



# **SANGINITA CHEMICALS LIMITED**

(CIN: L24100GJ2005PLC047292)

THIRTEENTH  
ANNUAL REPORT  
2017-18

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

**THIRTEENTH ANNUAL REPORT 2017 18**

<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
<b>CHIEF FINANCIAL OFFICER</b>	:	Mrs. Sangitaben D. Chavda	
<b>COMPANY SECRETARY</b>	:	CS Rajesh G Lachhwani (upto. 31/01/2018) CS Kavita J. Nanavati (w.e.f. 01/02/2018)	
<b>BANKERS</b>	:	State Bank of India 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 **THIRTEENTH ANNUAL GENERAL MEETING** of the Members of **SANGINITA CHEMICALS LIMITED** will be held as scheduled below:

Date	: 28 <sup>th</sup> September, 2018
Day	: Friday
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 2017-18 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 2017-18 comprising of Balance Sheet as on 31<sup>st</sup> March, 2018 and the Profit and Loss Statement for the Financial year ended on 31<sup>st</sup> March, 2018 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 Mr. Vijaysinh D. Chavda (DIN: 00479413), who retires by rotation and being eligible, offers himself for re appointment and to pass following resolution, with or without modification, as an ORDINARY RESOLUTION:

**“RESOLVED THAT** the retiring Director, Mr. Vijaysinh D. Chavda (DIN: 00479413), be and is hereby reappointed, as a Director of the Company, liable to retire by rotation.”

3. To ratify the appointment of Auditors made, in the 9<sup>th</sup> Annual General Meeting for holding the office from the conclusion of 9<sup>th</sup> Annual General Meeting till the conclusion of the 13<sup>th</sup> Annual General Meeting and to fix their remuneration and to pass following resolution, with or without modification, as an ORDINARY RESOLUTION:

**“RESOLVED THAT** pursuant to provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, appointment of M/s. B. K. Chavda & Co., Chartered Accountants as Auditors of the Company, made in the 9<sup>th</sup> Annual General Meeting (AGM) held on 28<sup>th</sup> July, 2014, for the period from the conclusion of that 9<sup>th</sup> AGM till the conclusion of the 13<sup>th</sup> AGM, be and is hereby ratified.

**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.”

**SPECIAL BUSINESS:**

4. ***To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:***

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Shareholders of the Company do hereby approve/ ratify the remuneration of Rs. 20,000/- Plus service tax and reimbursement of travelling & other incidental expense on actual basis payable to Mr. Rajendra Patel for the FY 2014-15 and remuneration of Rs. 20,000/- plus applicable tax & out of pocket expense on actual basis p.a. to M/s. A. G. Tulsian and Co., Cost Accountant/s, for the FY 2015-16 to 2017-18.

**RESOLVED THAT** pursuant to provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014, the Board of Directors of the Company, be and is hereby authorized to appoint and fix the remuneration of Cost auditors from time to time and such remuneration shall be considered as ratified by the Shareholders until the remuneration of such cost auditors crossed the limit of Rs. 25,000/- p.a. plus applicable tax & out of pocket expense on actual basis for each cost audit period.

**RESOLVED FURTHER THAT** Board of Directors, be and is hereby authorized to fix the remuneration of cost auditors from time to time not exceeding the limit of Rs. 25,000/- p.a. plus applicable tax for each cost audit period and reimburse the out of pocket expenses as may be incurred by the cost auditor during the course of their audit and performance of their duties as cost auditors of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and other things as may be required or considered necessary, expedient or incidental thereto for giving effect to aforesaid resolution.”

**5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015 and in continuation of the resolutions passed at the General meetings for the appointment and payment of remuneration of Managing Director/s, Whole Time Director/s (“Executive Directors”) under the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof], the Company do hereby accords its approval to the payment of remuneration in excess of 2.5% of the Net Profit (computed in a manner laid down in Section 198 of the Companies Act, 2013) to each of its Executive Directors and also payment of remuneration in excess of 5% of the Net Profit to all its Executive Directors for each of the financial years from 2018-19 and onwards, provided the remuneration payable to each of the Executive Directors shall not exceed the individual permissible limits under the applicable provisions of the Companies Act, 2013 and as approved by the members of the Company in General meeting at the time of approving their current tenure of appointment and remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient or desirable to give effect to the above Resolutions.”

**Registered Office:**

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

**Date: 30<sup>th</sup> April, 2018**

**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 THAT 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.**
- 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 Friday, the 21<sup>st</sup> September, 2018 to Friday, the 28<sup>th</sup> September, 2018 (both days inclusive).
- 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.
- 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.
- 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.
- Members/Proxies should bring their attendance slip duly filed in for attending the meeting.
- The Notice of the 13<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.
- 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.
- 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.
- 11. Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013**

**ITEM NO. 4:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to have the audit of its cost records conducted by a cost accountant in practice.

The Board has approved the appointment of Mr. Rajendra Patel, Cost Accountant, to conduct the audit of the cost records of the Company for the financial year 2014-15 and M/s. A. G. Tulsian and Co., Cost Accountant/s, for each of the FY 2015-16 to 2017-18.

Further, according to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014, the Board of Directors of the Company is authorized to appoint the cost auditors of the Company and approved the remuneration of cost auditors subject to ratification by shareholders.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item no. 4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2014-15 to 2017-18.

Moreover, in respect of financial year 2018-19 and onwards, in order to give flexibility to the Board of Directors for fixing the remuneration of cost auditors from time to time, it is proposed to obtain approval of shareholders authorizing Board of Directors to approve remuneration of cost auditors, not exceeding the limit as approved by the shareholders.

The Directors recommend this resolution to be passed as an Ordinary Resolution.

None of the Directors or KMP or their relatives are in any way concerned or interested in the resolution except to the extent of their respective shareholding in the Company.

**ITEM NO. 5:**

As per SEBI Circular No. SEBI/LAD-NRO/GN/2018/10 dated 9<sup>th</sup> May, 2018, upon insertion of Regulation 17 (6) (e) in SEBI LODR (Amendment) Regulations, 2018, the Company cannot pay remuneration exceeding 2.5% of the net profit or Rs. 5 Crores whichever is more to each the managerial personnel. Moreover, the total remuneration payable to all Executive Directors shall not exceed 5% of the net profit of the Company calculated as per provisions laid down in Section 198 of the Companies Act, 2013.

Hence, it is necessary for the Company to pass the Special resolution for payment of remuneration to all Executive Directors above the limits prescribed in the said Regulation inserted by the said SEBI Circular dated 9<sup>th</sup> May, 2018.

As the Company is SME listed, this Regulation 17 as such is not applicable. However, the approval of the members is of enable nature and has been sought as a good practice.

The Board recommends the adoption of the Special Resolution contained in Item no. 5 of the notice. Mrs. Hansaben D. Chavada, Mr. Dineshsinh B. Chavada, Mr. Vijaysinh Dineshsinh Chavda and Ms. Sangitaben Dineshsinh Chavda are deemed to be concerned or interested in the said resolution to the extent of remuneration which may be drawn by the Executive Directors of the Company. No other Director, Key managerial personnel or their relatives are concerned or interested in passing of the Special Resolution as set out at Item No. 5 of the notice convening the 13<sup>th</sup> Annual General Meeting.

The Board recommends the adoption of the Special Resolution contained in Item no. 5 of the notice to enable the payment of remuneration which may be in excess of the said SEBI LODR Regulation, but which is otherwise permissible under Schedule V of the Companies Act, 2013.

