



SIKKO INDUSTRIES LTD

**A Wide Range Of Agricultural Products likes
Bio Pesticides, Bio Fungicides, NPK Mixed
Granulated Fertilizers etc**



(CIN:-L51909GJ2000PLC037329)

ANNUAL REPORT 2018-19

REGISTERED OFFICE:

508, Iscon Elegance, Nr. Jain Temple Nr.
Praladnagar Pick up Stand, Vejalpur,
Ahmedabad - 380 051

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CORPORATE INFORMATION

SIKKO INDUSTRIES LIMITED
(CIN: L51909GJ2000PLC037329)

BOARD OF DIRECTORS		COMMITTEES OF BOARD OF DIRECTORS	
Mr. Ghanshyam Kumbhani	Chairman & Whole Time Director	AUDIT COMMITTEE	
Mr. Jayanti Kumbhani	Managing Director	Mr. Hasmukh Vavaiya	Chairman
Mr. Pravin Kumbhani	Non-Executive Director	Mrs. Mamtaben Thumbar	Member
Mrs. Mamtaben Thumbar	Independent Director	Mr. Jayantibhai Kumbhani	Member
Mr. Hasmukh Vavaiya	Independent Director	STAKEHOLDERS' RELATIONSHIP COMMITTEE	
CHIEF FINANCIAL OFFICER		Mrs. Mamtaben Thumbar	Chairperson
Mr. Mukesh Shah		Mr. Hasmukh Vavaiya	Member
COMPANY SECRETARY & COMPLIANCE OFFICER		Mr. Pravinbhai Kumbhani	Member
Ms. Lata Dharmani		NOMINATION AND REMUNERATION COMMITTEE	
REGISTERED OFFICE		Mr. Hasmukh Vavaiya	Chairman
508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad-380051		Mr. Pravinbhai Kumbhani	Member
Phone No. +91 79 6616 8950; Email: compliance@sikkoindia.com		Mrs. Mamtaben Thumbar	Member
Web: www.sikkoindia.com		STATUTORY AUDITOR	
REGISTRAR & SHARE TRANSFER AGENT		M/s. Doshi Maru & Associates, Chartered Accountants 217/218, Manek Centre, P.N. Marg, Jamnagar - 361001	
Purva Sharegistry (India) Private Limited, Unit no. 9, Shiv Shakti Industrial Estate, JR Boricha Marg, Lower Parel (East), Mumbai - 400 011; Email: support@purvashare.com Tel: 022-23018261; Website: www.purvashare.com		SECRETARIAL AUDITOR	
BANKERS		Mr. Anand Lavingia Practicing Company Secretary Office No. 415 - 416, "Pushpam", Opp. Seema Hall, Anandnagar Road, Satellite, Ahmedabad - 380 015	
Bank of India Limited ICICI Bank Limited			

BOARD'S REPORT

Dear Members,

The Board of Directors hereby submit the report of the business and operations of your Company, along with the Audited Financial statements, for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

(Amount in `)

Particulars	F.Y. 2018-19	F.Y. 2017-18
Revenue from operations	26,89,22,743.10	25,66,54,121
Other income	50,37,717.28	61,95,017
Total Income	27,39,60,460.38	26,28,49,138
Less: Total Expenses before Depreciation, Finance Cost and Tax	23,45,31,638.45	22,86,57,062.34
Operating Profits before Depreciation, Finance Cost and Tax	3,94,28,821.93	3,41,92,075.66
Less: Finance cost	56,69,803.88	20,67,724.93
Less: Depreciation	83,96,164.90	70,63,454
Profit / (Loss) Before Tax	2,53,62,853.15	2,50,60,896.73
Less:- Provision for Income Tax (Current Year)	-	-
Less: Current Tax	83,00,000	75,00,000
Less: Deferred Tax Liabilities/ (Assets)	(30,13,653)	57,71,814
Profit/ (Loss) after tax (PAT)	2,00,76,506.15	1,17,89,082.73

COMPANY'S PERFORMANCE

During the year under review, the Company has earned total income of Rs. 2,739.61 Lakhs as against the total income of Rs. 2,628.49 Lakhs of previous year which states 4.23% increase in the profit as compared to previous year. The profit before tax in the financial year 2018-19 stood at Rs. 253.63 Lakhs as compared to profit of Rs. 250.60 Lakhs for last year and net profit after tax stood at Rs. 200.77 Lakhs compared to profit of Rs.117.88 Lakhs for the previous year which state 70.30%increase in profit of the Company.

DIVIDEND

Your Directors wish to conserve resources for future expansion and growth of the Company. Hence, no Dividend has been declared by the Directors during the Financial Year 2018-19.

AMOUNT TRANSFERRED TO RESERVES

Your Directors do not propose transfer of any amount to the General Reserves. Full amount of net profit is carried to reserve& Surplus account of the Company.

CHANGE IN THE NATURE OF BUSINESS

During the year, there was no change in the nature of business carried out by the Company.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company comprises of five Directors out of which three are Promoter Directors and two are Non-Promoter Independent Directors. As on the date of this report, the Board comprises following Directors:

Name of Director	DIN	Designation
Mr. Ghanshyambhai Kumbhani	00587855	Chairman & Whole time Director
Mr. Jayantibhai Kumbhani	00587807	Managing Director
Mr. Pravinbhai Kumbhani	00587864	Non-Executive Director
Mrs. Mamtaben Thumbar	07732851	Non-Executive Independent Director
Mr. Hasmukhbhai Vavaiya	07807509	Non-Executive Independent Director

The composition of Board complies with the requirements of the Companies Act, 2013 (“Act”). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Company is exempted from requirement of having composition of Board as per Regulation 17 of Listing Regulations.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

None of the Director of the Company is serving as a Whole-Time Director or Managing Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Company and none of the Director of the Company is holding position as Director in more than eight listed entities and none of the Director is serving as Independent Director in more than 7 Listed Company.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164 (2) of the Companies Act, 2013.

BOARD MEETINGS

During the year under review, the Board of Directors of the Company met 6 (Six) times, viz. on May 30, 2018, June 12, 2018, September 01, 2018, November 14, 2018, December 03, 2018 and March 21, 2019. The gap between two consecutive meetings was not more than one hundred and twenty days as provided under section 173 of the Act.

The details of attendance of each Director at the Board Meeting and Annual General Meeting are given below:

Name of Director	Mr. Ghanshyambhai Kumbhani	Mr. Jayantibhai Kumbhani	Mr. Pravinbhai Kumbhani	Mr. Hasmukhbhai Vavaiya	Mrs. Mamtaben Thumbar
No. of Board Meeting eligible to attend	6	6	6	6	6
No. of Board Meeting attended	6	6	6	6	6
Presence at the previous AGM	Yes	Yes	Yes	Yes	No

INDEPENDENT DIRECTORS

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has two Non-Promoter Non-Executive Independent Directors in line with the act. A separate meeting of Independent Directors was held on March 21, 2019 to review the performance of Non-Independent Directors and Board as whole and performance of Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board.

The Company has received necessary declaration from each independent director under Section 149 (7) of the act that they meet the criteria of independence laid down in Section 149 (6) of the act.

INFORMATION ON DIRECTORATE

During the year under review, there were no changes took place in the composition of board of directors of the Company.

In accordance with the provisions of the Articles of Association and Section 152 of the Companies Act, 2013, Mr. Pravinbhai Kumbhani, Director (DIN: 005878064), retires by rotation at the ensuing annual general meeting. He, being eligible, has offered himself for re-appointment as such and seeks re-appointment. The Board of Directors recommends his re-appointment on the Board.

The relevant details, as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), of the person seeking re-appointment/ appointment as Director are also annexed to the Notice convening the annual general meeting.

KEY MANAGERIAL PERSONNEL

In accordance with Section 203 of the Companies Act, 2013, the Company has on its Board, Mr. Ghanshyambhai Kumbhani (DIN: 00587855) who is acting as Chairman & Whole Time Director, Mr. Jayantibhai Kumbhani (DIN: 00587807) who is acting as a Managing Director, Mr. Mukesh Shah who is acting as Chief Financial Officer. Ms. Maitry Doshi had resigned from the position of Company Secretary and

Compliance Officer w.e.f August 15, 2018. Our Company appointed Ms. Lata Dharmani on December 03, 2018 as the Company Secretary and Compliance Officer of the Company.

PERFORMANCE EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act.

- The performance of the board was evaluated by the board, after seeking inputs from all the directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.
- The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.
- The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

Separate meeting of independent directors was held to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairman, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a. In preparation of annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual accounts for the year ended March 31, 2019 on going concern basis.
- e. The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMITTEES OF THE BOARD

The Board of Directors considering the the requirement of the act, has formed various committees, details of which are given hereunder.

(a) Audit Committee:

Pursuant to Section 177 of the companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Audit committee shall meet as and when required. The Audit Committee meeting is generally held for the purpose of recommending the half yearly and yearly financial result. Additional meeting is held for the purpose of reviewing the specific items included in terms of reference of the Committee.

During the year under review, Audit Committee met 3 (Three) times viz on May 30, 2018, September 01, 2018, and November 14, 2018. The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2018-19	
		Eligible to attend	Attended
Mr. Hashmukhbhai Vavaiya	Chairman	3	3
Mrs. Mamtaben Thumbar	Member	3	3
Mr. Jayantibhai Kumbhani	Member	3	3

The Statutory Auditors of the Company are invited in the meeting of the Committee whenever required. The Chief Financial Officer of the Company is a regular invitee at the Meeting.

Recommendations of Audit Committee, wherever/whenever given, have been accepted by the Board.

VIGIL MECHANISM

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company at www.sikkoindia.com.

(b) Stakeholders Relationship Committee:

The Board of Directors of the Company has constituted Stakeholders' Relationship Committee in order to mainly focus on the redressal of Shareholders' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. The Stakeholders Relationship Committee shall meet to report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company.

During the year under review, the Stakeholder's Grievance & Relationship Committee met 4 (Four) times viz on May 30, 2018, September 01, 2018, November 14, 2018 and March 21, 2019. The composition of the Committee and the details of meetings attended by its Committee members are given below:

Name	Designation	Number of meetings during the financial year 2018-19	
		Eligible to attend	Attended
Mrs. Mamtaben Thumbar	Chairperson	4	4
Mr. Hashmukbhai Vavaiya	Member	4	4
Mr. Pravinbhai M Kumbhani	Member	4	4

During the year, the Company had not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2019.

(c) Nomination and Remuneration Committee:

The Board of Directors of the Company has constituted Nomination and Remuneration committee in order to identify the persons who are qualified to become Directors and may be appointed in senior management and recommending their appointments and removal. The Nomination and Remuneration Committee meetings are generally held for identifying the persons who are qualified to become Directors and may be appointed in senior management and recommending their appointments and removal. Further, the committee shall also meet as and when the need arises for review of Managerial Remuneration.

During the year under review, the Nomination and Remuneration Committee met 3 (Three) times viz on September 01, 2018, December 03, 2018 and March 21, 2019. The composition of the Committee and the details of meetings attended by its members are given below:

Name	Designation	Number of meetings during the financial year 2018-19	
		Eligible to attend	Attended
Mr. Hashmukbhai Vavaiya	Chairman	3	3
Mrs. Mamtaben Thumbar	Member	3	3
Mr. Pravinbhai M Kumbhani	Member	3	3

Nomination and Remuneration Policy:

Nomination and Remuneration Policy in the Company is designed to create a high-performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Managing Director and the Executive Directors.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at www.sikkoindia.com.com and is annexed to this Report as **Annexure - A**.

Remuneration of Director:

The details of remuneration paid during the financial year 2018-19 to directors of the Company is provided in Form MGT-9 which is the part of this report.

PUBLIC DEPOSITS

The company has not accepted any deposits from the public. Hence, the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act, 2013 or any other relevant provisions of the Act and the Rules there under are not applicable.

SHARE CAPITAL

During the year under review there were no changes have taken place in the authorized and paid-up share capital of the Company:

Authorized Capital

The Authorized Share Capital of the Company is ` 6,00,00,000/- divided into 6000000 Equity shares of ` 10/- each.

Issued, Subscribed & Paid-up Capital

The present Paid-up Capital of the Company is ` 5,60,00,000/- divided into 5600000 Equity Shares of ` 10/- each.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees, and Security covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

A particular of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2 is annexed to this Report as "ANNEXURE - B".

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the Year under review, no significant and material orders passed by any regulators or courts or tribunals impacting the going concern status and company's operation in future.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as "ANNEXURE - C" to the Board's report.

DISCLOSURE OF REMUNERATION

The ratio of the remuneration of each Executive Director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as "Annexure - D". Refer to tables 3A (a) in "ANNEXURE - D".

There are no employees who are posted outside India and who are in receipt of a remuneration of Rupees 60.00 lakhs or more per annum or Rupees 5.00 lakhs or more a month.

MATERIAL CHANGES AND COMMITMENT

There are no material changes and commitments, affecting the financial position of the Company, have occurred between the ends of financial year of the Company i.e. March 31, 2019 to the date of this Report.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2014

To foster a positive workplace environment, free from harassment of any nature, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate. During the year under review, there were no incidences of sexual harassment reported.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control system, which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorized use or disposition.

The Internal Auditor of the Company carries out review of the internal control systems and procedures. The internal audit reports are reviewed by Audit Committee.

CORPORATE GOVERNANCE

Your Company strives to incorporate the appropriate standards for corporate governance. However, pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

the Company is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore the Company has not provided a separate report on Corporate Governance, although few of the information are provided in this report under relevant heading.

RISK MANAGEMENT

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3) (m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and is enclosed as "ANNEXURE - E".

STATUTORY AUDITOR AND THEIR REPORT:

M/s. G.K. Choksi & Co., Chartered Accountants, Ahmedabad (FRN: 101895W) had tendered their resignation. The Board of Directors has, pursuant to receipt of consent and eligibility certificate under Section 139 read with Section 141 of the Companies Act, 2013 and on recommendation of the Audit Committee, has recommended appointment of M/s. Doshi Maru & Associates, Chartered Accountants, Jamnagar (FRN: 0112187W) as Statutory Auditor of the Company to fill up the casual vacancy caused in terms of Section 139(8) of the Companies Act, 2013 due to resignation of M/s. G.K. Choksi & Co., Chartered Accountants, Ahmedabad (FRN: 101895W). The Members of the Company, in their Extra-ordinary General Meeting held on Monday, May 26, 2019, has approved the recommendation of the Board of Directors and appointed M/s. Doshi Maru & Associates, Chartered Accountants, Jamnagar (FRN: 0112187W) as Statutory Auditor of the Company for a period up to the ensuing Annual General Meeting (19th AGM) of the Company i.e. to audit the books of accounts of the Company for the financial year ended on March 31, 2019.

The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

The Company has received consent letter and eligibility certificate under Sections 139 and 141 of the Act from M/s. Doshi Maru & Associates, Chartered Accountants, Jamnagar (FRN: 0112187W). As required under Regulation 33 of SEBI Listing Regulations they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Board of Directors, on the proposal of audit committee, recommends their appointment as Statutory Auditor of the Company to hold office for a period of five consecutive years i.e. from the conclusion of the 19th(Nineteenth) Annual General Meeting of the Company, till the conclusion of the 24th (Twenty Forth) Annual General Meeting to be held in the calendar year 2024.

REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

DETAILS OF SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES

The Company does not have any Subsidiary, Joint venture or Associate Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34, and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a review of the performance of the Company, for the year under review, Management Discussion and Analysis Report, is presented in a separate section forming part of this Annual Report.

SECRETARIAL AUDITOR AND THEIR REPORT

Pursuant to the provisions of Section 204 of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Anand Lavingia, Practicing Company Secretary, Ahmedabad to conduct the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report is annexed herewith as "ANNEXURE - F" to this Report.

