charges Import	2,92,205	-	2,92,205	1,13,708
	Maintanance of building	75,918	-	75,918	1,17,010
	Maintanance of pant and machinery	37,69,816	-	37,69,816	33,54,054
	Freight Inwards	18,960	-	18,960	29,153
	Import Exps	12,68,922	-	12,68,922	6,11,500
	Leave encashment	1,65,300	-	1,65,300	1,37,910
	Laboratory exps	79,530	-	79,530	25,261
	Security Charges	4,97,200	-	4,97,200	4,76,960
	Transport exps	1,34,94,125	-	1,34,94,125	1,09,63,981
	Water Charges	42,124	-	42,124	39,439
	electricity bill	44,50,666	40,217	44,90,883	26,17,479
	Crane Service	1,38,770	-	1,38,770	-
	Export Expense	68,847	-	68,847	-
	Jobwork Charges	-	-	-	1,14,86,404
	<b>Other Office Exps</b>				
	Advertisement Exps	-	71,935	71,935	80,409
	Computer Consumable Exps	-	-	-	9,827
	Consultancy Charges	-	3,78,248	3,78,248	3,02,800
	Mobile Bill Exps	-	49,785	49,785	53,762
	Office Exps	-	1,20,236	1,20,236	80,278
	Postage & Courier Exps	-	24,398	24,398	20,159
	Professional Tax exps	-	2,400	2,400	2,400
	ROC Fees	-	-	-	8,400
	Issue exp	-	5,25,315	5,25,315	5,25,458
	Stationery & Printing Exps	-	51,851	51,851	47,501
	Telephone Exps	-	15,072	15,072	17,249
	Registration Charges	50,690	50,690	-	-
	RoC Exp	-	10,800	10,800	-
	Stamp Duty	31,250	31,250	-	-
	<b>Other General Exps</b>				
	Audit Fee	-	30,000	30,000	30,000
	Maintenance Of Vehicles	-	38,977	38,977	45,928
	Membership/Subsription fees	-	8,270	8,270	26,500
	Cost Audit Fees	-	20,000	20,000	20,000
	Cash Discount	4,77,869	-	4,77,869	3,30,603
	Petrol & Fuel Charges	-	2,10,624	2,10,624	1,75,709
	Listing Fees	4,15,000	-	4,15,000	4,15,000
	Rating Charges	-	30,000	30,000	30,000
	TDS exps	-	960	960	12,570
	Service Tax exps	-	-	-	23,543
	Validation charges	-	-	15,000	-
	Donation	-	-	25,000	-
	GST Exps	-	4,44,352	4,44,352	-
	Vat Exps	-	1,651	1,651	-
	Travelling Exps	-	7,487	7,487	-
	Property tax Atriya Office	-	6,240	6,240	-
	Interest & Penalty on Statutory Dues	-	50	50	-
	IT Provision	-	1,131	1,131	-
	Freight Outward	-	1,120	1,120	-
	<b>Total</b>			2,84,53,707	3,56,62,160



**Note No. 23 NOTES FORMING PART OF THE ACCOUNTS:****1. SIGNIFICANT ACCOUNTING POLICIES:****A. General:**

- (I) The accounts of the Company are prepared under the historical cost convention using the accrual method of accounting. However, other than cash compensatory incentives are accounted on the basis of receipt.
- (II) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

**B. Use of Estimates:**

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statement. The actual outcome may diverge from these estimates.

**C. Details of Shareholder holding more than 5% Equity shares in company:**

Year	2018-19 (As on 31.03.19)		2017-18 (As on 31.03.18)	
Name of the share holder	No. Of Shares	% held	No. Of Shares	% held
Dineshsinh B Chavada	2940900	17.03%	2940900	17.03%
Hansaben D Chavada	1485000	8.60%	1485000	8.60%
Vijaysinh D Chavda	916500	5.31%	916500	5.31%
Sanginita Industries Pvt. Ltd.	6935916	40.17%	6935916	40.17%

**D. Fixed Assets:**

Fixed assets are stated at cost, net of cenvat and depreciation. No specific borrowing is incurred to increase the fixed assets so no interest on borrowing is capitalized in fixed assets during the current financial year. Building includes road, staff quarters, security room, gate, compound wall etc. During the year the company has purchase new car in name of director.