**Registered Office:**

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

**Date: 30<sup>th</sup> April, 2018**

**CIN:L24100GJ2005PLC047292**

**By Order of the Board**

sd/-

**Dineshsinh B Chavada**

**(DIN: 01497977)**

**Chairperson & Managing Director**

**ANNUAL REPORT 2017-2018**

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

Particulars	Mr. Vijaysinh Dineshsinh Chavda (DIN: 00479413)
Date of Birth	27/10/1980
Date of the first Appointment on the Board	15/12/2005
Qualification	Chemical Engineer
Expertise in Specific functional areas	Chemical business
Directorships held in other Companies	Sanginita Industries Private Limited
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	Mr. Vijaysinh D. Chavda is liable to retire by rotation. The Company has been paying remuneration to Mr. Vijaysinh D. Chavda as Whole-time Director in accordance with the terms and conditions approved by the members at the Extra Ordinary General Meeting held on 30 <sup>th</sup> November, 2016. For financial year 2017-18 Mr. Vijaysinh Chavda was paid remuneration of Rs. 3,60,000 as Whole-time Director.
Number of Board Meetings attended during the year	5 (Five)
Memberships/ Chairmanships of committees of Board of Directors of Company	2 (Two)
Memberships/ Chairmanships of committees of Board of Directors of other Companies in which he is director	Nil
Number of shares held in the Company	9,16,500 Equity shares
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.

## DIRECTORS' REPORT

To  
The Member  
SANGINITA CHEMICALS LIMITED

Your Directors take pleasure in presenting the THIRTEENTH Annual Report of the Company together with the Audited Accounts for the financial year ended on 31<sup>st</sup> March, 2018.

**FINANCIAL SUMMARY/HIGHLIGHTS:**

The brief financial results are as under:

(Rs. in lacs)

Particulars	2017-18	2016-17
Gross Revenue from Operation	22897.08	17205.92
Less: Vat	(242.15)	(739.13)
Excise	(577.60)	(1707.47)
CGST/SGST/IGST	(2622.44)	Nil
Add: Job work	Nil	14.81
<b>Net Revenue from Operations</b>	<b>19454.89</b>	<b>14733.16</b>
Other income	17.99	12.80
<b>Total revenue</b>	<b>19472.88</b>	<b>14745.96</b>
Profit/(Loss) before Depreciation and Tax	564.50	215.17
Less: Depreciation	(46.92)	(44.64)
Profit/(Loss) Before Tax and Extra Ordinary Items	517.58	170.53
Less: Extra Ordinary Items	Nil	Nil
Less: Current Tax	172.59	59.42
Deferred Tax	(0.26)	(0.65)
<b>Profit/(Loss) After Tax</b>	<b>345.25</b>	<b>111.76</b>
Add: previous year Profit/(Loss)	426.48	738.11
Less: Issue of Bonus Shares	Nil	(423.39)
<b>Balance Carried to Balance Sheet</b>	<b>771.73</b>	<b>426.48</b>

The net revenue from operations including job work of the Company for the year 2017-18 has increased from Rs. 14733.16 Lacs to Rs. 19454.89 Lacs. Due to this, profit before Depreciation and Tax stands increased to Rs. 564.50 Lacs as compared to profit of Rs. 215.17 Lacs 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.

**DIRECTORS & KEY MANAGERIAL PERSONNEL:**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 Mr. Vijaysinh D. Chavda (DIN: 00479413), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself to be re-appointed as Director of the Company.

The Board recommends the re-appointment of Mr. Vijaysinh D. Chavda (DIN: 00479413) as Director of the Company liable to retire by rotation.

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Ms. Kavita J. Nanavati was appointed and Mr. Rajesh G. Lachhwani ceased as Company Secretary of the Company w.e.f. 1<sup>st</sup> February, 2018.

### **UTILISATION OF ISSUE PROCEEDS:**

The Company came out with public issue of 45,66,000 Equity shares of Rs. 10/- each for cash at premium of Rs. 12 per share aggregating to Rs. 1004.52 Lacs ("Public Issue") vide Prospectus dated 23<sup>rd</sup> February, 2017 ("offer document"). The equity shares of the Company were listed on the NSE - EMERGE SME Platform on 10<sup>th</sup> March, 2017.

The Company has fully deployed the entire funds of Rs. 1004.52 Lacs 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 shall carry 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.

### **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. Chavda & Co., Chartered Accountants, the existing auditors of the Company were appointed as 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).

As per Section 139(1) every company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be such as may be prescribed.

It is further provided that the Company shall place the matter relating to such appointment for ratification by members at every annual general meeting. Hence the members are requested to consider the matter of ratification of appointment of Auditors made and also to fix their remuneration.

### **AUDITORS' REPORT AND NOTES ON ACCOUNTS:**

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 further explanation /clarification.



**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 the 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.

**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.

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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)	1.60	Nil
Mr. Vijaysinh D. Chavda (Whole Time Director)	2.40	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. 149952/- p.a.		
[C] Percentage increase in the median Remuneration of Employees	60.20%	
[D] Number of permanent Employees on the rolls of Company	30 (Thirty)	
[E] Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof	There was decrease of 0.97% in the average salaries of employees other than NEDs and KMPs made in the year 2017-18. There was no change in the Managerial Remuneration in the year 2017-18 as compared to the year 2016-17. The CS as Key Managerial Personnel was appointed only in the later part of 2016-17 and for the year 2017-18 with one change.	

### 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):

- (i) All elements of the remuneration package such as salary, benefits, bonuses, stock options and pension:  
The details are given in clause- VI (A) of MGT-9 attached to this report as Annexure - 3.
- (ii) Details of fixed component and performance-linked incentives, along with the performance criteria:  
The details are given in clause- VI (A) of MGT-9 attached to this report as Annexure – 3 and performance criteria is linked with net profit of the Company.
- (iii) Service contracts, notice period and severance fees:  
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:

(A)	Conservation of energy	
(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 contracts 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.

**By Order of the Board**

Sd/-

**Dineshsinh B Chavada**

**(DIN: 01497977)**

**Chairperson & Managing Director**

**Place : Gandhinagar**  
**Date : 30<sup>th</sup> April, 2018**

**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**  
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, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2018 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, 2009;
  - (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, 1998;

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.

**Place : Ahmedabad**  
**Date : 30<sup>th</sup> April, 2018**

**For, MANOJ HURKAT AND ASSOCIATES**  
Practicing Company Secretaries  
Sd/-  
**MANOJ R HURKAT**  
Partner  
FCS No. 4287, C P No.: 2574

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**  
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.

**Place : Ahmedabad**  
**Date : 30<sup>th</sup> April, 2018**

**For, MANOJ HURKAT AND ASSOCIATES**  
Practicing Company Secretaries  
Sd/-  
**MANOJ R HURKAT**  
Partner  
FCS No. 4287, C P No.: 2574

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 ₹)	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	12	15.12.2005	38	NA	5.31%
Sanjaybhai Kantilal Patel	General Manager	Otherwise	NIL	283200.00	B. Sc.	25	01.07.2015	47	Jay Agro	NIL
Baldevbhai Bababhai Chauhan	Marketing Manager	Otherwise	NIL	283200.00	B. Sc.	27	01.07.2015	49	Parekh Enterprise	NIL
Sangitaben Dineshsinh Chavda	CFO	Otherwise	Daughter	259200.00	BBA	5	01.01.2017	34	ICICI Bank	NIL
Dineshsinh Bhimsinh Chavada	Managing Director	Otherwise	Husband of Mrs.Hansaben D. Chavada and Father of Mr. Vijaysinh D. Chavda	240000.00	B.Sc.	34	10.01.2007	59	Environmental Officer in Narmada Project of the the Gujarat State	17.03%
Rajesh G Lachhwani	CS	Otherwise	NIL	216000.00	CSM. Com	4	01.01.2017	27	Corporate Strategic Allianz Ltd.	NIL
Bhailal Barot	Lab. Staff	Otherwise	NIL	196000.00	B. Sc.	4	01.04.2017	26	-	NIL
Sanjaybhai K. Thakor	Labour	Otherwise	NIL	166223.00	12 Pass	1	01.04.2017	25	-	NIL
Dasrathbhai S. Kalaswa	Labour	Otherwise	NIL	164458.00	5 Pass	1	01.04.2017	28	-	NIL
Shankarbhai P. Vagadiya	Labour	Otherwise	NIL	159730.00	4 Pass	4	01.04.2017	32	Real Chemicals	NIL