GENERAL DISCLOSURE

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules, 2014 and other applicable provisions of the act and listing regulations, to the extent the transactions took place on those items during the year.

Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review;

- (i) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;
- (iii) Annual Report and other compliances on Corporate Social Responsibility;
- (iv) There is no revision in the Board Report or Financial Statement;
- (v) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- (vi) Information on subsidiary, associate and joint venture companies.

ACKNOWLEDGMENT

Your Directors wish to place on record their sincere appreciation for significant contributions made by the employees at all levels through their dedication, hard work and commitment, enabling the Company to achieve good performance during the year under review.

Your Directors also take this opportunity to place on record the valuable co-operation and support extended by the banks, government, business associates and the shareholders for their continued confidence reposed in the Company and look forward to having the same support in all future endeavors.

By the Order of Board of Directors
Sikko Industries Limited

Place: Ahmedabad
Date: September 05, 2019

Ghanshyam M Kumbhani
Chairman and Whole-Time Director
DIN: 00587855

Jayantibhai kumbhani
Managing director
DIN: 00587807

NOMINATION & REMUNERATION POLICY**Preface:**

Sikko Industries Limited (“The Company”), in order to attract motivated and retained manpower in competitive market, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Regulations and Disclosure Requirements) Regulation, 2015 as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated and recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

Objective:

The Key Objectives of the Nomination and Remuneration Policy would be:

- A. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- B. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- C. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

Definition:

- a) “Board” means Board of Directors of the Company.
- b) “Director” means Directors of the Company.
- c) “Committee” means the Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board.
- d) “Company” means Sikko Industries Limited.
- e) “Independent Director” means a Director referred to in Section 149(6) of the Companies Act, 2013.
- f) Key Managerial Personnel means:
 - i. Executive Chairman or Chief Executive Officer and/or Managing Director;
 - ii. Whole time Director;
 - iii. Chief Financial Officer;
 - iv. Company Secretary;
 - v. Such other Officer as may be prescribed under the applicable statutory provisions / regulations.
- g) “Senior Management” means personnel of the Company who occupy the position of Head of any department/ division/ unit. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Guiding principles:

The guiding principle is to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (including Independent Director) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

- A. To carry out evaluation of performance of Directors, Key Management Personnel as well as Senior Management Personnel.
- B. The level and composition of remuneration and the other terms of employment is reasonable and sufficient to attract, retain and motivate executives of the Company shall be competitive in order to ensure that the Company can attract and retain competent Executives.
- C. To determine remuneration based on Company’s size and financial position and trends and practice on remuneration prevailing in the similar Industry. When determining the remuneration policy and arrangements for Directors/ KMP’s and Senior Management, the Committee considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.
- D. The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully. The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

Coverage:

A. Policy on Appointment and Nomination of Directors, Key Managerial Personnel and Senior Management:**1) Appointment criteria and qualifications:**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and KMP and recommend to the Board his / her appointee.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years.

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- d) Any appointment made at Senior Management Level shall be placed before the meeting of the Board of Directors of the Company.

2) Tenure of Employment:**a) Managing Director/Whole-time Director/ Executive Director**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Whole-Time Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

The Committee shall satisfy itself with regard to the independent nature of the Director vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

3) Evaluation:

The Committee shall evaluate performance of every Director, KMP and Senior Management Personnel at regular period of one year.

The Board shall take into consideration the performance evaluation Director, KMP and Senior Management Personnel at the time of Re-appointment.

B. Policy on remuneration of Director, KMP and Senior Management Personnel:

- 1) The remuneration/compensation/commission etc. to the Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- 2) The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.
- 3) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director.

- 4) Where any insurance is taken by the Company on behalf of its Managing Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- 5) Remuneration to Whole-time/ Executive/ Managing Director, KMP and Senior Management Personnel;

a) Fixed pay:

The Managing Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

6) Remuneration to Non- Executive / Independent Director;

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. The Independent Director shall be entitled to reimbursement of expenses for participation in the Board and other meeting.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

d) Stock Options:

Independent Director shall not be entitled to any stock option of the Company.

Reward principles and objectives:

Our remuneration policy is guided by a common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act 2013, interalia principles pertaining to determining qualifications, positives attributes, integrity and independence etc.

Disclosure of Information:

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and senior management may be disclosed in the Company's annual financial statements.

Application of the Nomination and Remuneration Policy

This Nomination and Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors.

The Remuneration Policy is binding for the Board of Directors. In other respects, the Remuneration Policy shall be of guidance for the Board. The Board of Director reserves the right to modify the policy as and when recommended by the Nomination and Remuneration Committee either in whole or in part without assigning any reason whatsoever.

Form No. AOC-2**Particulars of Contracts/arrangements made with related parties**

(Pursuant to section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Forms for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

A. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered in to by the Company during the financial year ended on March 31, 2019, which were not at arm's length basis.

B. Details of Material Contracts or Arrangement or Transactions at Arm's Length Basis:

RPT No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1.	Sikkon Crop Technology- Enterprise in which relative of KMP is having significant influence.	Marketing expenses, C & F Charges, Marketing expenses, Machinery rent income, Office rent income, Purchase of goods	F.Y. 2018-19	All the transactions entered by the Company is at Market rate and on arms' length basis.	May 30, 2018	NIL

By the Order of Board of Directors
Sikko Industries Limited

Place: Ahmedabad
Date: September 05, 2019

Ghanshyam M Kumbhani
Chairman and Whole-Time Director
DIN: 00587855

Jayantibhai kumbhani
Managing director
DIN: 00587807

FORM MGT - 9 -EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2019

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

1) Registration and Other Details:

CIN	:	L51909GJ2000PLC037329
Registration Date	:	08/02/2000
Name of the Company	:	Sikko Industries Limited
Category / Sub-Category of the Company	:	Category: Company Limited by Shares Sub Category: Indian Non Govt Company
Address of the Registered Office and contact details	:	508, Iscon Eligance, Nr. Jain Temple Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad- 380051; Tel: +91 79-66168950 E-Mail Id: compliance@sikkoindia.com; Website: www.sikkoindia.com
Whether listed Company	:	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	:	Purva Sharegistry (India) Pvt Ltd Regd Off: Unit no. 9, Shiv Shakti Industrial Estate, JR Boricha Marg, Lower Parel (East), Mumbai - 400 011; Tel: +91-22-2301 2518/ 6761 Email Id: support@purvashare.com; Website: www.purvashare.com

2) Principal Business Activity of the Company: All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Manufacture of urea and other organic fertilizers, Manufacture of other agrochemical products (Pesticides)	20121, 20219	100.00%

3) Particulars of Holding, Subsidiary and Associate Companies:

SR. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
N.A.					

4) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity):

I. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4000000	0	4000000	71.43	4000000	0	4000000	71.43	-
b) Central Govt.	0	0	0	0	0	0	0	0	-
c) State Govt.	0	0	0	0	0	0	0	0	-
d) Bodies Corporate	0	0	0	0	0	0	0	0	-
e) Banks/FI	0	0	0	0	0	0	0	0	-
f) Any other									-
Sub-Total (A)(1):	4000000	0	4000000	71.43	4000000	0	4000000	71.43	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	4000000	0	4000000	71.43	4000000	0	4000000	71.43	-
B. Public Share Holding									
(1) Institutions									
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Company	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institution									
a) Bodies Corporate									
i. Indian	48000	0	48000	0.86	68000	0	68000	1.21	0.36
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh	524000	0	524000	9.36	428112	0	428112	7.64	(1.71)
i. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	764000	0	764000	13.64	919377	0	919377	16.42	2.77
c) Others (specify)									
HUF	60000	0	60000	1.07	52000	0	52000	0.93	-0.14
Market Maker	156000	0	156000	2.79	112000	0	112000	2	-0.78
Clearing Members	48000	0	48000	0.86	20511	0	20511	0.37	-0.49
Sub-Total (B)(2):	1600000	0	1600000	28.57	1600000	0	1600000	28.57	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	1600000	0	1600000	28.57	1600000	0	1600000	28.57	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5600000	0	5600000	100.00	5600000	0	5600000	100.00	0

II. Shareholding of Promoters & Promoters Group:

Name	Shareholding at beginning of year		Date wise Increase/ Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year		% change in shareholding during the year
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company	
Jayantibhai Mohanbhai Kumbhani	1527042	27.27	-	-	-	-	-	1527042	27.27	-
Alpaben Jayantibhai Kumbhani	559320	9.99	-	-	-	-	-	559320	9.99	-
Bhavnaben Pravinbhai Kumbhani	385150	6.88	-	-	-	-	-	385150	6.88	-
Ghanshyambhai Mohanbhai Kumbhani	360740	6.44	-	-	-	-	-	360740	6.44	-
Nandaben Ghanshyambhai Kumbhani	340000	6.07	-	-	-	-	-	340000	6.07	-
Mohanbhai Nanjibhai Kumbhani	330740	5.91	-	-	-	-	-	330740	5.91	-
Pravinbhai Mohanbhai Kumbhani	325000	5.80	-	-	-	-	-	325000	5.80	-
Rudiben Mohanbhai Kumbhani	172008	3.07	-	-	-	-	-	172008	3.07	-

* The trading in the shares of the Company took place on almost daily basis, therefore the date wise increase/ decrease in Shareholding of Promoters and Promoters' Group are taken on the basis of weekly BenPoze.

No shares have been Pledged / encumbered by any of the Promoters or Promoters' Group Shareholders.

III. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
BEELINE BROKING LIMITED	156000	2.79	06-04-2018	8000	Buy	164000	2.93	112000	2.00
			13-04-2018	-24000	Sell	140000	2.50		
			20-04-2018	20000	Buy	160000	2.86		
			04-05-2018	4000	Buy	164000	2.93		
			11-05-2018	24000	Buy	188000	3.36		
			18-05-2018	16000	Buy	204000	3.64		
			25-05-2018	16000	Buy	220000	3.93		
			01-06-2018	12000	Buy	232000	4.14		
			08-06-2018	16000	Buy	248000	4.43		
			15-06-2018	16000	Buy	264000	4.71		
			22-06-2018	12000	Buy	276000	4.93		
			29-06-2018	20000	Buy	296000	5.29		

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
			06-07-2018	12000	Buy	308000	5.50		
			13-07-2018	4000	Buy	312000	5.57		
			20-07-2018	24000	Buy	336000	6.00		
			27-07-2018	4000	Buy	340000	6.07		
			10-08-2018	4000	Buy	344000	6.14		
			07-09-2018	4000	Buy	348000	6.21		
			21-09-2018	-16000	Sell	332000	5.93		
			28-09-2018	-4000	Sell	328000	5.86		
			05-10-2018	-8000	Sell	320000	5.71		
			12-10-2018	4000	Buy	324000	5.79		
			19-10-2018	-8000	Sell	316000	5.64		
			26-10-2018	-32000	Sell	284000	5.07		
			02-11-2018	-24000	Sell	260000	4.64		
			23-11-2018	-40000	Sell	220000	3.93		
			30-11-2018	-32000	Sell	188000	3.36		
			07-12-2018	24000	Buy	212000	3.79		
			21-12-2018	-104000	Sell	108000	1.93		
			28-12-2018	28000	Buy	136000	2.43		
			11-01-2019	-16000	Sell	120000	2.14		
			18-01-2019	-28000	Sell	92000	1.64		
			01-02-2019	-8000	Sell	84000	1.50		
			15-02-2019	4000	Buy	88000	1.57		
			22-02-2019	16000	Buy	104000	1.86		
			01-03-2019	-4000	Sell	100000	1.79		
			22-03-2019	4000	Buy	104000	1.86		
			29-03-2019	8000	Buy	112000	2.00		
SURESHBHAI BACHUBHAI USDADIYA	172000	3.07	-	-	-	-	-	172000	3.07
PUSHPABEN PANKJBHAI PATEL	124000	2.21	-	-	-	-	-	124000	2.21
HITESHBHAI CHIMANBHAI KUMBHANI	120000	2.14	-	-	-	-	-	120000	2.14
RUPEN JAYANTIBHAI PATEL	88000	1.57	-	-	-	-	-	88000	1.57

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
DILIPSINH RANJITSINH MAKWANA	88000	1.57	-	-	-	-	-	88000	1.57
BABUBHAI VIRABHAI PATEL	48000	0.86	-	-	-	-	-	48000	0.86
ELITE ACCFIN SOLUTIONS PRIVATE LIMITED	20000	0.36	21-12-2018	96000	Buy	116000	2.07	64000	1.14
			18-01-2019	20000	Buy	136000	2.43		
			01-02-2019	-4000	Sell	132000	2.36		
			15-02-2019	-12000	Sell	120000	2.14		
			22-02-2019	-16000	Sell	104000	1.86		
			01-03-2019	-32000	Sell	72000	1.29		
			08-03-2019	-8000	Sell	64000	1.14		
UMANG JITENDRAKUMAR SHAH	-	-	21-04-2017	20000	Buy	20000	0.36	20000	0.36
			15-09-2017	-20000	Sell	0	0.00		
			02-03-2018	20000	Buy	20000	0.36		
JAINAM SHARE CONSULTANTS PVT. LTD - COLLATERAL ACCOUNT	16000	0.29	27-04-2018	-8000	Sell	8000	0.14	-	-
			26-10-2018	-8000	Sell	0	0.00		

* The trading in the shares of the Company took place on almost daily basis, therefore the date wise increase/ decrease in Shareholding of top ten Shareholders are taken on the basis of weekly BenPoze.

IV. Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding			Cumulative Shareholding during the year		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
Jayantibhai Mohanbhai Kumbhani	1527042	27.27	-	-	-	-	-	1527042	27.27
Ghanshyam Mohanbhai Kumbhani	360740	6.44	-	-	-	-	-	360740	6.44
Pravinbhai Mohanbhai Kumbhani	325000	5.80	-	-	-	-	-	325000	5.80

* The trading in the shares of the Company took place on almost daily basis, therefore the date wise increase/ decrease in Shareholding of Promoters and Promoters' Group are taken on the basis of weekly BenPoze. Further, there are no transactions have been executed by Directors and Key Managerial Personnel based on weekly BenPose of the Company and confirmation given by them.