Company maintains a separate and special in-house research laboratory for the development, expansion and invention of new and innovative techniques for easy and speedy process of output, for maintenance of quality of products and also to search out new products for the betterment and expansion of business.

**E. Intangible assets:**

The company does not have any intangible assets till now.

**F. Depreciation:**

- (I) Depreciation, on fixed assets, has been provided in the accounts as per schedule II of the Companies Act, 2013.
- (II) Depreciation on fixed assets is provided on Written Down Value method.
- (III) Depreciation has been charged pro-rata from the date of additions on Written down Value Method as per Schedule II of the Companies Act, 2013.
- (IV) One of the directors of the company himself handles the technical, manufacturing department and as per the written representation received from the director, useful life of laboratory equipment is taken as 20 years.
- (V) Residual value of all the assets is taken at 4%.
- (VI) As per schedule II the life of the office equipments is 5 years however there are some equipments which are already used for more than 5 years and so the life is taken more than 5 years as the amount involved is very low.
- (VII) Additions made in the plant and machinery during the year are grouped on monthly basis for computation of prorate depreciation.

**G. Impairment of Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. However as per the information and explanation provided to us no such assets has been impaired.

**H. Investments:**

There is no long term investment is found in books of account under audit.

**I. Inventories:**

Inventories include raw material, finished goods, store and spares, etc. Inventories are valued at lower of the cost or net realizable value as required as per AS 2.

**J. i) Current assets:**

Current assets includes an asset expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle, it is held primarily for being traded. Current assets include Inventories, cash & cash equivalents, trade receivable etc.

**ii) Non-Current assets:**

All assets other than current assets are treated as noncurrent assets.

**K. Sales:**

Sales are shown at net of sales returns, GST but discount and incentives are separately booked as expenditure.

**L. Prior period and extraordinary items:**

There is no prior period item found in books of account under audit.

**M. Preliminary expense or expenses to be written off.**

During the current year the company has written off Rs. 5.25 lakhs.

**N. Provisions and Contingent liabilities**

(I) Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

(II) There is no contingent liability in the balance sheet of the company.

**O. Employee benefits:**

(I) Short-term employee benefits are recognized as expenses at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.

(II) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services.

(III) As explained by the management that there is no employee in the company who is entitle for gratuity benefit so no provision of gratuity is made.

**P. Export sales & Purchase:**

The company has made Export sales during the year and Foreign Exchange gain of Rs. 12570/- is recorded as income. Company has imported goods during the year however the payment for the same made in Indian currency as the company imports the goods through an intermediary.

**Q. Foreign currency transactions:**

There are no foreign currency transactions in the current financial year.

**R. Borrowing Cost:**

No borrowings are created for acquiring fixed assets during the year.

**S. Taxes on Income:**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax liability/assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**2. Calculation of Deferred Tax Liability:**

		<b>2018-19</b>
		<b>Net</b>
Profits as per books of Accounts		5,46,26,415/-
Profits calculated as per Income Tax Act		5,54,77,469/-
		<b>(8,51,054/-)</b>
<b><u>Permanent Difference</u></b>		
Income Tax Exp.	(50/-)	
GST penalty	(56556/-)	
Profit on sale of car	69455/-	
I. T. Provision	(1131/-)	<b>11718/-</b>
<b><u>Timing difference (B) As per I.T. – As per Books</u></b>		
Depreciation (56,55,121-65,17,893)		(862,772/-)
		(8,51,054/-)
Opening Deferred Tax Liability		<b>7,47,976/-</b>
Less : Deduction During the year		
Due to Depreciation ( 862772/- * 27.82%)		2,40,023/-
Net effect of DTA		
<b>Closing Deferred Tax Liability</b>		<b>5,07,953/-</b>

Net Deferred Income Tax Assets of 2,40,023/- for the current year has been taken to the Profit and Loss A/c.

**3. Corporate Information:**

Sanginita Chemicals Limited (The company) is a public limited company which was initially registered as a private limited company with Registrar of Companies Gujarat with CIN number L24100GJ2005PLC047292 from 15.12.2005 and engaged in the business of manufacturing of Chemicals with registered address at 301, 3rd Floor, Shalin Complex, Sector-11, Gandhinagar, Gujarat, India Pin 382 011 and factory address at Block No. 1133, Nr GIDC- Chhatral Phase IV, At : Chhatral, Ta- Kalol, Dist, Gandhinagar, Gujarat, India.