**FORM No. MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018**

**[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	69,35,916	-	69,35,916	40.17%	69,35,916	-	69,35,916	40.17%	-
e Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>1,26,90,948</b>	<b>-</b>	<b>1,26,90,948</b>	<b>73.50%</b>	<b>1,26,90,948</b>	<b>-</b>	<b>1,26,90,948</b>	<b>73.50%</b>	<b>-</b>

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<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>1,26,90,948</b>	<b>-</b>	<b>1,26,90,948</b>	<b>73.50%</b>	<b>1,26,90,948</b>	<b>-</b>	<b>1,26,90,948</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 FIs	-	-	-	-	-	-	-	-	-
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	1237110	-	1237110	7.16%	582000	-	582000	3.37%	-3.79%
ii) Individual Shareholder holding nominal share capital in excess of Rs 2 lakh	1263642	-	1263642	7.32%	2851752	-	2851752	16.51%	+9.19%
c Others (NRI+CM+HUF+ Body Corporate)	2076000	-	2076000	12.02%	1125000	-	1143000	6.62%	-5.40%
<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>-</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	14,85,000	8.60%	Nil	14,85,000	8.60%	Nil	-
2.	Vijaysinh D. Chavda	916500	5.31%	Nil	9,16,500	5.31%	Nil	-
3.	Dineshsinh B. Chavada	29,40,900	17.03%	Nil	29,40,900	17.03%	Nil	-
4.	Anitaben D Chavda	4,12,632	2.39%	Nil	4,12,632	2.39%	Nil	-
5.	Sanginita Industries Private Limited	69,35,916	40.17%	Nil	6935916	40.17%	Nil	-
	<b>Total</b>	<b>1,26,90,948</b>	<b>73.50%</b>	<b>Nil</b>	<b>1,26,90,948</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, 2017		Shareholding at the beginning of the year i.e. 31 <sup>st</sup> March, 2018	
		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, 2017		Cumulative Shareholding during the year i.e. 31 <sup>st</sup> March, 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Beeline Broking Limited	234000	1.35%	582000	3.37%
2.	Ravindrasinh Aswar	Nil	Nil	180000	1.04%
3.	Pratibha Bhagwatilal Jain	132000	0.76%	141000	0.82%
4.	Baldevsinh B. Vaghela	25428	0.15%	73428	0.43%
5.	Shiv Shankar Tiwari	Nil	Nil	90000	0.52%
6.	Shilpa Rajesh Jain	Nil	Nil	87000	0.50%
7.	Vaghela Tejandrasinh B	25368	0.15%	84846	0.49%
8.	Chavda Dipakkumar B	Nil	Nil	84000	0.49%
9.	Bhagwatilal Kundanlal Jain	66000	0.38%	66000	0.38%
10.	Chavda Bhikhuji Dhanaji	Nil	Nil	61110	0.35%
11.	Dilipsinh S. Vaghela	25368	0.15%	49368	0.15%
12.	Ranjitsinh N. Vaghela	Nil	Nil	Nil	Nil
13.	Bhagwatilal Kundanlal Jain	132000	0.76%	138000	0.80%
14.	Kanta Satyanarayan Shah	60000	0.34%	60000	0.34%
15.	Geeta Rameshchandra Shah	60000	0.34%	60000	0.34%
16.	Rameshchandra Bansilal Shah	60000	0.34%	60000	0.34%
17.	Satyanarayan Bansilal Shah	60000	0.34%	60000	0.34%
18.	Narottam Chaturdas Tanna	54000	0.31%	54000	0.31%
19.	Satyanarayan Bansilal Shah	54000	0.31%	54000	0.31%

**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, 2017		Cumulative Shareholding during the year i.e. 31 <sup>st</sup> March, 2018	
		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)	29,40,900	1.64%	29,40,900	1.64%
2.	Mr. Vijaysinh D. Chavda (Whole Time Director)	9,16,500	5.31%	9,16,500	5.31%
3.	Mrs. Hansaben D. Chavada (Director)	14,85,000	8.60%	14,85,000	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.	Mrs. Sangitaben D. Chavda (CFO)	Nil	Nil	Nil	Nil
7.	Mr. Rajesh G. Lachhwani (CS) (Ceased w.e.f. 01/02/2018)	Nil	Nil	Nil	Nil
8.	Ms. Kavita J. Nanavati (CS) (Appointed w.e.f. 01/02/2018)	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	25,43,11,326	25,55,000	-	25,68,66,326
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>25,43,11,326</b>	<b>25,55,000</b>	<b>-</b>	<b>25,68,66,326</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	2,11,95,24,131	11,80,000	-	2,12,07,04,131
· Reduction	2,11,39,29,420	8,10,000	-	2,11,47,39,420
<b>Net Change</b>	<b>55,94,711</b>	<b>3,70,000</b>	<b>-</b>	<b>59,64,711</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	25,99,06,037	29,25,000	-	26,28,31,037
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>25,99,06,037</b>	<b>29,25,000</b>	<b>-</b>	<b>26,28,31,037</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/WTD/ 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	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* (Rajesh G Lachhwani)	Company Secretary** (Kavita J. Nanavati)	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	2,16,000	30,000	5,05,200
(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>2,16,000</b>	<b>30,000</b>	<b>5,05,200</b>

\* Ceased w.e.f 1<sup>st</sup> February, 2018

\*\*Appointed w.e.f. 1<sup>st</sup> February, 2018

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

NA

## **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 and has also done job work activity which contributes meager amount to our total revenue.

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.

### **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 including job work of the Company for the year 2017-18 has increased from Rs. 14733.16 Lacs to Rs. 19454.89 Lacs. After providing for taxation, the Company has made profit of Rs. 345.25 Lacs in current year as compared to profit of Rs. 111.76 Lacs of last year which has been transferred to the Balance Sheet.

### **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 : 30<sup>th</sup> April, 2018**

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members,  
**Sanginita Chemicals Ltd.**

**Report On Standalone Financial Statements:**

We have audited the accompanying Standalone financial statements of **Sanginita Chemicals Ltd.** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, 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.

**Management Responsibility For Standalone Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (ii) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date;
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on other Legal & Regulatory Requirement**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

1. As required by section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards 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 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - 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 B**”
  - g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. As explained to us there is no pending litigation that affects the financial position of the company.
    - ii. As explained to us the company has not entered into any long term contracts including derivatives contracts and hence no material forcible loss.
    - 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.
  - h) There are no observation or comments on financial transactions or matters during the year which have any adverse effect on the functioning of the company

For & behalf of  
**B. K. Chavda & Co.**  
Chartered Accountants  
Sd/-  
**CA B.K. Chavda**  
(Partner)  
Mem. No. : 116780  
FRN No. : 125064W

**Place :** Gandhinagar

**Date :** 30.04.2018

#### **ANNEXURE A” TO THE AUDITORS’ REPORT**

This is an annexure on the accounts of **Sanginita Chemicals Ltd.** as referred above in paragraph 1 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, 2018:**

**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. The Company has not accepted any deposits from the public.
  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, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, 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, 2018 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 sales tax, service tax, duty of customs, duty of excise, value added tax, 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 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.
  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.
  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 :** 30.04.2018

**“ANNEXURE B” TO THE AUDITORS’ REPORT**

**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, 2018 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 of the financial statements, whether due to fraud or error.

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

**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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 : 30.04.2018

**SANGINITA CHEMICALS LIMITED**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2018**

(Amount in Rs.)