5) Indebtedness

Particulars	Secured Loans excluding deposits (₹)	Unsecured Loans (₹)	Deposits (₹)	Total Indebtedness (₹)
A. Indebtedness at the beginning of the financial year				
i) Principal Amount	1,46,66,447.58	2,71,00,000	-	4,17,66,447.58

Particulars	Secured Loans excluding deposits (₹)	Unsecured Loans (₹)	Deposits (₹)	Total Indebtedness (₹)
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total A (i+ii+iii)	1,46,66,447.58	2,71,00,000	-	4,17,66,447.58
B. Change in Indebtedness during the financial year*				
Additions	4,91,34,307.05	-	-	4,91,34,307.05
Reduction	(5,74,082.72)	-	-	(5,74,082.72)
Net Change B	48,560,224.33	-	-	48,560,224.33
C. Indebtedness at the end of the financial year				
i) Principal Amount	6,32,26,671.91	2,71,00,000	-	9,03,26,671.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total C (i+ii+iii)	6,32,26,671.91	2,71,00,000	-	9,03,26,671.91

6) Remuneration of Directors and Key Managerial Personnel

A) Remuneration to Managing Director, Whole-time Directors and/or Manager

Particulars of Remuneration	Jayantibhai Kumbhani (Managing Director)	Ghanshyambhai Kumbhani (Whole time Director)	Total Amount (₹)
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	3,900,000	3,900,000	7,800,000
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
Stock option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
as % of profit	-	-	-
others (specify)	-	-	-
Others, please specify	-	-	-
Total (A)	3,900,000	3,900,000	7,800,000
Ceiling Limit as per Act	In term of Scheduled V to the Act		8,400,000

B) Remuneration to other Directors

Particulars of Remuneration	Pravinbhai Kumbhani	Mamtaben Thumbar	Hasmukhbhai Vavaiya	Total Amount (₹)
a) Independent Director				
(i) Fees for attending board/ committee meeting.	-	-	-	-
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
Total (a)	-	-	-	-
b) Other Non-Executive Directors				
(i) Fees for attending board/ committee meeting.	-	-	-	-
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
Total (b)	-	-	-	-

Particulars of Remuneration	Pravinbhai Kumbhani	Mamtaben Thumbar	Hasmukhbhai Vavaiya	Total Amount (₹)
Total (B)	-	-	-	-
Total Managerial Remuneration (A+B)				7,800,000
Ceiling Limit as per Act	In term of Scheduled V to the Act			8,400,000

C) Remuneration to Key Managerial Personnel

Particulars of Remuneration	Mr. Mukesh Shah Chief Financial Officer	Ms. Maitry Doshi Company Secretary*	Ms. Lata Dharmani Company Secretary**	Total Amount (₹)
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	563,364	85,164	40,000	688,528
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
Stock option	-	-	-	-
Sweat Equity	-	-	-	-
Commission	-	-	-	-
as % of profit	-	-	-	-
others (specify)	-	-	-	-
Others, please specify	-	-	-	-
Total	563,364	85,164	40,000	688,528

* Up to August 15, 2018

** w.e.f. December 03, 2018

7) 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)
A. Company					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					
B. Directors					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					
C. Other Officers in Default					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					

By the Order of Board of Directors
Sikko Industries Limited

Place: Ahmedabad
Date: September 05, 2019

Ghanshyam M Kumbhani
Chairman and Whole-Time Director
DIN: 00587855

Jayantibhai kumbhani
Managing director
DIN: 00587807

PARTICULARS OF EMPLOYEES

(Pursuant to Section 197(12) read with Rules made thereunder)

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under.

A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a) The ratio of remuneration of each director to the median remuneration of employees for the financial year:

Sr. No.	Name	Designation	Ratio against median Employee' Remuneration
1.	Mr. Ghanshyambhai Kumbhani	Chairman & Whole Time Director	9.42:1
2.	Mr. Jayantibhai Kumbhani	Managing Director	9.42:1

b) The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name	Designation	Percentage Increase as compared to Previous Year
1.	Mr. Ghanshyambhai Kumbhani	Chairman and Whole Time Director	8.33%
2.	Mr. Jayantibhai Kumbhani	Managing Director	8.33%
3.	Mr. Mukesh Shah	Chief Financial Officer	13.22%

c) The percentage increase/decrease in the median remuneration of employees in the financial year: Median remuneration of Employees decreased by 6.39% in F.Y 2018-19 as compared from F.Y. 2017-18.

d) The number of permanent employees on the rolls of the Company: 30 Employees

e) Average percentile increases 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 and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average salaries of the employees decreased by 11.91% over a previous year. The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

B. Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a) List of top ten employees in terms of remuneration drawn:

Sr. No.	Employee Name	Designation	Qualifications of the employee	Date of Joining	Remuneration Received (in `)	Age	Last employment held by employee
1.	Narendra Solanki	GM	B.Sc. Agri	18.01.2017	13,44,000	57	Advance Pesticides
2.	Bhavin Savaliya	Sales Executive	B. Com	01.04.2018	9,00,000	27	-
3.	Ganesh Pawar	ZSM-Central	Deploma In Agri	22.03.2017	8,55,527	42	Advance Pesticides
4.	Bhavesh Gosai	DY. VP-MKT	B.Sc. Agri	01.04.2018	7,38,266	55	Sikkon Crop Tech

Sr. No.	Employee Name	Designation	Qualifications of the employee	Date of Joining	Remuneration Received (in `)	Age	Last employment held by employee
5.	Shirish Shimpi	RSM - MH	B.Sc. Chemistry	05.04.2017	6,43,852	40	Advance Pesticides
6.	Dilipsinh Makwana	Production Manager - Pesti Div.	B. Com	01.06.2018	5,73,000	46	-
7.	Mukesh Shah	Chief Financial Officer	B. Com	12.01.2017	5,63,364	50	-
8.	Mahesh Parmar	Production Manager - Ferti. Div.	B. Com	11.11.2010	5,26,582	48	Dindayal Pesticides
9.	Sunil Sharma	Sales Executive	B. SC	01.04.2018	5,16,499	33	
10.	Vishal Mistry	Account Manager	B. Com	24.06.2003	5,12,656	35	-

All above employees are on roll of the Company on permanent basis.

b) **Employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:**

There were no such employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees.

c) **Employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month:**

There were no such employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month.

d) **Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:**

There was no such employees employed throughout the financial year or part who was in receipt of remuneration in that year in which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

By the Order of Board of Directors
Sikko Industries Limited

Place: Ahmedabad
Date: September 05, 2019

Ghanshyam M Kumbhani
Chairman and Whole-Time Director
DIN: 00587855

Jayantibhai kumbhani
Managing director
DIN: 00587807

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134(3) (m) of the Companies Act, 2013 and rule 8(3) of the Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY**i. Steps taken or impact on conservation of energy:**

Initiatives to integrate energy efficiency into overall operations are undertaken through design considerations and operational practices. The key initiatives towards conservation of energy are:

- Improved monitoring of energy consumption through smart metering and integration with building management systems;
- Continuously replacing the inefficient equipment with latest energy efficient technology and up gradation of equipment's continually.
- Increasing the awareness of energy saving within the organization to avoid wastage of energy.

ii. Steps taken by the Company to utilize alternate source of energy

- Enhancing utilization of Renewable Energy Sources.
- Exploring the feasibility of utilization of solar power at plant locations wherever possible.

iii. Capital investment on energy conservation equipment.

- No major investments were made during the year on energy conservation equipment.

B. TECHNOLOGY ABSORPTION**1. The efforts made towards technology absorption**

- Development & Implementation of new technique & process for manufacture of products.
- Evaluation of the alternative materials to reduce the cost of raw material
- Solar technologies for common area, parking and street lighting.

2. Benefits derived like product improvement, cost reduction, product development or import substitution.

- Cost optimization
- Improvement in quality of products.

3. In case of imported technology (imported during the last three years reckoned from the beginning of financial year) - NOT APPLICABLE**4. Expenditure incurred on Research & Development - NIL****C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Amount in `)

Particulars	2018-19	2017-18
Earnings	Nil	Nil
Outgo	4,06,545.00	30,07,337.00

By the Order of Board of Directors
Sikko Industries Limited

Place: Ahmedabad
Date: September 05, 2019

Ghanshyam M Kumbhani
Chairman and Whole-Time Director
DIN: 00587855

Jayantibhai kumbhani
Managing director
DIN: 00587807

SECRETARIAL AUDIT REPORT**Form No. MR-3**

For the financial year ended March 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sikko Industries Limited,
508, Iscon Elegance, Nr. Jain Temple,
Nr. Prahladnagar Pick up Stand,
Vejalpur, Ahmedabad-380051.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sikko Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes 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, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations");
- iv. Secretarial Standards issued by The Institute of Company Secretaries of India w.r.t. meetings of the Board of Director (SS-1) and General Meetings (SS-2);

During the period under review the Company has complied with the provisions of the Act, Rules made there under, Regulations, guidelines etc. mentioned above.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other specific Acts, Laws and Regulations as applicable to the Company as given in **Annexure I**.

During the Period under review, provisions of the following Acts, Rules, Regulations, and Standards are not applicable to the Company,

- i. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- ii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; - The Company is not registered as Registrar to an Issue & Share Transfer Agent.

However, the Company has appointed Purva Sharegistry (India) Private Limited as Registrar & Share Transfer Agent in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iv. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- vi. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and rules made thereunder.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, 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.

All decisions of the Board and Committees were carried with requisite majority.

I 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.

Place: Ahmedabad
Date: August 31, 2019

Anand Lavingia
Practicing Company Secretary
ACS No. : 26458 C P No. : 11410

Note: This Report is to be read with my letter of even date which is annexed as Annexure I and Annexure II and Annexure II forms an integral part of this report.

Other specific Acts, Laws and Regulations as applicable to the Company

1. The Essential Commodities Act, 1955
2. The Fertilizers (Control) Order, 1985
3. The Fertilizers (Movement Control) Order, 1973
4. The Insecticides (Price, Stock Display and Submission of Report) Order, 1986
5. The Insecticides Act, 1968 and the Insecticides Rules, 1971
6. The Seeds Act, 1966 and Rules framed thereunder

Annexure II

To,
The Members,
Sikko Industries Limited,
508, Iscon Eligance, Nr. Jain Temple,
Nr. Prahladnagar Pick up Stand,
Vejalpur, Ahmedabad-380051.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis, on the records and documents provided by the Management of the Company, to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: August 31, 2019

Anand Lavingia
Practicing Company Secretary
ACS No. : 26458 C P No. : 11410

MANAGEMENT DISCUSSION & ANALYSIS REPORT**ECONOMIC AND INDUSTRY SCENARIO****Introduction**

Agriculture is the primary source of livelihood for about 58 per cent of India's population. Gross Value Added by agriculture, forestry and fishing is estimated at Rs 18.53 trillion (US\$ 271.00 billion) in FY18.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.

Market Size

During 2017-18* crop year, food grain production is estimated at record 284.83 million tonnes. In 2018-19, Government of India is targeting foodgrain production of 285.2 million tonnes. Milk production was estimated at 165.4 million tonnes during FY17, while meat production was 7.4 million tonnes. As of September 2018, total area sown with kharif crops in India reached 105.78 million hectares.

India is the second largest fruit producer in the world. Production of horticulture crops is estimated at record 314.7 million tonnes (mt) in 2018-19 as per third advance estimates.

Total agricultural exports from India grew at a CAGR of 16.45 per cent over FY10-18 to reach US\$ 38.21 billion in FY18. In FY2019 agriculture exports were US\$ 38.54 billion. India is also the largest producer, consumer and exporter of spices and spice products. Spice exports from India reached US\$ 3.1 billion in 2017-18. Tea exports from India reached a 36 year high of 240.68 million kgs in CY 2017 while coffee exports reached record 395,000 tonnes in 2017-18.

Food & Grocery retail market in India was worth US\$ 380 billion in 2017.

Investments

According to the Department for Promotion of Industry and Internal Trade (DPIIT), the Indian food processing industry has cumulatively attracted Foreign Direct Investment (FDI) equity inflow of about US\$ 9.08 billion between April 2000 and March 2019.

Some major investments and developments in agriculture are as follows:

- Investments worth Rs 8,500 crore (US\$ 1.19 billion) have been announced in India for ethanol production.
- By early 2019, India will start exporting sugar to China.
- The first mega food park in Rajasthan was inaugurated in March 2018.
- Agrifood start-ups in India received funding of US\$ 1.66 billion between 2013-17 in 558 deals.
- In 2017, agriculture sector in India witnessed 18 M&A deals worth US\$ 251 million.

Government Initiatives

Some of the recent major government initiatives in the sector are as follows:

- Prime Minister of India, launched the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) and transferred Rs 2,021 crore (US\$ 284.48 million) to the bank accounts of more than 10 million beneficiaries on February 24, 2019.
- The Government of India has come out with the Transport and Marketing Assistance (TMA) scheme to provide financial assistance for transport and marketing of agriculture products in order to boost agriculture exports.
- The Agriculture Export Policy, 2018 was approved by Government of India in December 2018. The new policy aims to increase India's agricultural exports to US\$ 60 billion by 2022 and US\$ 100 billion in the next few years with a stable trade policy regime.
- In September 2018, the Government of India announced Rs 15,053 crore (US\$ 2.25 billion) procurement policy named 'Pradhan Mantri Annadata Aay SanraksHan Abhiyan' (PM-AASHA), under which states can decide the compensation scheme and can also partner with private agencies to ensure fair prices for farmers in the country.
- In September 2018, the Cabinet Committee on Economic Affairs (CCEA) approved a Rs 5,500 crore (US\$ 820.41 million) assistance package for the sugar industry in India.

- The Government of India is going to provide Rs 2,000 crore (US\$ 306.29 million) for computerisation of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.
- With an aim to boost innovation and entrepreneurship in agriculture, the Government of India is introducing a new AGRI-UDAAN programme to mentor start-ups and to enable them to connect with potential investors.
- The Government of India has launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs 50,000 crore (US\$ 7.7 billion) aimed at development of irrigation sources for providing a permanent solution from drought.
- The Government of India plans to triple the capacity of food processing sector in India from the current 10 per cent of agriculture produce and has also committed Rs 6,000 crore (US\$ 936.38 billion) as investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).
- The Government of India has allowed 100 per cent FDI in marketing of food products and in food product e-commerce under the automatic route.

Achievements in the sector

- Sugar production in India has reached 27.35 million tonnes (MT) in 2018-19 sugar season, as of March 15 2019, according to the Indian Sugar Mills Association (ISMA).
- The Electronic National Agriculture Market (eNAM) was launched in April 2016 to create a unified national market for agricultural commodities by networking existing APMCs. Up to May 2018, 9.87 million farmers, 109,725 traders were registered on the e-NAM platform. 585 mandis in India have been linked while 415 additional mandis will be linked in 2018-19 and 2019-20.
- Agriculture storage capacity in India increased at 4 per cent CAGR between 2014-17 to reach 131.8 million metric tonnes.
- Coffee exports reached record 395,000 tonnes in 2017-18.
- Between 2014-18, 10,000 clusters were approved under the Paramparagat Krishi Vikas Yojana (PKVY).
- Between 2014-15 and 2017-18 (up to December 2017), capacity of 2.3 million metric tonnes was added in godowns while steel silos with a capacity of 625,000 were also created during the same period.
- Around 100 million Soil Health Cards (SHCs) have been distributed in the country during 2015-17 and a soil health mobile app has been launched to help Indian farmers.

Road Ahead

India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

The government of India targets to increase the average income of a farmer household at current prices to Rs 219,724 (US\$ 3,420.21) by 2022-23 from Rs 96,703 (US\$ 1,505.27) in 2015-16.

Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits.

Our competitive strength**Vast experience over 18 years with sound market knowledge**

Our promoters are having experience of more than 18 years who have been involved in the business of manufacturing of agrochemicals which has enabled us to successfully implement our growth strategies. We benefit from the experience of the promoters and core management team.

Relationship with Clients

We guide our loyal clients to purchase the hot products in advance, allocate the price-rising products at lower costs, what's more, and avoid purchasing abundant slack products. This has won much appreciation and good reputation from our loyal clients at home and abroad.

Prime Location of our Unit

The Fertilizer and Pesticide unit is located at the outskirts of the Ahmedabad city on Sanand Highway and thus enjoys the good connectivity with different parts of the states, which makes the movements of the

raw-material as well as our products easy and comfortable. Thus it helps in procurement of raw material and dispatch of our products to the various clients.

Quality Assurance

All products that dispatch from the factory premises are inspected by the packing and dispatch department. Further, quality check is done at every stage of manufacturing to ensure the adherence to desired specifications. Since, our Company is dedicated towards quality of products, processes and inputs; we get repetitive orders from our buyers, as we are capable of meeting their quality standards, which enables them to maintain their brand image in the market.

SWOT Analysis**Strength**

- ✓ The Promoters have been involved in the agro chemical business for more than 16 years
- ✓ The weaving unit is located on Sanand Highway and thus enjoys excellent connectivity.
- ✓ Our Existing Unit is located on outskirts of Ahmedabad, Sanand Highway, having raw material suppliers units in the surrounding area of 10 Kms to 200 Kms belt; thus having easy access to raw material at best market rates and requisite manpower.

Weakness

- ✓ Our business is highly seasonal in our country and such seasonality may adversely affect the demand for our fertilizers and pesticide and also our operating results.
- ✓ Strict government and environmental policies and controls may pose real hurdle to the development of our products.