From 23<sup>rd</sup> day of December 2016, the company Sanginita Chemicals Pvt. Ltd. is converted in to a Public Limited company limited by shares under section 18 of the company's act 2013 and so the name of the company is changed to **SANGINITA CHEMICALS LIMITED** from the same date.

4. The Company has made an Initial Public Offer of 45,66,000 Equity Shares of Rs. 10/- each with premium of Rs. 12/- per share for cash at Rs. 22. vide Prospectus dated 23rd February, 2017. So the company made an IPO of an amount of Rs. 10,04,52,000/-. The Company has successfully completed the Initial Public Offering (IPO) in the previous year pursuant to the applicable SEBI Rules and Regulations. The IPO opened on 1st March, 2017 and closed on 3rd March, 2017.

The IPO of the Company received an encouraging response from the investors and the public issue was oversubscribed. The Equity Shares of the Company have been listed on SME Platform of NSE Limited on 10<sup>th</sup> March, 2017.

5. **Secured Loans:**

**Short/long Term Loans and Advances from Banks:**

The company had taken working capital cash credit from IDFC bank and it is secured by way of hypothecation of all existing and future current assets/movable fixed assets of the company. During the year the company has purchased a car in name of director and the car loan is secured by way of hypothecation of car.

6. **Unsecured Loans:**

The loan taken from directors is totally unsecured.

7. The breakup of SSI/Non SSI is provided to us by the management and the same is accepted by us.
8. All the balances in the balance sheet are as per books of accounts and are subject to third party confirmations and reconciliation.
9. Previous year figures are regrouped and rearranged wherever necessary to make them comparable with current year figures.
10. In the opinion of the board the current assets, loans & advances and other receivables have value on realization in ordinary course of business at least equal to the amount at which they are stated in the balance sheet.
11. As it is not possible to confirm about due period of all the debtors, so classification of due period of debtors shown in balance sheet is taken as certified by Board of Directors.
12. Auditors Remuneration:

	2018-19 Rs.	2017-18 Rs.
For Statutory Audit	20,000.00	20,000.00
For Tax Audit	5,000.00	5,000.00
For Taxation Matters	2,000.00	2,000.00
For Others	3,000.00	3,000.00
<b>Total Fees</b>	<b>30,000.00</b>	<b>30,000.00</b>

13. The Company has not proposed any dividend on paid up share capital during the year under audit.
14. Disclosure regarding Relationship:

(A) The following transactions were carried out with the related parties referred in above in the ordinary course of business.

Sr. Particulars	Major Stake holder Sanginita Ind. Pvt.Ltd.	Board of Directors	Other Relatives
1. Share Capital invested of	6,93,59,160/-	5,34,24,000/-	42,33,840/-
2. % of share contribution	40.17%	30.94%	2.45%
3. Sales	NIL	NIL	NIL
4. Purchase	NIL	NIL	NIL
5. Rent Exp	NIL	Rs.1,80,000/-	NIL
6. Rent Deposit	NIL	Rs. 2,00,000/-	NIL
7. Salary Exp	NIL	Rs.6,00,000/-	NIL
8. Commission Exp	NIL	NIL	NIL
9. Interest Exp	NIL	NIL	NIL
10. Dividend Exp	NIL	NIL	NIL
11. Job Work Activity	NIL	NIL	NIL

**SANGINITA CHEMICALS LIMITED**

Particulars		2018-19	2017-18	
Rent / lease rent expense	- Hansaben D Chavda	1,80,000	1,80,000	
Share Holding By KMP	- Dineshsinh Chavada	2,94,09,000	2,94,09,000	
	Hansaben D Chavada	1,48,50,000	1,48,50,000	
	Vijaysinh Chavada	91,65,000	91,65,000	
Share Holding by relatives of KMP	- Anitaben Chavda	41,26,320	41,26,320	
	Bhikhuji Chavda	11,100	11,100	
	Pratapsinh Vaghela	60,000	60,000	
Deposit	- Hansaben D Chavada (Rent Deposit)	2,00,000	2,00,000	
Remuneration paid/payable to KMP -	Dineshsinh Chavada	2,40,000	2,40,000	
	Hansaben D Chavada	-	-	
	Vijaysinh Chavda	3,60,000	3,60,000	
Unsecured Loans	Balance as on 01.04.2018	Loan Accepted	Loan Repaid	Balance as on 31.03.2019
Dineshsinh Chavada	7,00,000	-	-	7,00,000
Hansaben D Chavada	7,30,000	-	7,00,000	30,000
Vijaysinh Chavda	14,95,000	-	14,50,000	45,000
Unsecured Loans	Balance as on 01.04.2017	Loan Accepted	Loan Repaid	Balance as on 31.03.2018
Dineshsinh Chavada	4,80,000	5,75,000	3,55,000	7,00,000
Hansaben D Chavada	5,25,000	2,05,000	-	7,30,000
Vijaysinh Chavda	15,50,000	4,00,000	4,55,000	14,95,000