PARTICULARS	Note No.	Figures as at the end of current reporting period 31.03.2018	Figures as at the end of previous reporting period 31.03.2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders funds</b>			
(a) Share capital	1	172,677,000	172,677,000
(b) Reserves & surplus	2	140,330,926	105,805,590
(c) Money received against share warrents		-	-
		<u>313,007,926</u>	<u>278,482,590</u>
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-current liabilities</b>			
(a) Long term borrowings	3	6,454,954	6,665,147
(b) Deffered tax liabilities (Net)	4	747,976	774,696
(c) Other long term liabilities		-	-
(d) Long term provisions		-	-
		<u>7,202,930</u>	<u>7,439,843</u>
<b>(4) Current liabilities</b>			
(a) Short term borrowings	5	251,568,728	246,300,891
(b) Trade payables	6	-	-
(A) total outstanding dues of creditors micro enterprises and small enterprises		5,358,380	31,150,589
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		9,509,245	25,526,923
(c) Other current liabilities	7	5,553,289	5,706,078
(d) Short term provisions	8	17,259,300	5,941,681
		<u>289,248,942</u>	<u>314,626,162</u>
<b>Total</b>		<b><u>609,459,798</u></b>	<b><u>600,548,595</u></b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	39,908,037	33,952,630
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non current investment		-	-
(c) Deffered tax assets (net)		-	-
(d) Long term loans and advances	10	687,785	1,717,305
(e) Other non-current assets		-	-
		<u>40,595,822</u>	<u>35,669,935</u>
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	11	142,855,925	108,925,068
(c) Trade receivables	12	356,000,107	404,983,385
(d) Cash & cash equivalents	13	236,193	2,326,114
(e) Short term loans & advances	14	68,195,376	46,116,550
(f) other current assets		-	-
(g) Misc Expenditure not Written Off	15	1,576,375	2,527,543
		<u>568,863,976</u>	<u>564,878,660</u>
<b>Total</b>		<b><u>609,459,798</u></b>	<b><u>600,548,595</u></b>
Subject to notes forming part of accounts	22		

**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**

**Place : Gandhinagar**  
**Date : 30/04/2018**

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

sd/- <b>(Mr. Dineshsinh Chavada)</b> Chairman & Manging Director (DIN : 01497977)	sd/- <b>(Mrs. Hansaben Chavada)</b> Non-Executive Director (DIN : 00479509)	sd/- <b>(Mr. Vijaysinh Chavda)</b> Whole Time Director (DIN : 00479413)
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sd/- <b>(Mr. Faiyazkhan Pathan)</b> Independent Director (DIN : 07702208)	sd/- <b>(Mr. Jagdishkumar Thakor)</b> Independent Director (DIN : 07702521)	sd/- <b>(Ms. Kavita Nanavati)</b> Compliance Officer (CS)
	<b>(Ms. Sangita D Chavada)</b> Chief Financial Officer	

**Place : Gandhinagar**  
**Date : 30/04/2018**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

(Amount in Rs.)

Sr. No.	PARTICULARS	Note No.	Figures as at the end of current reporting period 31.03.2018	Figures as at the end of previous reporting period 31.03.2017
I.	<b>Gross Revenue from operations</b>	16	2,289,708,688	1,720,591,890
	Less: Excise duty , VAT & CST, GST	16	(344,219,822)	(244,660,161)
	Less: Goods Return	16	-	(2,615,879)
	<b>Net revenue from operations</b>		<u>1,945,488,866</u>	<u>1,473,315,850</u>
II.	<b>Other Income</b>	17	1,799,153	1,280,573
III.	<b>Total Revenue (I+II)</b>		<u><b>1,947,288,019</b></u>	<u><b>1,474,596,423</b></u>
IV.	<b>Expenses</b>			
	Cost of material consumed	18	1,838,033,697	1,364,169,858
	Purchases of Stock-in-trade		-	-
	changes in inventories of finished goods			
	work in-progress and stock-in-trade		(12,556,308)	12,156,154
	Employees Benefit expense	19	5,257,828	3,027,427
	Finance cost	20	24,440,010	29,017,229
	Depreciation and amortisation expense	21	4,692,716	4,464,067
	Other expense	22	35,662,160	44,708,838
	<b>Total expense</b>		<u><b>1,895,530,103</b></u>	<u><b>1,457,543,574</b></u>
V.	<b>Profit before exceptional and extraordinary items and tax Expenses (III-IV)</b>		51,757,916	17,052,849
VI.	Exeptional item		-	-
VII.	Profit before extraordinary items and tax (V-VI)		51,757,916	17,052,849
VIII.	Extraordinary items			
IX.	Profit before tax (VII-VIII)		51,757,916	17,052,849
X.	Tax expense			
	(1) Current tax		17,259,300	5,941,681
	(2) Previous year tax		-	-
	(3) Deffered Tax Asset		(26,720)	(64,958)
XI.	Profit(Loss) for the period from continuing operations (IX-X)		34,525,336	11,176,126
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)		34,525,336	11,176,126
XVI.	Earning per equity share			
	(1) Basic		2.00	0.65
	(2) Diluted		2.00	0.65

Subject to notes forming part of accounts

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**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****Place : Gandhinagar****Date : 30/04/2018****For & On behalf of the Board of Directors****Sanginita Chemicals Limited**

sd/-

**(Mr. Dineshsinh Chavada)**

Chairman &amp; Manging Director

(DIN : 01497977)

sd/-

**(Mr. Faiyazkhan Pathan)**

Independent Director

(DIN : 07702208)

sd/-

**(Mrs. Hansaben Chavada)**

Non-Executive Director

(DIN : 00479509)

sd/-

**(Mr. Jagdishkumar Thakor)**

Independent Director

(DIN : 07702521)

**(Ms. Sangita D Chavada)**

Chief Financial Officer

**Place : Gandhinagar****Date : 30/04/2018**

## NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2018

## 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 10th March 2017. The share price as on 31st Day of March, 2018 was Rs 52. 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 31.03.2018 Amt in Rs.	As at 31.03.2017 Amt in Rs.
<b>AUTHORISED SHARE CAPITAL :</b>		
18,000,000 Equity Shares of Rs. 10/- each	180,000,000	-
18,000,000 Equity Shares of Rs. 10/- each in previous year	-	180,000,000
<b>ISSUED SHARE CAPITAL</b>		
1,72,67,700 Equity Shares of Rs. 10/- each	172,677,000	-
1,72,67,700 Equity Shares of Rs. 10/- each in previous year	-	172,677,000
<b>PAID UP SHARE CAPITAL</b>		
1,72,67,700 Equity Shares of Rs. 10/- each	172,677,000	-
1,72,67,700 Equity Shares of Rs. 10/- each in previous year	-	172,677,000
<b>PAID UP SHARE CAPITAL:- ( Directors )</b>		
Dineshsinh D.Chavada		
( 2940900 Equity Share of Rs.10/- each)	29,409,000	-
( 2940900 Equity Share of Rs.10/- each in previous year)	-	29,409,000
Vijaysinh Dineshsinh Chavda		
(916500 Equity Share of Rs.10/- each)	9,165,000	-
(916500 Equity Share of Rs.10/- each in previous year)	-	9,165,000
Hansaben Dineshsinh Chavada		
(1485000 Equity Share of Rs.10/- each)	14,850,000	-
(1485000 Equity Share of Rs.10/- each in previous year)	-	14,850,000
<b>( A )</b>	<b>53,424,000</b>	<b>53,424,000</b>
<b>PAID UP SHARE CAPITAL:- ( Others )</b>		
Sanginita Industries Pvt. Ltd.		
(69,35,916 Equity Share of Rs.10/- each)	69,359,160	-
(69,35,916 Equity Share of Rs.10/- each in previous year)	-	69,359,160
Anitaben D. Chavda		
(4,12,632 Equity Share of Rs.10/- each)	4,126,320	-
(4,12,632 Equity Share of Rs.10/- each in previous year)	-	4,126,320
Others :		
( 10,752 Equity Share of Rs.10/- each)	107,520	-
(10,752 Equity Share of Rs.10/- each in previous year)	-	107,520
<b>( B )</b>	<b>73,593,000</b>	<b>73,593,000</b>
<b>ISSUED SHARE CAPITAL:- ( IPO)</b>		
Others Paid Up Share Capital		
( 45,66,000 Equity Share of Rs.10/- each)	45,660,000	-
(45,66,000 Equity Share of Rs.10/- each in previous year)	-	45,660,000
<b>( C )</b>	<b>45,660,000</b>	<b>45,660,000</b>
<b>( A ) + ( B ) + ( C )</b>	<b>172,677,000</b>	<b>172,677,000</b>