Opportunity

- ✓ The Gujarat and Indian Government are supportive of agriculture. Department of Fertilizers, Ministry of Chemicals and Fertilizers introduced Nutrient Based Subsidy Policy for decontrolled Phosphatic & Potassic Fertilizers for import of P & K fertilizers.

Threat

- ✓ The generic threat of economic slowdown exists, which may subdue the domestic demand for the products.
- ✓ Increasing popularity of agrochemical product may impact the pace of growth of agro chemicals industry, indirectly impacting the off-take and pace of growth of fertilizer and pesticides.

Our business strategy**1. Continuous Innovation of Products and diverse products**

The management is of the opinion that in order to be successful and competitive in the market, the company needs to be innovative. We offer special and exclusive range of agrochemicals including organic pesticides, organic fertilizers and others. Such diverse product mix helps us to cater the diverse customer segments and to various sectors of Industry. The product mix helps us to sustain the growth level. Over the years we have developed various products which is used by farmer in agriculture.

2. Well-equipped Research and Development facility

We have well equipped research and Development facility to improve quality of the products and to produce high performance growth promoters, pesticides and fertilizer. Company has in house sound R&D Department backed by technical expertise of our Managing Director Mr. Jayantibhai Kumbhani which helps the company to enhance our product range.

3. Maintain and expand long-term relationships with clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that a long-term client relationship with large clients fetches better dividends. Long-term relations are built on trust and continuous maintaining of the requirements of the customers. It forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely.

4. Optimal Utilization of Resources

Our Company constantly endeavors to improve our production process, skill up-gradation of workers, modernization of machineries to optimize the utilization of resources. We regularly analyze our existing material procurement policy and manufacturing process to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal Control system and adequacy Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. Thus, internal control is an integral component of risk management. The Internal control checks and internal audit programmes adopted by the Company plays an important role in the risk management feedback loop, in which the information generated in the internal control process is reported back to the Board and Management. The internal control systems are modified continuously to meet the dynamic change. Further the Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy and effectiveness of internal controls.

SEGMENT WISE /PRODOUCT WISE REPORTING

For Segment wise/Product wise reporting please refer to notes on Financial Statement enclosed in this report.

RISKS AND CONCERNS

Key factors affecting the results of operation:

Our Company's future results of operations could be affected potentially by the following factors:

- Political Stability of the Country.
- World Economy.
- Government policies for the capital markets.
- Investment Flow in the country from the other countries.
- Government policy for agro chemical products, fertilizer and pesticides sector.
- Competition from existing players
- Company's ability to successfully implement our growth strategy
- The loss of shutdown of operations of our Company at any time due to strike or labour unrest or any other reasons,
- Loss due to delay in execution of projects in time

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**FINANCIAL HIGHLIGHTS****(Amount in `)**

Particulars	F.Y. 2018-19	F.Y. 2017-18
Revenue from operations	26,89,22,743.10	25,66,54,121
Other income	50,37,717.28	61,95,017
Total Income	27,39,60,460.38	26,28,49,138
Less: Total Expenses before Depreciation, Finance Cost and Tax	23,45,31,638.45	22,86,57,062.34
Operating Profits before Depreciation, Finance Cost and Tax	3,94,28,821.93	3,41,92,075.66
Less: Finance cost	56,69,803.88	20,67,724.93
Less: Depreciation	83,96,164.90	70,63,454
Profit / (Loss) Before Tax	2,53,62,853.15	2,50,60,896.73
Less:- Provision for Income Tax (Current Year)	-	-
Less: Current Tax	83,00,000	75,00,000
Less: Deferred Tax Liabilities/ (Assets)	(30,13,653)	57,71,814
Profit/ (Loss) after tax (PAT)	2,00,76,506.15	1,17,89,082.73

COMPANY'S PERFORMANCE

During the year under review, the Company has earned total income of Rs. 2,739.61 Lakhs as against the total income of Rs. 2,628.49 Lakhs of previous year which states 4.23% increase in the profit as compared to previous year. The profit before tax in the financial year 2018-19 stood at Rs. 253.63 Lakhs as compared to profit of Rs. 250.60 Lakhs for last year and net profit after tax stood at Rs. 200.77 Lakhs compared to profit of Rs.117.88 Lakhs for the previous year which state 70.30%increase in profit of the Company.

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

The Company believes in establishing and building a strong performance and competency driven culture amongst its employees with greater sense of accountability and responsibility. The Company has taken various steps for strengthening organizational competency through the involvement and development of employees as well as installing effective systems for improving their productivity and accountability at functional levels. The Company acknowledges that its principal asset is its employees. Ongoing in-house and external training is provided to the employees at all levels to update their knowledge and upgrade their skills and abilities. As on March 31, 2019, the Company had total 30 full time employees. The industrial relations have remained harmonious throughout the year.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars	F.Y. 2018-19	F.Y. 2017-18	Reason
Debtors Turnover	2.48	3.46	As increase in Avg. debtor is higher than previous year
Inventory Turnover	3.18	3.55	As increase in Avg. Inventory is higher than previous year
Interest Coverage Ratio	5.47	13.12	Interest expense is higher than previous year as comparison to the Earning before Interest and Tax
Current Ratio	2.56	2.00	As Increase in Current Asset is higher than increase in current liability
Debt Equity Ratio	0.64	0.38	As decrease in Debt comparison to previous year.
Operating Profit Margin (%)	37.11	28.42	As Direct expenses related to Turnover is less.
Net Profit Margin (%)	7.47	4.59	As decrease in expense relating to previous year.
Return on Net Worth	14.03	9.71	As higher profit then last year.

CAUTIONARY STATEMENT

There are certain statements in this report which the Company believes are forward looking. The forward looking statements stated in this report could significantly differ from the actual results due to certain risks and uncertainties, including but not limited to economic developments, Government actions, etc.

**AUDIT REPORT TO MEMBERS TO THE SHARE HOLDERS OF
SIKKO INDUSTRIES LIMITED****Report on the Financial Statements****Opinion:**

We have audited the accompanying financial statements of **SIKKO INDUSTRIES LIMITED**, which comprise the Balance Sheet as at **31st March, 2019**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

There are no Key Audit Matters Reportable as per SA 701 issued by ICAI.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Management's Responsibility for the Financial Statements

Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation 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 accounting standards referred to in section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of

the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure A", a statement on the matter specified in the paragraph 3 and 4 of the Order.
2. As required under provisions of section 143(3) of the Companies Act, 2013, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief where necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet and Statement of Profit and Loss dealt with this report are in agreement with the books of account;
- d. In our opinion, the aforesaid Financial Statement comply with the Accounting Standards specified under Section 133 of Act, read with relevant rule issued thereunder.
- e. On the basis of written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, referred 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 the requirements of section 197(16) of the Act, as amended :
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The Company does not have any pending litigation as at March 31, 2019 on its financial position in its financial statements, except shown in Note No.27 of notes forming part of the Financial Statement.
 - (b) The Company did not have any long-term and derivative contracts as at March 31, 2019.
 - (c) There has been no delay in transferring amounts, required to be transferred, the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

**FOR DOSHI MARU & ASSOCIATES,
Chartered Accountants
FRN: 0112187W**

**Sarvesh A. Gohil
Partner
M. No. 135782**

**Place: Jamnagar
Date : 27TH May,2019**

ANNEXURE "A" TO THE AUDITORS' REPORT

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- (i) **In respect of Its Property Plant & Equipment:**
- a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b) These fixed assets were physically verified by the management during the year. We have been informed that no material discrepancies were noticed on such physical verification.
 - c) According to the information and explanation given to us and in the basis of our examination of the records of the company the title deeds of immovable properties are in the name of the company.
- (ii) The stock of inventory has been physically verified during the year by the Management at reasonable intervals, except stock lying with third parties. Confirmations of such stocks with third parties have been obtained by the Company in most of the cases. The discrepancies noticed on physical verification of stocks as compared to book records were not material; however, the same have been properly dealt with the books of account.
- (iii) 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 Companies Act, 2013. Therefore, the provisions of Clause 3 (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not provided any loans and advances under section 185 and 186 of the Companies Act, 2013.
- (v) The company has not accepted any deposits from the public within the meaning of sections 73 to 76 or any relevant provisions of the 2013 act and the rules framed there under to the extent notified.
- (vi) The Central government has not prescribed the maintenance of cost records by the company under section 148(1) of the companies Act, 2013 for any of its products.
- (vii) **In respect of Statutory Dues:**
- a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, GST, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.19 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, GST, excise duty and cess which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowing to financial institutions, banks or Government. The company has not issued any debentures as at the balance sheet date.
- (ix) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Moneys raised by way of term loan were applied for the purpose for which those are raised.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the Company by its officers or employees noticed or reported during the year, nor have we been informed of such cases by the Management.
- (xi) According to the information and explanations given to us, we report that 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.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards;

- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the company.
- (xv) 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 any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR DOSHI MARU & ASSOCIATES,
Chartered Accountants
FRN: 0112187W

Place: Jamnagar
Date : 27TH May, 2019

Sarvesh A. Gohil
Partner
M. No. 135782

ANNEXURE "B" TO AUDITOR'S 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 **SIKKO INDUSTRIES LIMITED** ('the Company') as of 31st March, 2019 in conjunction with our audit of the 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 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 to 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 the 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 and the Standards on Auditing, issued by the 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 ICAI. 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 judgment, 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 statement.

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 31st March 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**FOR DOSHI MARU & ASSOCIATES,
Chartered Accountants
FRN: 0112187W**

**Place: Jamnagar
Date : 27TH May, 2019**

**Sarvesh A. Gohil
Partner
M. No. 135782**

SIKKO INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2019

(Amount in `)

Particulars		Note No.	As at 31st March 2019	As at 31st March 2018
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	2	56,000,000.00	56,000,000.00
	(b) Reserves and Surplus	3	87,057,610.11	65,443,942.73
2	Non-current liabilities			
	(a) Long-term Borrowings	4	4,295,593.28	4,869,676.00
	(b) Deferred tax liabilities (Net)		1,215,000.00	4,228,653.00
3	Current liabilities			
	(a) Short-term Borrowings	5	86,031,078.63	36,896,771.58
	(b) Trade payables	6	49,998,725.90	74,219,251.65
	(c) Other Current Liabilities	7	42,098,454.49	17,688,768.16
	(d) Short-term Provisions	8	8,965,965.00	12,167,394.00
	TOTAL		335,662,427.41	271,514,457.12
II.	ASSETS			
1	Non-current assets			
	(a) Fixed Assets			
	(i) Tangible Assets	9	37,217,949.76	39,843,922.00
	(ii) Intangible Assets	9	776,335.07	1,069,262.00
	(b) Long-term Loans and Advances	10	1,009,660.00	843,086.00
	(c) Other Non-Current Assets		-	-
	(d) Deferred tax Asset(Net)		-	-
2	Current assets			
	(a) Inventories	11	80,299,712.00	88,808,777.00
	(b) Trade Receivables	12	122,120,211.41	94,695,420.58
	(c) Cash and Cash Equivalents	13	32,550,485.17	1,394,654.48
	(d) Short-term Loans and advances	14	60,872,288.28	43,809,411.06
	(e) Other Current Assets	15	815,785.72	1,049,924.00
	TOTAL		335,662,427.41	271,514,457.12

Accounting Policies & Notes on Accounts
As per our Report on Even date attached
For Doshi Maru & Associates
Chartered Accountants

Sarvesh A. Gohil
Partner
M. No. 135782
FRN No. 0112187W
Place : Jamnagar
Date : 27/05/2019

For Sikko Industries Limited

Jayantibhai M. Kumbhani
Managing Director
DIN: 00587807

Ghanshyam M. Kumbhani
Whole Time Director
DIN: 00587855

Lata Dharmani
Company Secretary

Mukesh Shah
Chief Financial Officer

Place : Ahmedabad
Date : 27/05/2019

Place : Ahmedabad
Date : 27/05/2019

SIKKO INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

(Amount in `)

Particulars		Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I.	Revenue from operations	16	268,922,743.10	256,654,121.00
II.	Other Income	17	5,037,717.28	6,195,017.00
III.	Total Revenue (I + II)		273,960,460.38	262,849,138.00
IV.	Expenses:			
	Cost of materials consumed	18	94,553,388.30	100,696,602.00
	Purchase of Traded Goods	19	52,988,470.50	100,094,653.00
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	4,855,055.00	(26,281,960.00)
	Employee benefits expense	21	32,750,050.00	23,146,809.00
	Finance Costs	22	5,669,803.88	2,067,724.93
	Depreciation and amortization expense	23	8,396,164.90	7,063,454.00
	Other expenses	24	49,384,674.65	31,000,958.34
	Total expenses		248,597,607.23	237,788,241.27
V.	Profit before tax (VII- VIII)		25,362,853.15	25,060,896.73
VI	Tax expense:			
	(1) Current tax		8,300,000.00	7,500,000.00
	(2) Deferred tax		(3,013,653.00)	5,771,814.00
VII	Profit (Loss) for the period (XI + XIV)		20,076,506.15	11,789,082.73
VIII	Earnings per equity share:			
	(1) Basic		3.59	2.13
	(2) Diluted		3.59	2.13

Accounting Policies & Notes on Accounts
As per our Report on Even date attached
For Doshi Maru & Associates
Chartered Accountants

Sarvesh A. Gohil
Partner
M. No. 135782
FRN No. 0112187W
Place : Jamnagar
Date : 27/05/2019

For Sikko Industries Limited

Jayantibhai M. Kumbhani
Managing Director
DIN: 00587807

Lata Dharmani
Company Secretary

Place : Ahmedabad
Date : 27/05/2019

Ghanshyam M. Kumbhani
Whole Time Director
DIN: 00587855

Mukesh Shah
Chief Financial Officer

Place : Ahmedabad
Date : 27/05/2019

SIKKO INDUSTRIES LIMITED
Cash Flow Statement for the year ended 31st March 2019

(Amount in `)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A.	<u>Cash flow from Operating Activities</u>		
	Net Profit Before tax as per Statement of Profit & Loss	25,362,853.15	25,060,896.73
	Adjustments for :		
	Depreciation & Amortisation Exp.	8,396,164.90	7,063,454.00
	Interest Income	(48,309.00)	(28,570.00)
	Expenses Written off	1,537,161.23	(4,660,844.00)
	Finance Cost	5,669,803.88	2,067,724.93
		15,554,821.01	4,441,764.93
	Operating Profit before working capital changes	40,917,674.16	29,502,661.66
	Changes in Working Capital		
	Trade receivable	(27,424,790.83)	(41,110,835.58)
	Other Loans and advances receivable	(17,062,877.22)	- 6,116,208.06
	Inventories	8,509,065.00	(33,183,077.00)
	Trade Payables	(24,220,525.75)	12,369,806.65
	Other Current Liabilities and other assets	24,643,824.61	8,507,837.16
	Short term Provisions	(3,201,429.00)	8,268,207.00
		(38,756,733.19)	(51,264,269.83)
	Net Cash Flow from Operation	2,160,940.97	(21,761,608.17)
	Tax Paid	8,300,000.00	7,500,000.00
	Net Cash Flow from Operating Activities (A)	(6,139,059.03)	(29,261,608.17)
B.	<u>Cash flow from investing Activities</u>		
	Purchase of Fixed Assets	(5,477,265.73)	(12,159,416.00)
	Sale of Fixed Assets	-	-
	Movement in Loan & Advances	(166,574.00)	-
	Interest Income	48,309.00	28,570.00
		(5,595,530.73)	(12,130,846.00)
	Net Cash Flow from Investing Activities (B)	(5,595,530.73)	(12,130,846.00)
C.	<u>Cash Flow From Financing Activities</u>		
	Proceeds From Issue of shares capital	-	46,539,156.00
	Proceeds From long Term Borrowing (Net)	(574,082.72)	4,111,482.00
	Short Term Borrowing (Net)	49,134,307.05	(31,794,389.42)
	Interest Paid	(5,669,803.88)	(2,067,724.93)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	Dividend paid (Including DDT)	-	-
		42,890,420.45	16,788,523.65
	Net Cash Flow from Financing Activities (C)	42,890,420.45	16,788,523.65
D.	Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C)	31,155,830.69	(24,603,930.52)
E.	Opening Cash & Cash Equivalents	1,394,654.48	25,998,585.00
F.	Cash and cash equivalents at the end of the period	32,550,485.17	1,394,654.48
G.	Cash And Cash Equivalents Comprise :		
	Cash	497,002.71	390,689.71
	Bank Balance :		
	Current Account	31,621,704.46	637,964.77
	Deposit Account	431,778.00	366,000.00
	Total	32,550,485.17	1,394,654.48

Accounting Policies & Notes on Accounts
As per our Report on Even date attached
For Doshi Maru & Associates
Chartered Accountants

Sarvesh A. Gohil
Partner
M. No. 135782
FRN No. 0112187W
Place : Jamnagar
Date : 27/05/2019

For Sikko Industries Limited

Jayantibhai M. Kumbhani
Managing Director
DIN: 00587807

Lata Dharmani
Company Secretary

Place : Ahmedabad
Date : 27/05/2019

Ghanshyam M. Kumbhani
Whole Time Director
DIN: 00587855

Mukesh Shah
Chief Financial Officer

Place : Ahmedabad
Date : 27/05/2019

SIKKO INDUSTRIES LIMITED

Year ended on 31st March 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note: - 1 Significant accounting policies:****1. Corporate Information**

Sikko Industries Limited is a Limited Company, incorporated under the provisions of Companies Act, 2013 and having CIN: L51909GJ2000PLC037329. The Company is mainly engaged in the business of Manufacturing and trading & Exporting of Bio-Agro chemicals, Pesticides, Fertilizers, Seeds, Sprayers, Packaging, Machineries and FMCG products etc. The Registered office of the Company is situated at office No. 508, Iscon Eligance, Nr. Jain Temple Nr. Prahladnagar pick up stand, Vejalpur, Ahmedabad-380051.