**(B) Relationship:**

- (I) Shareholders : Shri Dineshsinh B. Chavada, Smt. Hansaben D. Chavada, Shri Vijaysinh D. Chavda and Sanginita Industries Pvt. Ltd. are holding totally 71.11 % equity shares in the Company.
- (II) Subsidiaries of the Company: There is no subsidiary of the company.
- (III) Holding Company : There is no holding company of this company.
- (IV) Key Management Personnel :
- |                            |  |
|----------------------------|--|
| Shri Dineshsinh B. Chavada | - Managing Director & Chairperson          |
| Shri Vijaysinh D. Chavda   | - Whole Time Director                      |
| Ms Sangita D Chavada       | - Chief financial officer                  |
| Ms. Bhumika Ranpara        | - Company Secretary and Compliance Officer |
- (V) Associates Entities : There is no associate entity of the company.
- (VI) Relatives: Ms. Anita D. Chavda, Mr. Bhikhuji Chadva and Mr. Pratapsinh Vaghela are relatives of directors of the company.

15. Earning per share as disclosed is computed as under

Particulars	2018-19	2017-18
Net profit after Tax	3,94,32,438	3,45,25,336
No of Equity Shares	1,72,67,700	1,72,67,700
Basic EPS	2.28	2.00
Diluted EPS	2.28	2.00

16. The company is operating in single segment hence therefore segment reporting is not disclose separately.

**AS PER OUR REPORT OF EVEN DATE  
FOR B.K.CHAVIDA & CO.**

**Chartered Accountants**

Sd/-

**(CA B.K.Chavda)**

**Partner**

**Mem. No. 116780**

**FRN. No. 125064W**

sd/-

**(Mr. Dineshsinh Chavada)**

Chairman & Manging Director

(DIN : 01497977)

sd/-

**(Mr. Faiyazkhan Pathan)**

Independent Director

(DIN : 07702208)

**For & On behalf of the Board of Directors  
Sanginita Chemicals Limited**

sd/-

**(Mrs. Hansaben Chavada)**

Non-Executive Director

(DIN : 00479509)

sd/-

**(Mr. Jagdishkumar Thakor)**

Independent Director

(DIN : 07702521)

sd/-

**(Ms. Sangita D Chavada)**

Chief Financial Officer

sd/-

**(Mr. Vijaysinh Chavda)**

Whole Time Director

(DIN : 00479413)

sd/-

**(Ms. Bhumika Ranpara)**

Compliance Officer (CS)

**Place : Gandhinagar**

**Date : 11/05/2019**

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH 2019

Amount in Rs.