## ANNUAL REPORT 2017-2018

### 1.1 Share issued in IPO in numbers of share and amount of share issued are as under

PARTICULARS	As at 31.03.2018 Rs in Lacs	As at 31.03.2017 Rs in Lacs
At the beginning of the year	1726.77	846.78
Add Issue During the Year bonus Shares	-	423.39
Initial Public Offer	-	456.60
<b>Outstanding at the end of the year (Number of Shares)</b>	<b>1726.77</b>	<b>1726.77</b>
At the beginning of the year	17,267,700	8467800
Add Issue During the Year bonus Shares	-	4233900
Initial Public Offer	-	4566000
<b>Outstanding at the end of the year</b>	<b>17,267,700</b>	<b>17,267,700</b>

### 2 RESERVES & SURPLUS :

- 3.1 As per the information provided and explanation given to us, the company is not transferring any amount to any special reserve.
- 3.2 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 31.03.2018 Amt in Rs.	As at 31.03.2017 Amt in Rs.
<b>Share Premium ( A )</b>		
Opening	63,157,440	8,365,440
Add: addition during the year	-	54,792,000
Less: use of premium	-	-
Total share premium ( A )	63,157,440	63,157,440
<b>Profit &amp; Loss A/c ( B )</b>	42,648,150	73,811,023
Add: Profit of the year	34,525,336	11,176,127
Less: issue of bonus shares	-	42,339,000
Total Profit & Loss A/c ( B )	77,173,486	42,648,150
<b>Total (A+B)</b>	<b>140,330,926</b>	<b>105,805,590</b>

### 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.
- 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. As per the information & explanation provided to us the company's directors has decided not to remit 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 31.03.2018 Amt in Rs.	As at 31.03.2017 Amt in Rs.
<b>Secured Borrowing</b>		
<b>(a) Term Loans From bank</b>		
Kotak mahindra bank WCTL (00140)	840,001	4,110,147
Kotak mahindra bank Jaguar Car Loan	2,689,953	-
Total (a)	3,529,954	4,110,147
<b>Unsecured Borrowing</b>		
<b>(a) Loans and advances from related parties</b>		
<b>From Directors</b>		
Dineshsinh B Chavada	700,000	480,000
Hansaben D Chavada	730,000	525,000
Vijaysinh D Chavda	1,495,000	1,550,000
Total (b)	2,925,000	2,555,000
Toatl ( a+b )	6,454,954	6,665,147
<b>4 DEFERRED TAX LIABILITIES</b>		
Opening deferred tax liability	774,696	839,654
Add/Less : DTL/(DTA)	(26,720)	(64,958)
Closing deferred tax liability	747,976	774,696

**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 Rs200.00( Rs in Lacs) @ 10.85%p.a are repayable in 36 monthly installements.
- 5.3 Kotak Mahindra bank WCDL (00011) of Rs200.00 (Rs in Lac) @9.45%p.a are repayable in 60 Days

PARTICULARS	As at 31.03.2018 Amt in Rs.	As at 31.03.2017 Amt in Rs.
<b>Secured Borrowing</b>		
<b>(a) Loans repayable on demand</b>		
<b>From Banks</b>		
Kotak Mahindra Bank Cash Credit (8910)	229,823,189	237,291,986
Kotak mahindra bank WCTL (00082)	1,745,539	9,008,905
Kotak mahindra bank WCTL (00011)	20,000,000	-
<b>Total</b>	<u>251,568,728</u>	<u>246,300,891</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>	5,358,380	31,150,589
<b>Total (a)</b>	<u>5,358,380</u>	<u>31,150,589</u>
<b>(B) total outstanding dues of creditors other than micro enterprises and small enterprises</b>		
Sundry Creditors for Assets	427,424	15,400
Sundry Creditors for Expense	5,488,561	1,523,761
Sundry Creditors for Raw material	3,593,260	23,987,762
<b>Total (b)</b>	<u>9,509,245</u>	<u>25,526,923</u>
<b>Total (a+b)</b>	<u>14,867,625</u>	<u>56,677,512</u>
<b>7 OTHER CURRENT LIABILITIES</b>		
<b>(a) Other payables</b>		
(i) Unpaid expenditure	512,514	185,867
(ii) Vat / CST payable	-	440,757
(iii) TDS payable	20,861	132,071
(iv) Deposit received TCE	174,720	174,720
(v) Provisions for interest on TL	14,686	47,850
(vi) provisions for interest on Car Loan	23,152	-
(vii) Excise Duty provisions on FG Stock	-	824,525
(viii) Current Portion Of a Long term Debt		
(a) Kotak mahindra bank WCTL (00140)	3,900,288	3,900,288
(b) Kotak mahindra bank Jaguar Car Loan	907,068	-
<b>Total</b>	<u>5,553,289</u>	<u>5,706,078</u>
<b>8 SHORT TERM PROVISION :</b>		
<b>(a) Others provision</b>		
(i) Provision for Income Tax (A.Y. 2017-18)	-	5,941,681
(ii) Provision for Income Tax (A.Y. 2018-19)	17,259,300	-
	<u>17,259,300</u>	<u>5,941,681</u>

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

**9 FIXED ASSETS :**

Sr. No	Particulars Fixed Assets/Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on 01.04.17	Addition during the year	Total on 31.03.18	AS ON 01.04.17	FOR THE YEAR	AS ON 31.03.18	AS ON 31.03.18	AS ON 31.03.17
1	Furniture	304,610	-	304,610	275,517	9,838	285,355	19,255	29,093
2	Land & Building	32,839,174	1,740,830	34,580,004	15,981,497	1,374,348	17,355,845	17,224,159	16,857,677
3	Vehicle	2,748,646	4,045,129	6,793,775	2,496,551	534,697	3,031,248	3,762,527	252,095
4	Office Equipment	581,808	18,800	600,608	463,519	25,447	488,966	111,642	118,289
5	Plant & Machinery	42,522,104	4,809,977	47,332,081	26,407,021	2,665,660	29,072,681	18,259,400	16,115,083
6	Laboratory	1,682,201	33,387	1,715,588	1,101,808	82,726	1,184,534	531,054	580,393
<b>S U B TOTAL</b>		80,678,543	10,648,123	91,326,666	46,725,913	4,692,716	51,418,629	39,908,037	33,952,630

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### 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. A deposit of 1% is given to NSE for clearance of IPO in previous year and the same is refunded during the current year.

PARTICULARS	As at 31.03.2018 Amt in Rs.	As at 31.03.2017 Amt in Rs.
<b>(a) Secured considered good</b>		
(i) Telephone security Deposit	3,000	3,000
(ii) UGVCL security Deposit	469,325	469,325
(iii) UGVCL atriya Office Deposit	15,460	15,460
(iv) Deposit at Office (301 shalin)	200,000	200,000
(v) NSE Deposit	-	1,029,520
	687,785	1,717,305

### 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, Caustic 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.

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

PARTICULARS	As at 31.03.2018 Amt in Rs.	As at 31.03.2017 Amt in Rs.
<u>(as verified, valued and certified by the management according to AS - 2)</u>		
Raw Material	123,424,378	101,262,508
Stores & spares	279,039	241,835
Finished Goods	19,152,508	7,420,725
	142,855,925	108,925,068

### 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	-	49,576,222
	356,000,107	355,406,863
	356,000,107	404,983,385

### 13 CASH & CASH EQUIVALENTS

The cash in hand is taken as certified by directors.