2. Basis of preparation of financial statements**a. Accounting Convention: -**

These financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP"). Indian GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the Historical Cost Convention. and the Companies (Accounting Standards) Amendment Rules 2016 and the relevant provisions of the Companies Act, 2013.

b. Use of Estimates and Judgments

The preparation of financial statement in conformity with accounting standard requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affects the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statement and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual result could differ from those estimates. As soon as the Management is aware of the changes, appropriate changes in estimates are made. The effect of such changes are reflected in the period in which such changes are made and, if material, their effect are disclosed in the notes to financial statement.

c. Current and Non - Current Classification

An asset or a liability is classified as Current when it satisfies any of the following criteria:

- i. It is expected to be realized / settled, or is intended for sales or consumptions, in the Company's Normal Operating Cycle;
- ii. It is held primarily for the purpose of being traded.
- iii. It is expected to be realized / due to be settled within twelve months after the end of reporting date;
- iv. The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as Non - Current.

For the purpose of Current / Non - Current classification of assets and liabilities, the Company has ascertained its operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of the assets or liabilities for processing and their realization in Cash and Cash Equivalents.

3. Basis of Preparation**a) Presentation and Disclosure of Standalone Financial Statements**

These standalone financial statements have been prepared as per "Schedule - III" notified under the Companies Act, 2013. The Company has also reclassified / regrouped / restated the previous year figures in accordance with the requirements applicable in the current year.

b) Property, Plant & Equipment and Intangible Assets:-

- i. The company has adopted Cost Model to measure the gross carrying amount of fixed assets.

- ii. Tangible Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.
- iii. Intangible assets are stated at the consideration paid for acquisition and customization thereof less accumulated amortization.
- iv. Cost of fixed assets not ready for use before the balance sheet date is disclosed as Capital Work in Progress.
- v. Cost of Intangible Assets not ready for use before the balance sheet date is disclosed as Intangible Assets under Development.

c) Depreciation / Amortisation : -

Depreciation has been provided under Written Down Value Method at the rates prescribed under schedule II of the Companies Act, 2013 on single shift and Pro Rata Basis to result in a more appropriate preparation or presentation of the financial statements.

In respect of assets added/sold during the year, pro-rata depreciation has been provided at the rates prescribed under Schedule II.

Intangible assets being Software are amortized over a period of its useful life on a straight line basis, commencing from date the assets is available to the company for its use.

d) Impairment of Assets:-

An asset is treated as impaired when the carrying cost of an asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior period is reversed if there has been a change in the estimate of the recoverable amount.

e) Investments:-

- Long term investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary.
- Current investments are stated at lower of cost or market value. The determination of carrying amount of such investment is done on the basis of specific identification.

f) Government Grants and Subsidies:-

The Company is entitled to receive any subsidy from the Government authorities or any other authorities in respect of manufacturing or other facilities are dealt as follows:

- Grants in the nature of subsidies which are non - refundable are credited to the respective accounts to which the grants relate, on accrual basis, where there is reasonable assurance that the Company will comply with all the necessary conditions attached to them.
- Grants in the nature of Subsidy which are Refundable are shown as Liabilities in the Balance Sheet at the Reporting date.

g) Retirement Benefits:-

a) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

b) Employment Benefits:

i.) Defined Contribution Plans:

The company has Defined Contribution Plans for post employment benefit in the form of Provident Fund which are administered by the Regional Provident Fund Commissioner. Provident Fund are classified as defined contribution plans as the company has no further obligation beyond making contributions. The company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when incurred.

ii.) Defined Benefit Plans:

a) Provident Fund :

Provident fund is a defined contribution scheme as the company pays fixed contribution at pre-determined rates. The obligation of the company is limited to such fixed contribution. The contributions are charged to Profit & Loss A/c.

b) Gratuity:

The Management has decided to apply pay-as-you-go method of gratuity provision. So gratuity will be accounted in the Profit & Loss A/c in the financial year in which the employee retires and provision will not be made on yearly basis and charged to the profit and loss accounts on the basis of actual payment.

c) Leave Encashment:

The Management has decided to apply pay-as-you-go method for payment of leave encashment. So amount of leave encashment will be accounted in the Profit & Loss A/c in the financial year in which the employee retires and provision will not be made on yearly basis and charged to the profit and loss account on the basis of actual payment.

h) Valuation of Inventory: -

Inventories of the raw material, finished goods, packing material, stores and spares, components, consumables and stock in trade are carried at lower of cost and net realizable value. However, raw material and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item by item basis.

Cost of inventories included the cost incurred in bringing the each product to its present location and conditions are accounted as follows:

a) Raw Material: - Cost included the purchase price and other direct or indirect costs incurred to bring the inventories into their present location and conditions. Cost is determined on *First in First out basis (FIFO)*.

b) Finished Goods: - Finished Goods are valued at cost or Net realizable value whichever is lower. Cost included cost of direct materials and the labor cost and a proportion of manufacturing overhead based on the normal operating capacity, but excluding the borrowing costs. Cost is determined on "*First in First out basis (FIFO)*".

All other inventories of stores and spares, consumables, project material at site are valued at cost. The stock of waste or scrap is valued at net realizable value.

"Net Realizable Value" is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sales of the products.

i) Revenue Recognition :-

Revenue is recognized when it is probable that economic benefit associated with the transaction flows to the Company in ordinary course of its activities and the amount of revenue can be measured reliably, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into the account contractually defined terms of payments, net of its returns, trade discounts and volume rebates allowed.

Revenue includes only the gross inflows of economic benefits, including the excise duty, received and receivable by the Company, on its own account. Amount collected on behalf of third parties such as sales tax, value added tax and goods and service tax (GST) are excluded from the Revenue.

Sale of goods is recognized at the point of dispatch of goods to customers, sales are exclusive of Sales tax, Vat, GST and Freight Charges if any. The revenue and expenditure are accounted on a going concern basis.

Interest Income is Recognized on a time proportion basis taking into account the amount outstanding and the rate applicable i.e. on the basis of matching concept..

Dividend from investments in shares / units is recognized when the company.

Other items of Income are accounted as and when the right to receive arises.

j) Accounting for effects of changes in foreign exchange rates :-

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transactions.

In respect of monetary items denominated in foreign currencies, exchange differences arising out of settlement or on conversion at the closing rate are recognized in the Profit and Loss Account except Exchange differences arising on the settlement or on reinstatement of Long Term Foreign Currency

Monetary Items, in so far as it relates to acquisition of a depreciable capital assets, are added to or deducted from the cost of relevant assets and is depreciated over balance life of assets and incase Long Term Foreign Currency Monetary Items relates to other than an acquisition of depreciable capital assets, the exchange differences so arise is accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the life of the monetary item but not beyond 31st March, 2020. The premium or discount arising at the inception of forward exchange contracts entered into to hedge existing asset / liability, is amortized as expense or income over the life of the contract. Exchange differences on such a contract are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expenses for the period.

k) Borrowing Cost :-

Borrowing Cost includes the interest, commitments charges on bank borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying property, plants and equipments are capitalized as a part of cost of that property, plants and equipments. The amount of borrowing costs eligible for capitalization is determined in accordance with the Accounting Standards - 16 "Borrowing Costs". Other Borrowing Costs are recognized as expenses in the period in which they are incurred.

In accordance with the Accounting Standard - 16, exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustments to interest costs are recognized as Borrowing Costs, and are capitalized as a part of cost of such property, plants and equipments if they are directly attributable to their acquisition or charged to the Standalone Statement or Profit and Loss.

l) Segment Reporting :-

The accounting policies adopted for segment reporting are in the line with accounting policy of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities."

m) Related Party Disclosure :-

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given in notes of accounts.

n) Accounting for Leases :-

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risk and rewards incidental to the ownership to the Company is classified as a finance lease.

The Company as a lessee:

a) Operating Lease:- Rental payable under the operating lease are charged to the Standalone Statement of Profit and Loss on a Straight line basis over the term of the relevant lease.

b) Finance Lease:- Finance lease are capitalized at the commencement of the lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and the reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the income over the period of the lease.

The Company has not provided any of its assets on the basis of operating lease or finance lease to others.

o) Cash Flow:-

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of past or future cash receipts and payments. The cash flows from regular operating, investing and financing activities of the company are segregated.

p) Earnings Per Share :-

The Company reports the basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20, "Earnings per Share". Basic EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the Net Profit or Loss attributable to the Equity Shareholders for the year by the weighted average number of Equity Shares outstanding during the year as adjusted for the effects of all potential Equity Shares, except where the results are Anti - Dilutive.

The weighted average number of Equity Shares outstanding during the period is adjusted for events such as a Bonus Issue, Bonus elements in right issue, share splits, and reverse share split (consolidation of shares) that have changed the number of Equity Shares outstanding, without a corresponding change in resources.

q) Taxes on Income :-**1. Current Tax: -**

Provision for current tax is made after taken into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

2. Deferred Taxes:-

Deferred Income Tax is provided using the liability method on all temporary difference at the balance sheet date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes.

- I. Deferred Tax Assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available in the future against which this items can be utilized.
- II. Deferred Tax Assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates (and the tax) that have been enacted or enacted subsequent to the balance sheet date.

r) Discontinuing Operations :-

During the year the company has not discontinued any of its operations.

s) Provisions Contingent liabilities and contingent assets:-

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as Contingent Liability.

A disclosure for a Contingent Liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Possible obligation that arises from the past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation is reported as Contingent Liability. In the rare cases, when a liability cannot be measures reliable, it is classified as Contingent Liability. The Company does not recognize a Contingent Liability but disclosed its existence in the standalone financial statements.

t) Event after Reporting Date:-

Where events occurring after the Balance Sheet date provide evidence of condition that existed at the end of reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

All the events occurring after the Balance Sheet date up to the date of the approval of the standalone financial statement of the Company by the board of directors on May 27, 2019 have been considered, disclosed and adjusted, wherever applicable, as per the requirement of Accounting Standards.

Note - 2 SHARE CAPITAL

(Amount in `)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	`	Number	`
Authorised				
Equity Shares of ` 10 each	6000000	60,000,000.00	6000000	60,000,000.00
Issued				
Equity Shares of ` 10 each	5600000	56,000,000.00	5600000	56,000,000.00
Subscribed & Paid up				
Equity Shares of ` 10 each fully paid	5600000	56,000,000.00	5600000	56,000,000.00
Total	5600000	56,000,000.00	5600000	56,000,000.00

Note - 2.1 RECONCILIATION OF NUMBER OF SHARES

(Amount in `)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	`	Number	`
Shares outstanding at the beginning of the year	5600000	56,000,000.00	4000000	40,000,000.00
Shares Issued during the year	-	-	1600000	16,000,000.00
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5600000	56,000,000.00	5600000	56,000,000.00

Note - 2.2 Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jayantibhai M. Khumbhani	1527042	27.27	1527042	27.27
Alpaben J. Khumbhani	559320	9.99	559320	9.99
Ganshyambhai P. Kumbhani	360740	6.44	360740	6.44
Bhavnaven P. Kumbhani	385150	6.88	385150	6.88
Mohanbhai N. Khumbhani	330740	5.91	330740	5.91
Nandaben G. Khumbhani	340000	6.07	340000	6.07
Pravinbhai M. Kumbhani	325000	5.80	325000	5.80

Note - 3 RESERVE AND SURPLUS

(Amount in `)

Particulars	As at 31st March 2019	As at 31st March 2018
A. Securities Premium Account		
Opening Balance	30,539,156.00	-
Add : Securities premium credited on Share issue	-	35,200,000.00
<u>Less : Premium Utilised for various reasons</u>		
For Share issue Exp.	-	4,660,844.00
Closing Balance	30,539,156.00	30,539,156.00
B. Surplus		
Opening balance	34,904,786.73	23,115,704.00
(+) Net Profit/(Net Loss) For the current year	20,076,506.15	11,789,082.73
(-) Income Tax expenses write off	(1,537,161.23)	-
Closing Balance	56,518,454.11	34,904,786.73
Total	87,057,610.11	65,443,942.73

Note - 4 LONG TERM BORROWINGS

(Amount in `)

Particulars	As at 31st March 2019	As at 31st March 2018
<u>Secured</u>		
(a) Term loans		
From banks		
BOI Tata Zest Car Loan	17,785.54	232,810.00
BOI New Duster Car Loan	637,953.74	748,713.00
HDFC Bank Ltd BMW Car Loan	-	61,317.00
ICICI Bank TATA Tigor Car Loan	252,562.00	-
ICICI Bank Brezza Car Loan	535,121.00	-
SBI Range Rover Car Loan	2,852,171.00	3,826,836.00
Sub-total (a)	4,295,593.28	4,869,676.00
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) & (g)		
1. Period of default		
2. Amount		
Total	4,295,593.28	4,869,676.00

Note - 5 SHORT TERM BORROWINGS

(Amount in `)

Particulars	As at 31st March 2019	As at 31st March 2018
Secured		
(a) Working Capital Loans		
from banks		
Bank of India C.C. - S.G. Highway	-	9,174,038.04
Bank of India C.C. - Sanand	-	622,733.54
ICICI Bank CC	58,931,078.63	-
	58,931,078.63	9,796,771.58
Unsecured		
(b) Loans and advances from related parties	27,100,000.00	27,100,000.00
Sub-total (b)	27,100,000.00	27,100,000.00
In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) & (d)		
1. Period of default		
2. Amount		
Total	86,031,078.63	36,896,771.58

Note - 6 TRADE PAYABLES

(Amount in `)