Particulars	2018-19	2017-18
<b>1 Cash Flow From Operating Activities</b>		
Net Profit before taxation and extra ordinary items	5,46,26,415	5,17,57,916
<b>Adjustment for :</b>		
Depreciation & Amortisation cost	65,17,893	46,92,716
Income Tax Provisions	-	-
Finance Cost	3,18,71,518	2,44,40,010
<b>Operating Profit before working capital changes</b>	9,30,15,826	8,08,90,642
(Increase)/Decrease in Debtors	3,84,68,988	4,89,83,278
(Increase) /Decrease in inventories	(4,65,08,085)	(3,39,30,857)
(Increase)/Decrease in long term loans & advances	(14,34,155)	10,29,520
(Increase)/Decrease in short term loans & advances	(7,93,08,475)	(47,78,826)
(Increase)/Decrease in Misc Expenditure	5,25,743	9,51,168
Increase/(Decrease) in creditors	2,93,38,955	(4,18,09,887)
Increase/(Decrease) In Provision	(1,72,59,300)	(59,41,681)
Decrease in other current liabilities	54,57,513	(1,52,789)
<b>Cash Generated from operations</b>	2,22,97,010	4,52,40,568
Advance tax paid	(1,51,00,000)	(1,73,00,000)
Income Taxes Paid	-	-
<b>Cash flow before extra ordinary items</b>	71,97,010	2,79,40,568
Cash flow from extra ordinary items	-	-
<b>Net Cash flow from operating activities</b>	71,97,010	2,79,40,568
<b>2 Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	-	(10,648,123)
Proceeds From sale	-	-
Interest Received	-	-
Dividend Received	-	-
<b>Net Cash From Investing Activities</b>	-	(10,648,123)
<b>3 Cash Flow From Financing Activities</b>		
Proceeds From Issue Of Share Capital	-	-
Proceeds From Short Term Borrowings	3,71,06,657	52,67,837
Proceeds from Long Term Borrowings	(210,193)	(5,758,048)
Interest Paid	(3,18,71,518)	(2,44,40,010)
Dividend Paid	-	-
<b>Net Cash Issued in financing activities</b>	22,96,418	(1,93,82,366)
<b>Net Increase in cash and cash equivalents</b>	-	(20,89,921)
Cash & cash equivalents at the beginning of the period	2,36,193	23,26,114
<b>Cash &amp; cash equivalents at the end of the period</b>	-	2,36,193

AS PER OUR REPORT OF EVEN DATE  
FOR B.K.CHAVDA & CO.

Chartered Accountants

Sd/-

(CA B.K.Chavda)

Partner

Mem. No. 116780

FRN. No. 125064W

sd/-

(Mr. Dineshsinh Chavada)

Chairman &amp; Managing Director

(DIN : 01497977)

sd/-

(Mr. Faiyazkhan Pathan)

Independent Director

(DIN : 07702208)

For &amp; On behalf of the Board of Directors

Sanginita Chemicals Limited

sd/-

(Mrs. Hansaben Chavada)

Non-Executive Director

(DIN : 00479509)

sd/-

(Mr. Jagdishkumar Thakor)

Independent Director

(DIN : 07702521)

sd/-

(Ms. Sangita D Chavada)

Chief Financial Officer

sd/-

(Mr. Vijaysinh Chavda)

Whole Time Director

(DIN : 00479413)

sd/-

(Ms. Bhumika Ranpura)

Compliance Officer (CS)

Place : Gandhinagar

Date : 11/05/2019

## Form No. MGT-11

## Proxy form

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

<b>CIN</b>	L24100GJ2005PLC047292
<b>Name of the Company</b>	SANGINITA CHEMICALS LIMITED
<b>Registered office</b>	301, 3 <sup>rd</sup> Floor, Shalin Complex, Sector -11, Gandhinagar - 382011

<b>Name of the member (s)</b>	
<b>Registered address</b>	
<b>E-mail Id</b>	
<b>Folio No/ Client Id</b>	
<b>DP ID</b>	

I/We, being the member (s) of SANGINITA CHEMICALS LIMITED, holding \_\_\_\_\_ shares of the above named Company, hereby appoint

<b>1. Name</b>	
<b>Address</b>	
<b>E-mail Id</b>	
<b>Signature</b>	

Or Failing him,

<b>2. Name</b>	
<b>Address</b>	
<b>E-mail Id</b>	
<b>Signature</b>	

Or Failing him,

<b>3. Name</b>	
<b>Address</b>	
<b>E-mail Id</b>	
<b>Signature</b>	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14<sup>th</sup> Annual General Meeting of the Company, to be held on the 28<sup>th</sup> day of September, 2019 at 2.30 p.m. at 301, 3<sup>rd</sup> Floor, Shalin Complex Sector - 11, Gandhinagar - 382011 and at any adjournment thereof in respect of such resolutions as are indicated below: **P.T.O.**

**ANNUAL REPORT 2018-2019**

Resolution No.	Resolution
<b>Ordinary Business</b>	
1	To receive and adopt Audited Balance Sheet as at 31 <sup>st</sup> March, 2018 and the Profit and Loss Statement for the year ended on that date together with all annexure and attachment thereto including the Auditor's report and the Directors' Report thereon.
2	To appoint a Director in place of Mrs. Hansaben D. Chavda (DIN:00479509), who retires by rotation and being eligible, offers herself for re appointment.
3	To appoint M/s Devpura Navlakha & Co. as Statutory Auditors for a term of five years in place of M/s B. K. Chavda & Co. and to fix their remuneration.
4	Appointment of Mr. Pramodsinh D Dabhi (DIN:08441361) as Independent Director of the Company for a term of five years

Signed this..... day of..... 2019

Signature of shareholder:

Signature of Proxy holder(s):

Affix  
Revenue  
Stamp

**Note:**

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.