Cash on hand	148,107	383,237
<u>Balance with Banks :</u>		
In Current Accounts with scheduled banks		
SBI - A/c No. 20691	88,086	1,942,877
	236,193	2,326,114

### 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.

PARTICULARS	As at 31.03.2018 Amt in Rs.	As at 31.03.2017 Amt in Rs.
<b>(a) Advance to others/Deposits</b>		
<b>(i) Unsecured considered good</b>		
Prepaid expenditure	15,497	13,402
Ambika Transport (Advance)	467,643	467,643
Advance to suppliers	49,481,043	39,308,063
	49,964,183	39,789,108
<b>(b) Advance Tax and Tax deducted at source</b>		
Advance Income Tax (A.Y. 2017-2018)	-	5,700,000
Advance Income Tax (A.Y. 2018-2019)	17,300,000	-
	67,264,183	45,489,108
Refund Due from Income Tax ( A.Y. 2015-16 )	2,660	2,660
T.D.S. Receivable (A.Y. 2017-2018)	-	148,848
T.D.S. Receivable (A.Y. 2018-2019)	127,025	-
	129,685	151,508



**SANGINITA CHEMICALS LIMITED**

PARTICULARS	As at 31.03.2018 Amt in Rs.	As at 31.03.2017 Amt in Rs.
<b>(c) Advance to Other Statutory Department</b>		
<u>Excise Duty</u>		
Excise Duty on capital Goods	-	8,669
Excise (PLA)	-	20,000
Custom duty refund claim	397,265	397,265
Value Added Tax Credit ( F.Y. 2015-16 )	50,000	50,000
State GST	354,243	-
	<u>801,508</u>	<u>475,934</u>
Total (a+b+c)	<u>68,195,376</u>	<u>46,116,550</u>

1. The custom duty refund due is due to receipt of lesser quantity from Shar Metal Scrap Co. Ltd.

**15 MISCELLANEOUS EXPENDITURE NOT WRITTEN OFF**

(a) Issue Expense	1,576,375	2,527,543
	<u>1,576,375</u>	<u>2,527,543</u>

**16 REVENUE FROM OPERATIONS :**

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. 1945.48 lakhs which is by furcated as below:

PARTICULARS	Sales	Excise	Vat/CST	CGST/ CGST/IGST	As at 31.03.2018 Amt in Rs.	As at 31.03.2017 Amt in Rs.
<b>Revenue from sales :</b>						
<b>Sales</b>						
(i) Sales	1,158,849,703	30,176,566	14,229,719	162,797,844	1,366,053,832	1,119,594,785
(ii) Less : Sales return	-	-	-	-	-	2,615,879
Net Sales	1,158,849,703	30,176,566	14,229,719	162,797,844	1,366,053,832	1,116,978,906
<b>Less : Vat</b>					14,229,719	53,189,576
<b>Net sales Including Excise &amp; GST</b>					1,351,824,113	1,063,789,330
less : Excise Duty					30,176,566	107,377,320
Sales Including GST					1,321,647,547	956,412,010
less : CGST & SGST					162,797,844	-
Sales Excluding Tax					1,158,849,703	956,412,010
<b>Sales Trading</b>						
(i) Sales	204,948,154	17,317,418	7,917,543	11,504,680	241,687,795	320,533,265
(ii) Less : Sales return	-	-	-	-	-	-
Net Sales	204,948,154	17,317,418	7,917,543	11,504,680	241,687,795	320,533,265
<b>Less : Vat</b>					7,917,543	15,263,515
<b>Net sales Including Excise</b>					233,770,252	305,269,750
less : Excise Duty					17,317,418	33,034,715
Sales Including GST					216,452,834	272,235,035
less : CGST & SGST					11,504,680	-
Sales Excluding Tax					204,948,154	272,235,035
<b>Sales OGS</b>						
(i) Sales	581,691,009	10,266,469	2,067,846	87,941,737	681,967,061	278,983,070
(ii) Less : Sales return	-	-	-	-	-	-
Net Sales	581,691,009	10,266,469	2,067,846	87,941,737	681,967,061	278,983,070
<b>Less : CST</b>					2,067,846	5,460,275
<b>Net sales Including Excise</b>					679,899,215	273,522,795
less : Excise Duty					10,266,469	30,334,760
Sales Including IGST					669,632,746	243,188,035
less : IGST					87,941,737	-
Sales Excluding Excise (C)					581,691,009	243,188,035
Total Sales(A+B+C+D)	1,945,488,866	57,760,453	24,215,108	262,244,261	1,945,488,866	1,471,835,080
<b>Other Operating revenue :</b>						
Jobwork income					-	1,480,770
Total					<u>1,945,488,866</u>	<u>1,473,315,850</u>

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PARTICULARS		As at 31.03.2018 Amt in Rs.	As at 31.03.2017 Amt in Rs.		
<b>17 OTHER INCOME :</b>					
Other income of the company includes the following income					
Rent Income Office Atria		1,228,730	1,170,205		
Kasar		221,059	107,883		
Income tax provisions for earlier period		73	54		
Interest on deposits		-	2,431		
Profit on sale of Car		349,006	-		
Excess Provision of Issue Exps w/o		285	-		
Total Income		<u>1,799,153</u>	<u>1,280,573</u>		
<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 detailed purchase list is also hereunder :					
PARTICULARS	RM	STORE & SPARES	FINISHED GOODS	As at 31.03.2018 Amt in Rs.	As at 31.03.2017 Amt in Rs.
Opening stock	101,262,508	241,835	7,420,725	108,925,068	114,103,123
Less Excise Duty In opening Stock			824,525		
Add : Purchases (see note below)	1,853,520,055	6,712,716	-	1,860,232,771	1,371,147,957
Less : Closing stock	123,424,378	279,039	19,152,508	142,855,925	108,925,068
Consumption	1,831,358,185	6,675,512	(12,556,308)	1,826,301,914	1,376,326,012
<b>PARTICULARS</b>					
Purchase				283,620,686	885,005,422
Exempted purchase				559,970	1,700,556
Import purchase				36,741,840	198,986,138
Purchase Local (Trading)				110,144,311	224,171,427
OGS purchase				16,328,740	20,275,876
OGS purchase (Trading)				29,033,888	41,008,538
GST Local Purchase				1,072,100,378	-
GST Interstate purchase				266,026,220	-
GST Exempt Purchase				2,753,146	-
GST Import Purchase				42,923,592	-
Total				<u>1,860,232,771</u>	<u>1,371,147,957</u>
<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				3,123,480	1,389,083
Salary Lab Staff				283,200	260,600
Bouns exp				218,112	142,167
Staff welfare				167,700	173,504
Medical health care				3,157	4,757
Total				<u>3,795,649</u>	<u>1,970,111</u>
<b>(ii) Office Salary Office</b>					
Salary Exp (office)			607,751		
Salary Directors			<u>600,000</u>	1,207,751	892,780
<b>(ii) Contribution to PF &amp; other fund</b>					
Contribution to provident fund			126,884		
ESIC contribution			<u>127,544</u>	254,428	164,536
Total				<u>5,257,828</u>	<u>3,027,427</u>
<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	21,511,251			24,537,814	
Interest on WCDL	810,438			30,054	
Interest on WCTL	1,173,872			1,909,281	
Interest on CBD account	-			917,881	
Interest on CAR Loan	96,940			-	
				<u>23,592,501</u>	<u>27,395,030</u>
<b>(ii) Other cost</b>					
Bank Charges	2,309			33,999	
Processing fees	725,000			1,075,000	
Franking and Stamp Duty	<u>120,200</u>		847,509	<u>513,200</u>	1,622,199
Total (i+ii+iii)			<u>24,440,010</u>	<u>29,017,229</u>	

**21 DEPRECIATION AND AMORTISATION COST**

The company is following the WDV method for calculating the depreciation. The detailed calculation of the depreciation is attached herewith in a separate sheet.