Particulars	As at 31st March 2019	As at 31st March 2018
(a) Micro, Small and Medium Enterprise	-	-
(b) Others	49,998,725.90	74,219,251.65
Total	49,998,725.90	74,219,251.65

Note - 7 OTHER CURRENT LIABILITIES

(Amount in `)

Particulars	As at 31st March 2019	As at 31st March 2018
(i) Current maturities of Long Term Debt		
(i.e. Term Liability classified as current)		
BOI Tata Zest Car Loan	214,853.46	194,265.00
BOI New Duster Car Loan	110,104.26	109,864.00
HDFC Bank Ltd BMW Car Loan	61,316.60	696,877.00
ICICI Bank Tata Tigor	160,325.00	-
ICICI Bank	319,278.00	-
SBI Range Rover Car Loan	875,010.00	805,382.00
(ii) Statutory Remittance		
(i) TDS Payable	347,295.00	398,351.00
(ii) GST Payable	7,679,236.42	1,522,175.16
(iii) Professional Tax Payable	18,820.00	2,350.00
(iii) Advanced from Customer	10,087,948.50	-
(v) Dealer Deposits	22,224,267.25	13,959,504.00
Total	42,098,454.49	17,688,768.16

Note - 8 SHORT TERM PROVISIONS

(Amount in `)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision For		
(a) Employee benefits		
(i) Contribution to PF	37,421.00	33,197.00
(ii) Bonus Payable	522,200.00	422,922.00
(iii) ESIC Payable	6,344.00	11,275.00
(b) Others (Specify nature)		
(i) Audit Fees	100,000.00	-
(ii) Income Tax	8,300,000.00	11,700,000.00
Total	8,965,965.00	12,167,394.00

Note - 10 LONG TERM LOANS AND ADVANCES

(Amount in `)

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured and Considered Good)		
a. Security Deposits	1,009,660.00	843,086.00
Total	1,009,660.00	843,086.00

Note - 11 INVENTORIES

(Amount in `)

Particulars	As at 31st March 2019	As at 31st March 2018
a. Raw Materials and components	39,231,528.00	44,751,306.00
(Valued at Lower of Cost or NRV as per FIFO Method)		
b. Work-in-progress	-	-
(Valued at Estimated Cost)		
c. Finished goods	32,589,104.00	37,444,159.00
(Valued At Lower of Cost or NRV)		
d. Packing Material	8,479,080.00	6,613,312.00
(Valued at Lower of Cost or NRV as per FIFO Method)		
Total	80,299,712.00	88,808,777.00

Note - 9 FIXED ASSETS

(Amount in `)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1 April 2018	Additions	Disposal/Adjustment	Balance as at 31 March 2019	Balance as at 1 April 2018	Amount Charged to Reserves (refer Note below)	Depreciation charge for the year	Deductions / Adjustments	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
Tangible Assets											
Land	50,000.00		-	50,000.00	-	-	-	-	-	50,000.00	50,000.00
Factory Land	7,068,650.00		-	7,068,650.00	-	-	-	-	-	7,068,650.00	7,068,650.00
Factory Building	13,014,082.00	281,255.00	-	13,295,337.00	5,835,661.00	-	483,749.54	-	6,319,410.54	6,975,926.46	7,178,421.00
Office Equipments	1,234,346.00	233,644.00	-	1,467,990.00	1,015,815.00	-	192,744.14	-	1,208,559.14	259,430.86	218,531.00
Computer & Software	1,143,040.00	113,519.73	-	1,256,559.73	810,882.00	-	263,367.79	-	1,074,249.79	182,309.94	332,158.00
Furniture & Fixtures	10,233,938.00	884,826.00	-	11,118,764.00	8,424,317.00	-	673,812.34	-	9,098,129.34	2,020,634.66	1,809,621.00
Plant & Machinery	44,599,985.00	2,222,301.00	-	46,822,286.00	30,233,351.00	-	3,490,603.39	-	33,723,954.39	13,098,331.61	14,366,634.00
LABORATORY EQUIPMENTS	1,076,511.00	3,424.00	-	1,079,935.00	280,083.00	-	205,154.61	-	485,237.61	594,697.39	796,428.00
Motor Vehicle	14,368,660.00	1,738,296.00	-	16,106,956.00	6,345,612.00	-	2,793,800.16	-	9,139,412.16	6,967,543.84	8,023,048.00
Bike	36,800.00	-	-	36,800.00	36,369.00	-	6.00	-	36,375.00	425.00	431.00
Software	897,620.00	-	-	897,620.00	100,474.00	-	265,715.33	-	366,189.33	531,430.67	797,146.00
INTANGIBLE ASSETS	424,250.00	-	-	424,250.00	152,134.00	-	27,211.60	-	179,345.60	244,904.40	272,116.00
Total	94,147,882.00	5,477,265.73	-	99,625,147.73	53,234,698.00	-	8,396,164.90	-	61,630,862.90	37,994,284.83	40,913,184.00

Note - 12 TRADE RECEIVABLES

(Amount in `)

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured and Considered Good)		
Over Six Months	85,672,382.68	49,892,981.50
Others	36,447,828.73	44,802,439.08
Total	122,120,211.41	94,695,420.58

Note - 13 CASH AND CASH EQUIVALENTS

(Amount in `)

Particulars	As at 31st March 2019	As at 31st March 2018
Bank of India (Ferti) - S.G. Highway	525,315.34	518,392.34
Bank of India Paldi	29,695.55	98,975.25
ICICI Bank Bhopal	20,597.18	20,597.18
Bank of India CC	702,727.39	-
ICICI Bank	30,343,369.00	-
b. Cash on hand	497,002.71	390,689.71
Other Bank Balance		
Deposit With Maturity for more than 12 Months		
Fixed Deposit - BOI	427,778.00	362,000.00
Fixed Deposit	4,000.00	4,000.00
Total	32,550,485.17	1,394,654.48

Note - 14 SHORT TERM LOANS AND ADVANCES

(Amount in `)

Particulars	As at 31st March 2019	As at 31st March 2018
a. Balance with Government Authorities	44,754,068.34	36,867,920.35
b. Deposits	1,105,000.00	1,105,000.00
c. Others (specify nature)		
Advance to Creditors	14,120,219.94	5,495,490.71
Advance to Employees	893,000.00	341,000.00
Total	60,872,288.28	43,809,411.06

Note - 15 OTHER CURRENT ASSETS

(Amount in `)

Particulars	As at 31st March 2019	As at 31st March 2018
(Unsecured and Considered Good)		
Prepaid Expenses	815,785.72	1,021,758.00
Accrued Interest on Fixed Assets	-	28,166.00
Total	815,785.72	1,049,924.00

Note - 16 REVENUE FROM OPERATIONS

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	262,122,697.10	251,531,062.00
<u>Less:</u>		
Excise duty	-	330,941.00
Other Operating Revenue	6,800,046.00	5,454,000.00
Total	268,922,743.10	256,654,121.00

Note - 16.1 PARTICULARS OF SALE OF PRODUCTS

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufactured Goods		
Fertilisers	34,167,459.80	57,706,931.00
Pesticides	208,903,565.40	102,150,863.00
Seeds	17,998,421.90	88,072,877.00
Others	1,053,250.00	3,269,450.00
Total	262,122,697.10	251,200,121.00

Note - 16.2 OTHER OPERATING REVENUE

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Reimbursement of C & F Charges	618,186.00	495,818.00
Reimbursement of Marketing Expense	6,181,860.00	4,958,182.00
Total	6,800,046.00	5,454,000.00

Note - 17 OTHER INCOME

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
From Bank FD Deposits	36,059.00	14,570.00
From Staff Loan	12,250.00	14,000.00
Other Income		
Kasar Income	20,460.89	30,826.00
Rent Income	132,000.00	157,000.00
Prior Period Income (Net)	-	5,501,215.00
Late Payment Charges	3,923,966.64	477,406.00
Bed Debts Recovery	906,103.75	-
Shortage Material	6,877.00	-
Total	5,037,717.28	6,195,017.00

Note - 18 COST OF MATERIAL CONSUMED

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock Raw Materials	44,751,306.00	40,560,144.00
Add:- Purchase of Raw Materials	77,768,651.30	95,307,163.00
Closing Stock of Raw Materials	39,231,528.00	44,751,306.00
Total (A)	83,288,429.30	91,116,001.00
Opening Stock Packing Material Consumed	6,613,312.00	3,903,357.00
Add:- Purchase of Packing Material Consumed	13,130,727.00	12,290,556.00
Closing Stock of Packing Material Consumed	8,479,080.00	6,613,312.00
Total (B)	11,264,959.00	9,580,601.00
Cost of Raw Materials Consumed	94,553,388.30	100,696,602.00

Note - 18.1 PARTICULARS OF COST OF MATERIAL CONSUMED

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Breakup of Raw Material Consumed		
Fertilisers	4,306,312.00	34,998,098.00
Pesticides	69,684,475.80	42,993,901.00
Seeds	3,777,863.50	13,124,002.00
Others	-	-
Total (A)	77,768,651.30	91,116,001.00
Breakup of Packing Material Consumed		
Fertilisers	910,700.00	3,379,647.00
Pesticides	11,847,752.00	6,200,954.00
Seeds	372,275.00	-
Others	-	-
Total (B)	13,130,727.00	9,580,601.00
Total	90,899,378.30	100,696,602.00

Note - 19 PURCHASE OF TRADED GOODS

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Breakup of Purchase of Traded Goods		
Fertilisers	9,000.00	-
Pesticides	44,721,088.50	34,812,965.00
Seeds	7,773,422.00	63,244,046.00
Others	484,960.00	2,037,642.00
Total	52,988,470.50	100,094,653.00

Note - 20 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND WIP (Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Inventories at the end of the year</u>		
Finished Goods	32,589,104.00	37,444,159.00
<u>Inventories at the beginning of the year</u>		
Finished Goods	37,444,159.00	11,162,199.00
Net(Increase)/decrease	4,855,055.00	(26,281,960.00)

Note - 21 EMPLOYEE BENEFITS EXPENSES (Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Salaries and Wages	32,413,345.00	22,749,831.00
(b) Contributions to Provident Fund & Other Fund		
Provident fund	241,036.00	298,056.00
ESIC	64,580.00	98,922.00
(c) Staff welfare expenses	31,089.00	-
Total	32,750,050.00	23,146,809.00

Note - 22 FINANCE COST (Amount in `)

Finance Cost	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest expense :-		
(i) Borrowings	4,060,633.52	1,861,021.90
(ii) Interest on TDS	-	200.00
(iii) Interest on Professional Tax	2,516.00	4,840.00
(iii) Interest on Service Tax	-	51.00
(iv) Interest on Dealer Deposits	13,465.00	-
(b) Other borrowing costs	1,593,189.36	201,612.03
Total	5,669,803.88	2,067,724.93

Note - 23 DEPRECIATION AND AMORTISATION

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation Exp	8,396,164.90	7,063,454.00
Total	8,396,164.90	7,063,454.00

Note - 24 OTHER EXPENSES

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufacturing Expenses		
Loading & Unloading Charges	131,035.00	142,934.00
Electric Power & Fuel	1,239,566.44	1,446,081.00
Factory Exp.	678,371.64	713,800.00
C & F Charges	4,028,736.50	1,573,889.50
Demonstration Material Exp.	76.00	3,160.00
Field Assistant Exp.	211,000.00	149,300.00
Leakage Material	10,440.00	-
Freight & Forwarding Exp	1,233,797.00	5,186,369.00
Rate Difference	9,183,578.00	-
Selling & Distribution Expenses		
Sales Promotion Exp.	731,988.00	441,546.00
Sales Commission Exp.	408,890.00	140,155.00
Exhibition Exp.	390,272.48	134,070.00
Establishment Expenses		
Advertisement Expenses	1,687,968.00	1,967,585.00
Rent Exp.	372,300.00	126,500.00
Rates & Taxes	170,498.00	1,021,873.33
Payment To auditor	100,000.00	100,000.00
Discounts	7,011,673.40	1,260,083.00
Donation	13,000.00	2,100.00
Insurance Exp.	930,710.00	260,281.00
Legal & Professional Fees	2,059,547.38	859,374.00
Travelling Conveyance Exp.	8,670,527.00	4,601,758.07
Repairs & Maintenance	1,330,573.82	1,163,569.54
Communication Exp.	376,760.48	712,838.43
Research and Development Cost	775,265.00	2,280,544.00
Foreign Exchange Loss	2,038.17	-
Bad Debts Exp.	6,576,174.88	5,717,962.00
Miscellaneous Expense	1,059,887.46	995,185.47
Total	49,384,674.65	31,000,958.34

Note - 24.1 OTHER EXPENSES

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a. auditor	100,000.00	100,000.00
b. for taxation matters	-	-
c. for company law matters	-	-
d. for management services	-	-
e. for other services	-	-
f. for reimbursement of expenses	-	-
Total	100,000.00	100,000.00

25. The previous year's figures have been reworked, regrouped, and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current annual financial statements and are to be read in relation to the amounts and other disclosures relating to the current financial year.

26. Credit and Debit balances of unsecured loans, sundry creditors, sundry Debtors, loans and Advances are subject to confirmation and therefore the effect of the same on profit could not be ascertained.

27. (i) The factory premises of fertilizer unit of the company were searched on 8th January 2014 by the excise department. The contention off the department was that the company was clearing excisable products i.e. soil conditioner in the guise of Fertilizers and Bio Fertilizers to avail the benefit of various notification and thereby clearing the goods without payment of duty and the benefit of Concessional rate of duty under Notification No. 01/2011-CE as amended dated 01.03.2012 and Notification No. 12/2012 dated 17.3.2012 is denied to the Company. After giving Show Cause Notices and Personal Hearing to the Company, The Commissioner of Central Excise, Ahmedabad - II has made demand of Central Excise Duty of Rs. 169.60 Lakhs, interest of Rs. 6.01 Lakhs, Penalty of Rs. 84.80 Lakhs & Fine of Rs. 5.71 Lakhs by order no. V.38/15 20/OA/2016 dated 12.01.2017 for which the Company has already paid Central Excise Duty of Rs. 242.74 Lakhs under Protest. The said litigation is pending before the Commissioner of Central Excise (Appeals) and pending outcome of adjudication the has been classified and disclosed under short term loans and advances.

(ii) excise department during the course of search ceased stock of finished goods lying at fertilizer unit valued at 22,84,396/- because according to the department the company has not paid Central Excise Duty on past clearance of the excisable products and had not obtained registration under Central Excise and issued show cause notice to the company as to why not to determine the duty liability amounting to 2,82,352/-. The company filed reply against the said show cause notice, pending outcome of the same, the central excise duty liability cannot be determined.

28. Balances of Trade Payables, Trade Receivable and Loans and Advances are subject to confirmations and reconciliation if any, by the respective parties.

29. The account balances existing at the beginning of the period have been relied upon the audited financial statements audited by the previous auditor.

30. Statement of Management

(i) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

(ii) Balance Sheet, Statement of Profit and Loss and Cash Flow Statement read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of

affairs of the Company as at the end of the year and results of the Company for the year under review.