**SANGINITA CHEMICALS LIMITED**

(CIN: L24100GJ2005PLC047292)

Registered Office: 301, 3<sup>rd</sup> Floor, Shalin Complex, Sector - 11, Gandhinagar - 382011

Phone No. 079- 23240270

Email ID : sanginitachemicals@yahoo.com, Website: www.sanginitachemicals.co.in

**ATTENDANCE SLIP**14<sup>th</sup> Annual General Meetingat the Registered Office: 301, 3<sup>rd</sup> Floor, Shalin Complex, Sector - 11, Gandhinagar - 382011

DP ID	Client ID	Folio No.	No. of shares held

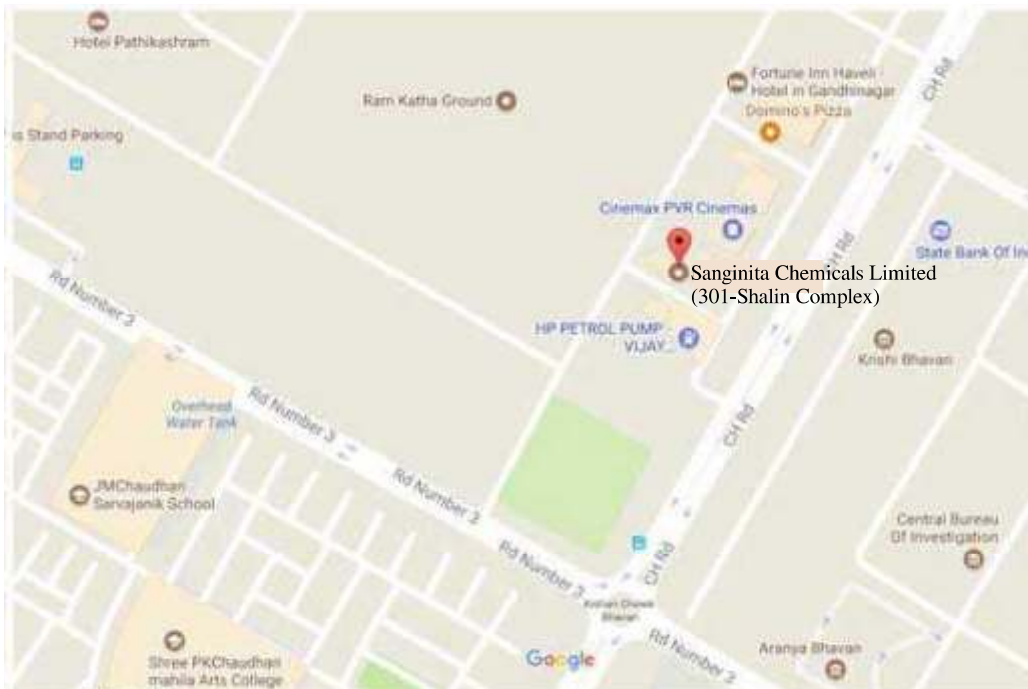
Name of the attending Member/Proxy (In block letters) :

I hereby record my presence at the 14<sup>th</sup> Annual General Meeting held at on 28<sup>th</sup> September, 2019 at 2.30 p.m.

Member's / Proxy's Signature

Notes :

1. Please bring this attendance slip to the meeting and handover at the entrance duly filled in.
2. Members are requested to bring copy of Annual Report with them.

**Route Map for AGM Venue**



Book-Post

To,

If undelivered, please return to :

**SANGINITA CHEMICALS LIMITED**

(CIN: L24100GJ2005PLC047292)

Registered Office: 301, 3<sup>rd</sup> Floor, Shalin Complex,

Sector - 11, Gandhinagar - 382011

Ph.: 079- 23240270

Website: [www.sanginitachemicals.co.in](http://www.sanginitachemicals.co.in)