<b>PARTICULARS</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
	<b>Amt in Rs.</b>	<b>Amt in Rs.</b>
Depreciation	4,692,716	4,464,067

**22 OTHER EXPENSES :**

All other cost and expense not included in above heads are given as below :

<b>PARTICULARS</b>	<b>Factory</b>	<b>Office</b>	<b>As at</b>	<b>As at</b>
			<b>31.03.2018</b>	<b>31.03.2017</b>
			<b>Amt in Rs.</b>	<b>Amt in Rs.</b>
Powe & fuel	-	-	-	170,106
Rent office	-	180,000	180,000	180,000
Insurance	103,636	27,126	130,762	133,502
<b>Rates &amp; taxes excluding taxes on income</b>				
(i) Custom duty	2,417,257	-	2,417,257	2,074,039
(ii) Excise duty on stock	-	-	-	824,525
<b>Other Exps Factory</b>				
Eletric Expenses	533,113	-	533,113	539,272
Factory Exps	130,073	-	130,073	159,220
Forwarding charges Import	113,708	-	113,708	128,400
Maintanance of building	117,010	-	117,010	105,645
Maintanance of pant and machinery	3,354,054	-	3,354,054	2,444,135
Jobwork Charges	11,486,404	-	11,486,404	21,183,000
Freight Inwards	29,153	-	29,153	86,550
Import Exps	611,500	-	611,500	2,202,949
Leave encashment	137,910	-	137,910	82,484
Laboratory exps	25,261	-	25,261	8,590
Security Charges	476,960	-	476,960	452,125
Transport exps	10,963,981	-	10,963,981	9,514,035
Water Charges	39,439	-	39,439	44,052
electricity bill	2,569,696	47,783	2,617,479	2,345,291
<b>Other Office Exps</b>				
Advertisement Exps	-	80,409	80,409	-
Computer Consumable Exps	-	9,827	9,827	1,850
Consultancy Charges	-	302,800	302,800	152,500
Mobile Bill Exps	-	53,762	53,762	73,247
Office Exps	-	80,278	80,278	107,195
Postage & Courier Exps	-	20,159	20,159	25,125
Professional Tax exps	-	2,400	2,400	2,400
Travelling exp	-	-	-	30,952
ROC Fees	-	8,400	8,400	13,600
Incometax exp for Ay 2010-11	-	-	-	7,702
Issue exp	-	525,458	525,458	631,885
RoC Exp	-	-	-	600,000
Stationery & Printing Exps	-	47,501	47,501	44,859
Telephone Exps	-	17,249	17,249	19,164
<b>Other General Exps</b>				
Audit Fee	-	30,000	30,000	55,000
Maintenance Of Vehicles	-	45,928	45,928	103,149
Membership/Subsription fees	-	26,500	26,500	20,476
Service Tax exps	-	23,543	23,543	103,948
Prior period exps	-	-	-	27,866
Cost Audit Fees	-	20,000	20,000	-
Cash Discount	-	330,603	330,603	-
Petrol & Fuel Charges	-	175,709	175,709	-
TDS exps	-	12,570	12,570	-
Listing Fees	-	415,000	415,000	-
Rating Charges	-	30,000	30,000	-
Validation charges	-	15,000	15,000	-
Donation	-	25,000	25,000	-
<b>Total</b>			<u>35,662,160</u>	<u>44,708,838</u>

**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	2017-18 (As on 31.03.18)		2016-17 (As on 31.03.17)	
	No. Of Shares	% held	No. Of Shares	% held
Name of the share holder				
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, excise duty, VAT, 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.**

The company incurred an issue expenditure of Rs. 31.59 lac in the previous year against which the company has received subsidy of Rs. 5 Lac from Industrial Department, Government Of Gujarat as an assistance of SME to raise capital through SME exchange under Industrial Policy. During the current year the company has written off Rs. 5.25 lac.

**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:**

There are no direct export sales made by company during the year under audit. 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>2017-18</b>
	<b>Net</b>
Profits as per books of Accounts	5,17,57,916/-
Profits calculated as per Income Tax Act	5,15,27,231/-
	<b>2,30,685/-</b>
<b><u>Permanent Difference</u></b>	
Income Tax Exp.	73/-
Profit on sale of car	2,39,121/-
Profit on sale of car	1,09,885/-
Donation	- 25,000/-
<u>TDS</u>	<u>- 12,570/-</u>
	<b>3,11,509/-</b>
<b><u>Timing difference (B) As per I.T. – As per Books</u></b>	
Depreciation	46,11,892/-
	46,92,716/-
	<b>(80,824/-)</b>
	<b>2,30,685/-</b>
Opening Deferred Tax Liability	7,74,696/-
Less : Deduction During the year	
Due to Depreciation ( 80224/- * 33.06%)	<u>26,720/-</u>
Net effect of DTA	<u>26,720/-</u>
<b>Closing Deferred Tax Liability</b>	<b><u>7,47,976</u></b>

Net Deferred Income Tax Assets of Rs.26,720/- 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. was 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 Term Loans and Advances from Banks:**

The company had taken working capital cash credit, Working capital Term loan And Working capital demand loan from Kotak Mahindra 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.

Auditors Remuneration:	2017-18 Rs.	2016-17 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	Rs. 6,93,59,160/-	Rs.5,34,24,000/-	Rs.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	NIL	Rs.1,80,000/-	NIL
6. Rent Deposit	NIL	Rs. 2,00,000/-	NIL
7. Salary	NIL	Rs.6,00,000/-	NIL
8. Commission	NIL	NIL	NIL
9. Interest	NIL	NIL	NIL
10. Dividend	NIL	NIL	NIL
11. Job Work Activity	NIL	NIL	NIL

**SANGINITA CHEMICALS LIMITED**

Particulars		2017-18	2016-17
<b>Rent / lease rent expense</b>	- Hansaben D Chavda	1,80,000	1,80,000
<b>Share Holding By KMP</b>	- 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
<b>Share Holding by relatives of KMP</b>	- Anitaben Chavda	41,26,320	41,26,320
	Bhikhaji Chavda	11,100	11,100
	Pratapsinh Vaghela	60,000	60,000
<b>Deposit</b>	- Hansaben D Chavada (Rent Deposit)	2,00,000	2,00,000
<b>Remuneration paid/payable to KMP -</b>	Dineshsinh Chavada	2,40,000	2,40,000
	Hansaben D Chavada	-	80,000
	Vijaysinh Chavda	3,60,000	3,60,000
<b>Unsecured Loans</b>	<b>Balance as on</b>	<b>Loan</b>	<b>Loan</b>
	<b>01.04.2017</b>	<b>Accepted</b>	<b>Repaid</b>
			<b>Balance as</b>
			<b>on 31.03.2018</b>
Dineshsinh Chavada	4,80,000	5,75,000	3,55,000
Hansaben D Chavada	5,25,000	2,05,000	-
Vijaysinh Chavda	15,50,000	4,00,000	4,55,000
<b>Unsecured Loans</b>	<b>Balance as</b>	<b>Loan</b>	<b>Loan</b>
	<b>on 01.04.2016</b>	<b>Accepted</b>	<b>Repaid</b>
			<b>Balance as</b>
			<b>on 31.03.2017</b>
Dineshsinh Chavada	43,45,048	40,40,000	79,05,048
Hansaben D Chavada	22,68,000	-	17,43,000
Vijaysinh Chavda	17,00,000	-	1,50,000

**(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. Kavita Nanavati - Company Secretary and Compliance Officer
- (V) Associates Entities : There is no associate entity of the company.
- (VI) Relatives: Ms. Anita D. Chavda, Mr.Bhikhaji Chadva and Mr.Pratapsinh Vaghela are relatives of directors of the company.