31. Deferred tax Assets and Liabilities are as under: -

Components of which are as under: -

(Amount in `)

Particulars	31-3-2019	31-3-2018
Deferred Tax Asset		
Block of assets (Depreciation)	6,692,990.10	5,304,003.00
Net Differed Tax Asset (Liability)	(1,215,000)	(4,228,653.00)

32. Earnings Per Share

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit / (Loss) after tax attributable to Equity Shareholders (A)	2,00,76,506.15	1,17,89,082.73
Weighted Number of Equity Share outstanding During the year (B) (In Nos.)	5600000	5525479
Basic Earnings Per Share for each Share of Rs.10/- (A) / (B)	3.59	2.13

33. Foreign Currency Transactions: -

Expenditure in Foreign Currency: -

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Import Purchases	4,06,545.00	30,07,337.00
Total	4,06,545.00	30,07,337.00

Earnings in Foreign Currency: -

(Amount in `)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Export Sales	-	-
Total	-	-

34. Related Parties Transaction: -

As per Accounting Standard 18, issued by the Chartered Accountants of India, The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Accounting Standard are given below:

(a). List of related parties with whom transactions have taken place and relationships:-

Name of Related Parties	Relationship
Ganshyam M. Kumbhani	Key Managerial Personnel
Jayanti M. Kumbhani	Key Managerial Personnel
Pragjibhai M Dudhagara	Key Managerial Personnel
Sikkon Crop Technology	Enterprise in which relative of KMP is having significant interest
Mukesh V. Shah	Chief Financial Officer
Lata M. Dharmani	Company Secretary

(b). Transaction during the current financial year with related parties: -

(Amount in `)

Sr. No.	Name Of related Parties	Nature of relation	Nature of Transaction	Amount Debited	Amount Credited	O/s at the End Receivable/ (Payable)
1	Jayanti M. Kumbhani	Key Managerial Person	Director Remuneration	39,00,000.00	39,00,000.00	-
2	Ghanshyam M. Kumbhani	Key Managerial Person	Director Remuneration	39,00,000.00	39,00,000.00	-
3	Sikkon Crop Technology	Enterprise in which relative of KMP is having significant interest	Purchase	4,03,25,448.00	4,03,25,448.00	-
			C & F Charges	6,18,186.00	6,18,186.00	
			Marketing Exp.	61,81,860.00	61,81,860.00	
			Machinery Rent Income	12,000.00	12,000.00	
			Office Rent Income	1,20,000.00	1,20,000.00	
4.	Mukesh V. Shah	Chief Financial Officer	Salary Exp.	5,63,364.00	5,63,364.00	-
6.	Lata M. Dharmani	Company Secretary	Salary Exp.	40,000.00	40,000.00	-

35. Notes forming part of accounts in relation to Micro and small enterprise

Based on information available with the company, on the status of the suppliers being Micro or small enterprises, on which the auditors have relied, the disclosure requirements of Schedule III to the Companies Act, 2013 with regard to the payments made/due to Micro and small Enterprises are given below :

(Amount in `)

Sr. No.	Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
		Principal	Interest	Principal	Interest
I	Amount due as at the date of Balance sheet	Nil	Nil	Nil	Nil
II	Amount paid beyond the appointed date during the year	Nil	Nil	Nil	Nil
III	Amount of interest due and payable for the period of delay in making payments of principal	Nil	Nil	Nil	Nil

Sr. No.	Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
		Principal	Interest	Principal	Interest
	during the year beyond the appointed date				
IV	The amount of interest accrued and remaining unpaid as at the date of Balance sheet	Nil	Nil	Nil	Nil

The company has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) but has not received the same in totality. The above information is compiled based on the extent of responses received by the company from its suppliers.

36. Defined Contribution Plan:-

As per Accounting Standard 15 “Employee Benefits”, the disclosures as defined in the Accounting Standard are given below:

Contribution to Defined Contribution Plans, recognized as expenses for the year is as under:

(Amount in `)

Particulars	2018-19	2017-18
Employer’s Contribution to Provident Fund	1,99,046/-	2,78,733/-

37. Segment Reporting:

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Fertilisers, Pesticides and Seeds. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

Secondary Segment (Geographical by Customers)

The company does not operate in multiple geographical area, hence Secondary Segment Information has not been disclosed.

(Amount in `)

Particulars	Year Ended 31/03/2019	Year Ended 31/03/2018
1 Segment Revenue		
a) Fertilizer	34,167,459.80	57,299,707.00
b) Pesticides	215,703,611.40	93,259,651.00
c) Seeds	17,998,421.90	82,913,072.00
d) Others	1,053,250.00	2,795,947.00
Gross Turnover (Turnover and Inter Segment transfer)	268,922,743.10	236,268,377.00
Less:		
Inter Segment Transfers	-	-
Revenue from Operation	268,922,743.10	236,268,377.00
2 Segment Results		
a) Fertilizer	1,760,973.25	407,000.00
b) Pesticides	33,161,567.32	14,344,239.00
c) Seeds	237,882.17	5,160,000.00
d) Others	(637,868.92)	6,668,000.00

Particulars		Year Ended 31/03/2019	Year Ended 31/03/2018
	Total Segment profit Profit before Unallocated Interest and Tax	34,522,553.82	26,579,239.00
	i. Finance Cost	5,669,803.88	-
	ii. Other Income	-	-
	iii. Other Un-allocable Expenses (Net of Income)	3,489,897.00	1,519,864.00
	Profit before Tax	25,362,852.94	25,059,375.00
	i. Current Tax	8,300,000.00	7,500,000.00
	ii. Deferred Tax	(3,013,653.21)	5,771,814.00
	Profit after Tax	20,076,506.15	11,787,561.00
3	<u>Segment Assets</u>		
	a) Fertilizer	94,518,425.37	96,088,038.00
	b) Pesticides	209,535,129.65	124,290,139.00
	c) Seeds	11,899,790.19	31,297,139.00
	d) Others	844,065.41	3,364,778.00
	Unallocated	18,865,019.34	11,724,147.00
	Total Segment Assets	335,662,429.97	266,764,241.00
4	<u>Segment Liabilities</u>		
	a) Fertilizer	18,854,349.91	11,882,956.00
	b) Pesticides	63,475,011.85	57,121,028.00
	c) Seeds	6,436,213.93	25,234,546.00
	d) Others	613,929.63	1,484,385.00
	Unallocated	103,225,315.05	49,597,383.00
	Total Segment Liabilities	192,604,820.37	145,320,298.00

38. Contingent Liabilities and Commitments

(Amount in `)

Particulars	2018-19	2017-18
Contingent Liabilities	NIL	NIL
Capital and Other Commitments	NIL	NIL

As per our Report on Even date attached
For Doshi Maru & Associates
Chartered Accountants

For Sikko Industries Limited

Jayantibhai M. Kumbhani
Managing Director
DIN: 00587807

Ghanshyam M. Kumbhani
Whole Time Director
DIN: 00587855

Sarvesh A. Gohil
Partner
M. No. 135782
FRN No. 0112187W
Place : Jamnagar
Date : 27/05/2019

Lata Dharmani
Company Secretary

Mukesh Shah
Chief Financial Officer

Place : Ahmedabad
Date : 27/05/2019

Place : Ahmedabad
Date : 27/05/2019

NOTICE OF NINETEENTH (19TH) ANNUAL GENERAL MEETING

Notice is hereby given that the 19th (Nineteenth) Annual General Meeting (AGM) of the Members of Sikko Industries Limited will be held on Monday, September 30, at 04:00 PM at the registered office of the company situated at 508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad - 380051, to transact the following businesses:

ORDINARY BUSINESSES:**1. Adoption of Financial Statements:**

To receive, consider and adopt Audited Financial Statement of Accounts for the financial year ended on March 31, 2019 and the reports of the Directors' and the Auditors' thereon.

2. Appointment of Mr. Pravinbhai Kumbhani (DIN: 00587864) as a Director liable to retire by rotation:

To appoint Mr. Pravinbhai Kumbhani, Director (DIN: 005878064), who retires by rotation and being eligible, offers himself for re-appointment.

Explanation: Based on the terms of appointment, Executive Directors and the Non-Executive Directors are subject to retirement by rotation. Mr. Pravinbhai Kumbhani, Director (DIN: 005878064), who was appointed as Director for the current term, and is the longest-serving member on the Board, retires by rotation and, being eligible, seeks re-appointment.

To the extent that Mr. Pravinbhai Kumbhani, Director (DIN: 005878064) is required to retire by rotation, he would need to be re-appointed as such. Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the reappointment of Mr. Pravinbhai Kumbhani, Director (DIN: 005878064) as such, to the extent that he is required to retire by rotation.

3. Appointment of Statutory Auditor and to fix their remuneration:

Appointment of M/s. Doshi Maru & Associates, Chartered Accountants, Jamnagar (FRN: 0112187W) as Statutory Auditor of the Company to hold office as such from the conclusion of 19th (Nineteenth) Annual General Meeting till the conclusion of 24th (Twenty fourth) Annual General Meeting of the Company and to authorize the Board of Directors to fix their fees in consultation with the Auditor:

Explanation: Under Section 139 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, 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. Further, section also provides for rotation of the statutory auditors on completion of the maximum term permitted under the said section.

The Company has received written consent from M/s. Doshi Maru & Associates, Chartered Accountants, Jamnagar (FRN: 0112187W) and also received certificate to the effect that they are eligible and qualified to be appointed as such and have not incurred any disqualification cited under Section 141(3) of the act.

In line with the requirements of the Act, the Audit Committee has proposed and the Board of Directors has recommended the appointment of M/s. Doshi Maru & Associates, Chartered Accountants, Jamnagar (FRN: 0112187W) as the statutory auditors of the Company to hold office for a period of five consecutive years from the conclusion of the 19th (Nineteenth) Annual General Meeting of the Company, till the conclusion of the 24th (Twenty fourth) Annual General Meeting to be held in the calendar year 2024. Accordingly, the appointment of M/s. Doshi Maru & Associates, Chartered Accountants, Jamnagar (Firm registration Number: 0112187W) is being placed before the shareholders for their approval by way of an Ordinary Resolution.

"RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, and pursuant to the proposal of the Audit Committee and recommendation of the Board of Directors, M/s. Doshi Maru & Associates, Chartered Accountants, Jamnagar (FRN: 0112187W) be and is hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of 19th (Nineteenth) Annual General Meeting till the conclusion of 24th (Twenty fourth) Annual General Meeting to be held in the calendar year 2024 and that the Board of Directors and/or Audit Committee be and are hereby authorized to fix fees in consultation with the Auditors for audit of the accounts of the Company."

SPECIAL BUSINESSES:

4. Revision in Remuneration payable to Mr. Jayantibhai Kumbhani (DIN: 00587807), Managing Director of the Company.

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

“**RESOLVED THAT**, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as “the Board”), the approval of the Members of the Company be and is hereby accorded for revision in salary and perquisites (hereinafter referred to as “remuneration”) payable to Mr. Jayantibhai Kumbhani (DIN: 00587807), Managing Director of the Company as set out in the explanatory statement attached hereto with effect from April 01, 2019, for the existing term until revised further with other terms and conditions remaining unchanged as per the agreement entered into between him and the Company and with the power to the Board of Directors to alter and modify the same, inconsonance with the provisions of the Act and in the best interest of the Company.

RESOLVED FURTHER THAT, subject to the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the Remuneration payable to Mr. Jayantibhai Kumbhani (DIN: 00587807) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Scheduled V to the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors (or any Committee thereof) be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, including modification and amendment of any revisions, thereof and to enter into relevant agreement with the Director, as required, from time to time and to undertake all such steps, as may be deemed necessary in this matter.

RESOLVED FURTHER THAT the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Ahmedabad, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution.”

5. Revision in Remuneration payable to Mr. Ghanshyam Kumbhani (DIN: 00587855), Chairman & Whole Time Director of the Company.

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

“**RESOLVED THAT**, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as “the Board”), the approval of the Members of the Company be and is hereby accorded for revision in salary and perquisites (hereinafter referred to as “remuneration”) payable to Mr. Ghanshyam Kumbhani (DIN: 00587855), Chairman & Whole Time Director of the Company as set out in the explanatory statement attached hereto with effect from April 01, 2019, for the existing term until revised further with other terms and conditions remaining unchanged as per the agreement entered into between him and the Company and with the power to the Board of Directors to alter and modify the same, inconsonance with the provisions of the Act and in the best interest of the Company.

RESOLVED FURTHER THAT, subject to the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the Remuneration payable to Mr. Ghanshyam Kumbhani (DIN: 00587855) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Scheduled V to the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors (or any Committee thereof) be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, including modification and amendment of any revisions, thereof and to enter into relevant agreement with the Director, as required, from time to time and to undertake all such steps, as may be deemed necessary in this matter.

RESOLVED FURTHER THAT the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Ahmedabad, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution.”

By the Order of Board of Directors
Sikko Industries Limited
Sd/-

Jayantibhai kumbhani
Managing director
DIN: 00587807

Place: Ahmedabad

Date: September 05, 2019

NOTES: -

- 2) A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company.

A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting (on or before Saturday, September 28, 2019 at 04:00 P.M.). A proxy form for the AGM is enclosed. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable.

During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the Company.

- 3) Corporate members intending to send their authorized representative(s) to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send the Company, a certified copy of the relevant Board Resolution together with the respective specimen signature of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
- 4) Members/ proxies/ authorized representatives are requested to bring the Attendance Slip enclosed herewith, duly filled and signed attending the meeting. The signature of the attendance slip should match with the signature(s) registered with the Company. Members holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.
- 5) In case of joint holders attending the meeting together, only holder whose name appearing first will be entitled to vote.
- 6) The Register of Members and Share Transfer Books of the Company will be closed from Saturday, September 21, 2019 to Monday, September 30, 2019 (both days inclusive) and same will be re-opened from Tuesday, October 01, 2019.
- 7) The route map showing directions to reach the venue of the 19th AGM is provided at the end of this Notice.
- 8) The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. www.sikkoindia.com.
- 9) The Company has not declared any dividend. Further, the Company does not have any unpaid or unclaimed dividend amount outstanding as on the closure of financial year 2018-19. Therefore, the Company is not required to upload the details of Unpaid and unclaimed dividend amounts.
- 10) Further, during the year, the Company has not transferred any amount to fund established under Section 125 of the Companies Act, 2013.

- 11) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
- 12) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
- 13) Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Annual General Meeting.
- 14) In pursuance of the provisions of Section 108 of the Act and the Rules framed there under, as amended from time to time, the Company is exempted from giving the Members, the facility to cast their vote electronically, through the remote e-voting services on the resolutions set forth in this Notice. However, voting through permitted mode under the Companies Act, 2013 will be allowed at the venue of Annual General Meeting.
- 15) All documents specifically referred to in this Notice are opened for inspection at the registered office of the Company between 02.00 p.m. and 04.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of AGM.

Specific Attention of the Members is drawn to the followings:

1. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long period of time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
2. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents to provide efficient and better services.
3. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts.
4. As per the provisions of Section 72 of the Act, the facility for making nomination/nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The Nomination Form can be obtained from the RTA of the company. Members holding shares in electronic form may submit the same to their respective depository participant.
5. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request every member to update their email address with concerned Depository Participant and RTA to enable us to send you the communications via email.

EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of the Companies Act, 2013 and Secretary Standard 2 on General Meetings)

Item No. 4

Revision in Remuneration payable to Mr. Jayantibhai Kumbhani (DIN: 00587807), Managing Director of the Company:

The Board of Directors of the Company, in their Meeting held on January 12, 2017, had appointed Mr. Jayantibhai Kumbhani (DIN: 00587807) as Managing Director of the Company for a period of 5 years w.e.f. January 23, 2017. The terms and conditions of appointment and remuneration of Mr. Jayantibhai Kumbhani (DIN: 00587807) as Managing Director of the Company was also approved by the Members of the Company in their Extra-ordinary General Meeting held on January 23, 2017 .

However, looking to the contributions made by Mr. Jayantibhai Kumbhani (DIN: 00587807) which helped the Company to grow at faster rate than past, and on the recommendation of the Nomination and Remuneration Committee of the Company, the Board, in its meeting held on March 21, 2019 has considered the revision in salary and perquisites (hereinafter referred to as "remuneration") payable to Mr. Jayantibhai Kumbhani (DIN: 00587807), Managing Director of the Company as set out in this explanatory statement with

effect from April 01, 2019, subject to the approval of the Shareholders at this Annual General Meeting. The other terms and conditions of his appointment, as approved by the Shareholders shall remain unchanged.