15. Earning per share as disclosed is computed as under

Particulars	2017-18	2016-17
Net profit after Tax	3,45,25,336	1,11,76,127
No of Equity Shares	1,72,67,700	1,72,67,700
Basic EPS	2.00	0.65
Diluted EPS	2.00	0.65

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

**AS PER OUR REPORT OF EVEN DATE**

**For & On behalf of the Board of Directors**

**FOR B.K.CHAVDA & CO.**

**Sanginita Chemicals Limited**

**Chartered Accountants**

sd/-

sd/-

sd/-

Sd/-

**(Mr. Dineshsinh Chavada)**

**(Mrs. Hansaben Chavada)**

**(Mr. Vijaysinh Chavda)**

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

Chairperson & Manging Director  
(DIN : 01497977)

Non-Executive Director  
(DIN : 00479509)

Whole Time Director  
(DIN : 00479413)

**Partner**

sd/-

sd/-

sd/-

**Mem. No. 116780**

**(Mr. Faiyazkhan Pathan)**

**(Mr. Jagdishkumar Thakor)**

**(Ms. Kavita Nanavati)**

**FRN. No. 125064W**

Independent Director  
(DIN : 07702208)

Independent Director  
(DIN : 07702521)

Compliance Officer (CS)

**(Ms. Sangita D Chavada)**

Chief Financial Officer

**Place : Gandhinagar**

**Place : Gandhinagar**

**Date : 30/04/2018**

**Date : 30/04/2018**

STATEMENT OF CASH FLOW FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH 2018

Amount in Rs.

Particulars	2017-18	2016-17
<b>1 Cash Flow From Operating Activities</b>		
Net Profit before taxation and extra ordinary items	51,757,916	17,052,849
<b>Adjustment for :</b>		
Depreciation & Amortisation cost	4,692,716	4,464,067
Income Tax Provisions	-	-
Finance Cost	<u>24,440,010</u>	<u>29,017,229</u>
<b>Operating Profit before working capital changes</b>	80,890,642	50,534,145
(Increase)/Decrease in Debtors	48,983,278	(137,669,910)
(Increase) /Decrease in inventories	(33,930,857)	5,178,055
(Increase)/Decrease in long term loans & advances	1,029,520	(1,229,520)
(Increase)/Decrease in short term loans & advances	(4,778,826)	(20,880,430)
(Increase)/Decrease in Misc Expenditure	951,168	(2,527,543)
Increase/(Decrease) in creditors	(41,809,887)	49,568,634
Increase/(Decrease) In Provision	(5,941,681)	(5,186,300)
Decrease in other current liabilities	<u>(152,789)</u>	<u>(6,101,899)</u>
<b>Cash Generated from operations</b>	45,240,568	(68,314,768)
Advance tax paid	(17,300,000)	(5,700,000)
Income Taxes Paid	-	(148,848)
<b>Cash flow before extra ordinary items</b>	27,940,568	(74,163,616)
Cash flow from extra ordinary items	-	-
<b>Net Cash flow from operating activities</b>	<u><u>27,940,568</u></u>	<u><u>(74,163,616)</u></u>
<b>2 Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(10,648,123)	(1,448,095)
Proceeds From sale	-	-
Interest Received	-	-
Dividend Received	-	-
<b>Net Cash From Investing Activities</b>	<u><u>(10,648,123)</u></u>	<u><u>(1,448,095)</u></u>
<b>3 Cash Flow From Financing Activities</b>		
Proceeds From Issue Of Share Capital	-	100,452,000
Proceeds From Short Term Borrowings	5,267,837	11,363,849
Proceeds from Long Term Borrowings	(210,193)	(5,758,048)
Interest Paid	(24,440,010)	(29,017,229)
Dividend Paid	-	-
<b>Net Cash Issued in financing activities</b>	<u><u>(19,382,366)</u></u>	<u><u>77,040,572</u></u>
<b>Net Increase in cash and cash equivalents</b>	<u><u>(2,089,921)</u></u>	<u><u>1,428,861</u></u>
Cash & cash equivalents at the beginning of the period	2,326,114	897,253
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>236,193</b>	<b>2,326,114</b>

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

Place : Gandhinagar

Date : 30/04/2018

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

sd/-

(Mr. Dineshsinh Chavada)

Chairman &amp; Manging Director

(DIN : 01497977)

sd/-

(Mr. Faiyazkhan Pathan)

Independent Director

(DIN : 07702208)

sd/-

(Mrs. Hansaben Chavada)

Non-Executive Director

(DIN : 00479509)

sd/-

(Mr. Jagdishkumar Thakor)

Independent Director

(DIN : 07702521)

(Ms. Sangita D Chavada)

Chief Financial Officer

Place : Gandhinagar

Date : 30/04/2018

sd/-

(Mr. Vijaysinh Chavda)

Whole Time Director

(DIN : 00479413)

sd/-

(Ms. Kavita Nanavati)

Compliance Officer (CS)



**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 13<sup>th</sup> Annual General Meeting of the Company, to be held on the 28<sup>th</sup> day of September, 2018 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 2017-2018**

<b>Resolution No.</b>	<b>Resolution</b>
<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 Mr. Vijaysinh D. Chavda (DIN: 00479413), who retires by rotation and being eligible, offers himself for re appointment.
3	To ratify the appointment of M/s B. K. Chavda & Co. as Statutory Auditors and to fix their remuneration.
<b>Special Business</b>	
4	To ratify remuneration to Cost Auditors
5	To approve remuneration as per Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015

Signed this..... day of..... 2018

Signature of shareholder:

Affix  
Revenue  
Stamp

Signature of Proxy holder(s):

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**

13<sup>th</sup> Annual General Meeting

at 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) :

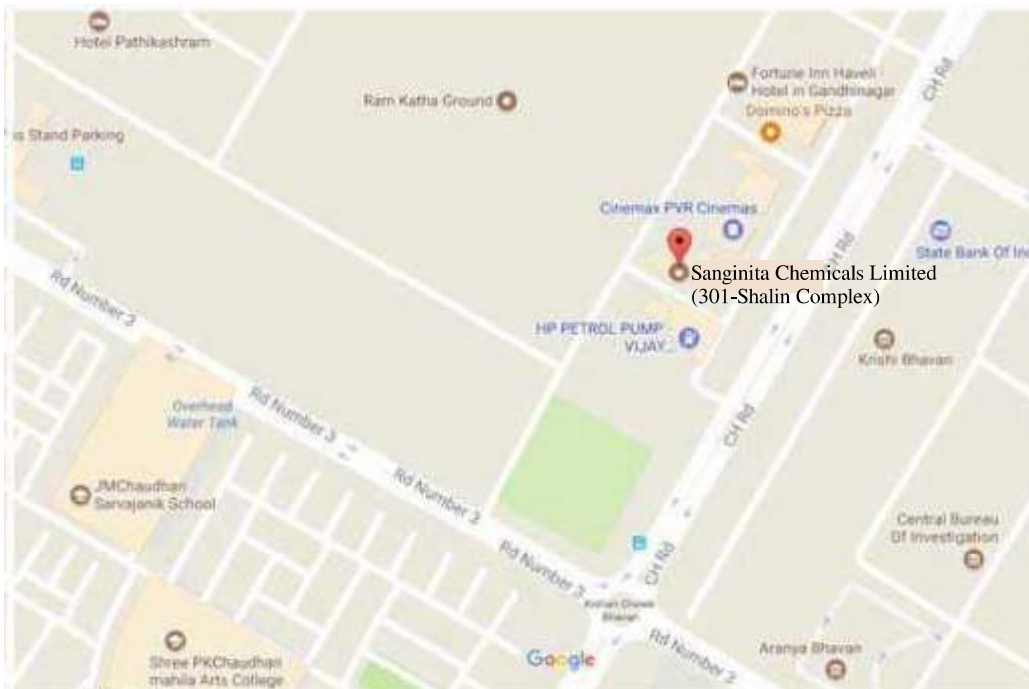
I hereby record my presence at the 13<sup>th</sup> Annual General Meeting held at on 28<sup>th</sup> September, 2018 at 2.30 p.m.

\_\_\_\_\_  
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