The Nomination and Remuneration Committee has noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the minimum Remuneration payable to Mr. Jayantibhai Kumbhani (DIN: 00587807), in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in be Section II of Part II of Scheduled V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to Mr. Jayantibhai Kumbhani (DIN: 00587807) is now being placed before the Members for their approval by way of Special Resolution.

The relevant disclosures in terms of Schedule V to the Companies Act, 2013 is given hereunder;

General Information:

Nature of Industry: The Company is engaged in Manufacturing and trading & Exporting of Bio-Agro chemicals, Pesticides, Fertilizers, Seeds, Sprayers, Packaging, Machineries and FMCG products etc.

Date or expected date of commencement of commercial production: The Commercial Production has been commence since incorporation of the Company.

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

Financial performance based on given indicators:

FINANCIAL HIGHLIGHTS

(Amount in `)

Particulars	F.Y. 2018-19	F.Y. 2017-18
Revenue from operations	26,89,22,743.10	25,66,54,121
Other income	50,37,717.28	61,95,017
Total Income	27,39,60,460.38	26,28,49,138
Less: Total Expenses before Depreciation, Finance Cost and Tax	23,45,31,638.45	22,86,57,062.34
Operating Profits before Depreciation, Finance Cost and Tax	3,94,28,821.93	3,41,92,075.66
Less: Finance cost	56,69,803.88	20,67,724.93
Less: Depreciation	83,96,164.90	70,63,454
Profit / (Loss) Before Tax	2,53,62,853.15	2,50,60,896.73
Less:- Provision for Income Tax (Current Year)	-	-
Less: Current Tax	83,00,000	75,00,000
Less: Deferred Tax Liabilities/ (Assets)	(30,13,653)	57,71,814
Profit/ (Loss) after tax (PAT)	2,00,76,506.15	1,17,89,082.73

Foreign investments or collaborations, if any: No collaborations has been made by the Company with any of foreign entity.

Information about the appointee:

Background Details: Mr. Jayantibhai Kumbhani aged 53 Years is a promoter of the Company. He holds Bachelor's Degree of Science in Agriculture from the Gujarat Agricultural University. Mr. Jayantibhai Kumbhani is the original founder of the SIKKO GROUP. He looks after the marketing department, administrative and finance Department of the Company. He is also responsible for formulation of the strategies for expansion and growth of business of the Company. His skill helps the Company to maintain the healthy relationship with clients, dealers, distributors and other stakeholders of the Company. Nevertheless, his experience helps the Company to infuse latest technologies for easy manufacturing process.

Past Remuneration: In the financial year 2018-19, Mr. Jayantibhai Kumbhani was paid total remuneration of ` 3,00,000 p.m. as Managing Director.

Recognition or awards: Nil.

Job Profile and his suitability: Mr. Jayantibhai Kumbhani has 31 years of experience in agricultural field including 21 years of experience in agricultural business.

Revised Terms and conditions of Remuneration: -

1. Basic Salary up to ` 4,00,000/- per month excluding perquisite mentioned hereunder for the existing term;
2. Perquisites and Allowances.

Mr. Jayantibhai Kumbhani will be paid perquisites and allowances like HRA, medical reimbursement, travelling allowances, club fees and other payments in the nature of perquisites and allowances as agreed by the Board of Directors, subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V to the Act.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of Mr. Jayantibhai Kumbhani, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Jayantibhai Kumbhani has pecuniary relationship to the extent he is Promoter - Shareholders of the Company and he is brother of Mr. Ghanshyambhai Kumbhani and Mr. Pravinbhai Kumbhani.

In compliance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of revised remuneration specified above are now being placed before the Members for their approval. Further, remuneration proposed above shall be valid for the existing term of Mr. Jayantibhai Kumbhani until revised further with other terms and conditions remaining unchanged as per the agreement entered into between him and the Company.

The Board of Directors is of the view that the revision in Remuneration payable to Mr. Jayantibhai Kumbhani for the existing term as Managing Director will be beneficial to the operations of the Company and the same is commensurate with his abilities and experience and accordingly recommends the Special Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

Except Mr. Jayantibhai Kumbhani himself, Mr. Ghanshyambhai Kumbhani and Mr. Pravinbhai Kumbhani and their relatives to the extent of their shareholding in the Company, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

The statement of additional information required to be disclosed as per Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

Item No. 5

Revision in Remuneration payable to Mr. Ghanshyam Kumbhani (DIN: 00587855), Chairman & Whole Time Director of the Company:

The Board of Directors of the Company, in their Meeting held on January 12, 2017, had appointed Mr. Ghanshyam Kumbhani (DIN: 00587855) as Chairman & Whole Time Director of the Company for a period of 5 years w.e.f. January 23, 2017. The terms and conditions of appointment and remuneration of Mr. Ghanshyam Kumbhani (DIN: 00587855) as Chairman & Whole Time Director was also approved by the Members of the Company in their Extra-ordinary General Meeting held on January 23, 2017.

However, looking to the contributions made by Mr. Ghanshyam Kumbhani (DIN: 00587855) which helped the Company to grow at faster rate than past, and on the recommendation of the Nomination and Remuneration Committee of the Company, the Board, in its meeting held on March 21, 2019 has considered the revision in salary and perquisites (hereinafter referred to as "remuneration") payable to Mr. Ghanshyam Kumbhani (DIN: 00587855) Chairman & Whole Time Director of the Company as set out in this explanatory statement with effect from April 01, 2019, subject to the approval of the Shareholders at this Annual General Meeting. The other terms and conditions of his appointment, as approved by the Shareholders shall remain unchanged.

The Nomination and Remuneration Committee has noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time and time, the minimum Remuneration payable to Mr. Ghanshyam Kumbhani (DIN: 00587855), in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in be Section II of Part II of Scheduled V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to Mr. Ghanshyam Kumbhani (DIN: 00587855) is now being placed before the Members for their approval by way of Special Resolution.

The relevant disclosures in terms of Schedule V to the Companies Act, 2013 is given hereunder;

General Information:

Nature of Industry: The Company is engaged in Manufacturing and trading & Exporting of Bio-Agro chemicals, Pesticides, Fertilizers, Seeds, Sprayers, Packaging, Machineries and FMCG products etc.

Date or expected date of commencement of commercial production: The Commercial Production has been commence since incorporation of the Company.

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable

Financial performance based on given indicators:

FINANCIAL HIGHLIGHTS

(Amount in `)

Particulars	F.Y. 2018-19	F.Y. 2017-18
Revenue from operations	26,89,22,743.10	25,66,54,121
Other income	50,37,717.28	61,95,017
Total Income	27,39,60,460.38	26,28,49,138
Less: Total Expenses before Depreciation, Finance Cost and Tax	23,45,31,638.45	22,86,57,062.34
Operating Profits before Depreciation, Finance Cost and Tax	3,94,28,821.93	3,41,92,075.66
Less: Finance cost	56,69,803.88	20,67,724.93
Less: Depreciation	83,96,164.90	70,63,454
Profit / (Loss) Before Tax	2,53,62,853.15	2,50,60,896.73
Less:- Provision for Income Tax (Current Year)	-	-
Less: Current Tax	83,00,000	75,00,000
Less: Deferred Tax Liabilities/ (Assets)	(30,13,653)	57,71,814
Profit/ (Loss) after tax (PAT)	2,00,76,506.15	1,17,89,082.73

Foreign investments or collaborations, if any: No collaborations has been made by the Company with any of foreign entity.

Information about the appointee:

Background Details: Mr. Ghanshyam Kumbhani, aged 56 years, is Promoter of the Company and was acting as Director of the Company since incorporation. He holds Bachelor's Degree of Science in Chemistry from the Sardar Patel University, Gujarat. He has 34 years of experience in agricultural field including 22 years of experience in agricultural business. Mr. Ghanshyam Kumbhani has apt knowledge and understanding of the chemical processes that go into manufacturing and thus maintains the quality of products throughout the process in the Company. Furthermore, working experience in teams, he is well-suited to team-oriented tasks such as the design project. In our Company, he heads the Purchase, Production and Technical Departments.

Past Remuneration: In the financial year 2018-19, Mr. Ghanshyam Kumbhani was paid total remuneration of ` 3,00,000 p.m.as Chairman & Whole Time Director.

Recognition or awards: Nil.

Job Profile and his suitability: Mr. Ghanshyam Kumbhani has 34 years of experience in agricultural field including 22 years of experience in agricultural business.

Revised Terms and conditions of Remuneration: -

3. Basic Salary up to ` 4,00,000/- per month excluding perquisite mentioned hereunder for the existing term;
4. Perquisites and Allowances.

Mr. Ghanshyam Kumbhani will be paid perquisites and allowances like HRA, medical reimbursement, travelling allowances, club fees and other payments in the nature of perquisites and allowances as agreed by the Board of Directors, subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V to the Act.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of Mr. Ghanshyam Kumbhani, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Ghanshyambhai Kumbhani has pecuniary relationship to the extent he is Promoter - Shareholders of the Company and he is brother of Mr. Jayantibhai Kumbhani and Mr. Pravinbhai Kumbhani.

In compliance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of revised remuneration specified above are now being placed before the Members for their approval. Further, remuneration proposed above shall be valid for the existing term of Mr. Ghanshyam Kumbhani until revised further with other terms and conditions remaining unchanged as per the agreement entered into between him and the Company.

The Board of Directors is of the view that the revision in Remuneration payable to Mr. Ghanshyam Kumbhani for the existing term as Chairman and Whole Time Director will be beneficial to the operations of the Company and the same is commensurate with his abilities and experience and accordingly recommends the Special Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

Except Mr. Ghanshyam Kumbhani himself, Mr. Jayantibhai Kumbhani and Mr. Pravinbhai Kumbhani and their relatives to the extent of their shareholding in the Company, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

The statement of additional information required to be disclosed as per Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

By the Order of Board of Directors
Sikko Industries Limited
Sd/-

Jayantibhai kumbhani
Managing director
DIN: 00587807

Place: Ahmedabad

Date: September 05, 2019

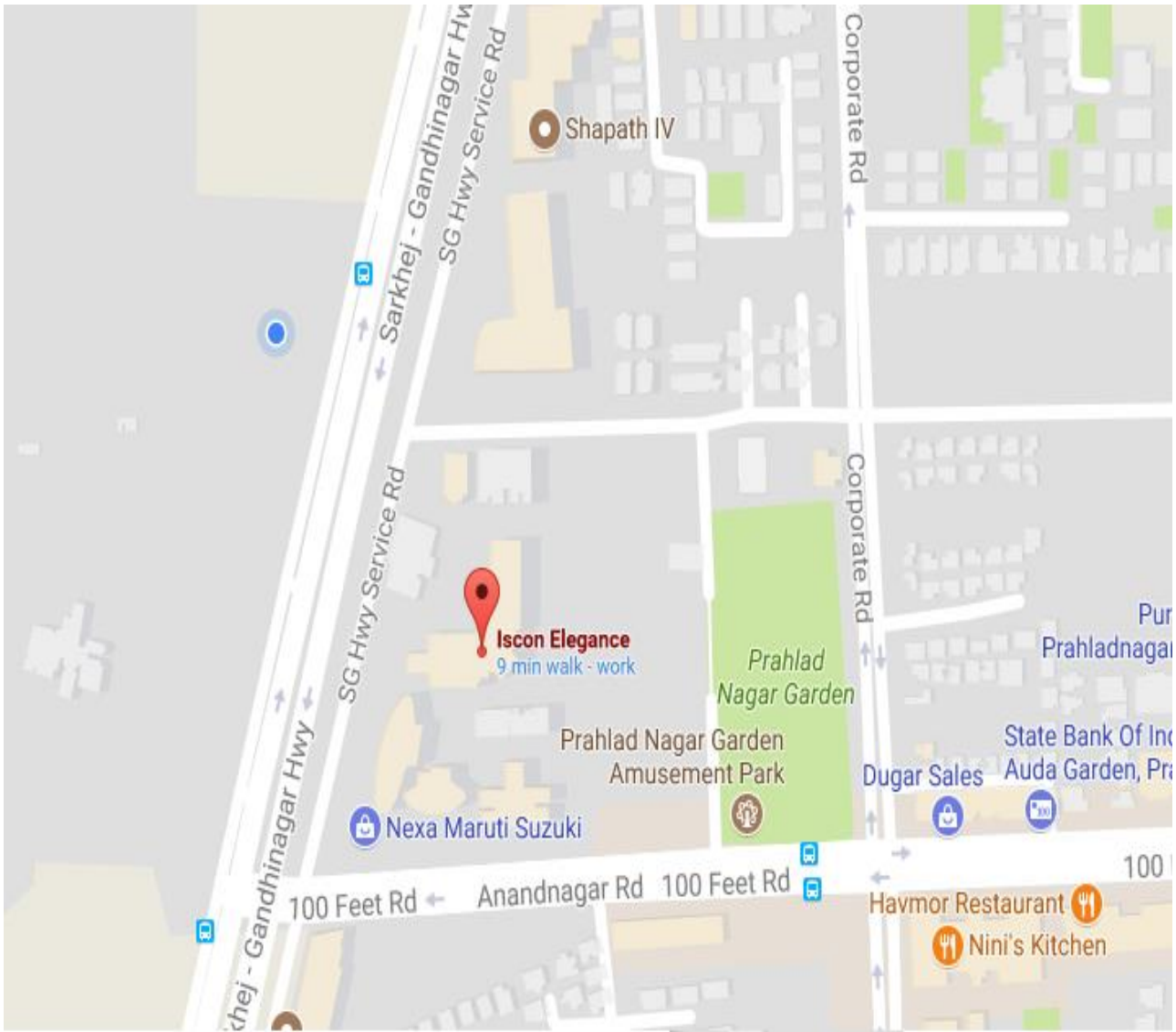
Disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and

Secretarial Standards-2 issued by ICSI for Item No. 2, 4 & 5:

Name	Mr. Jayantibhai Kumbhani	Mr. Ghanshyam Kumbhani	Mr. Pravinbhai Kumbhani
Date of Birth	April 10, 1966	August 12, 1963	April 1, 1969
Qualification	B. Sc. (Agri)	B.Sc. (Chemistry)	B.Com
Experience - Expertise in specific functional areas - Job profile and suitability	Having 31 years of experience in agricultural field including 21 years of experience in agricultural business.	Having 34 years of experience in agricultural field including 22 years of experience in agricultural business	Having 26 years of experience in his own agriculture business
No. of Shares held as on March 31, 2019	1527042 Equity Shares	360740 Equity Shares	325000 Equity Shares
Terms & Conditions	No change in terms of appointment. Only Remuneration terms are changed as stated in explanatory statement for Item No. 4	No change in terms of appointment. Only Remuneration terms are changed as stated in explanatory statement for Item No. 5	No change in terms of appointment
Remuneration Last Drawn	Rs. 3,00,000/- p.m. F.Y. 2018-19	Rs. 3,00,000/- p.m. F.Y. 2018-19	Not Applicable
Remuneration sought to be paid	Rs. 4,00,000/- p.m. F.Y. 2018-19	Rs. 4,00,000/- p.m. F.Y. 2018-19	Not Applicable
Number of Board Meetings attended during the Financial Year 2018-19	6 out of 6	6 Out of 6	6 out of 6
Date of Original Appointment	January 15, 2003	February 08, 2000	February 8, 2000
Date of Appointment in current terms	January 12, 2017	January 12, 2017	September 29, 2017
Directorships held in other public companies including deemed public companies and excluding our Company, Section 8 Companies, Struck off Companies and LLPs.	Nil	Nil	Nil
Memberships / Chairmanships of committees of public companies*	Membership - 1 Chairmanship - Nil	Membership - Nil Chairmanship - Nil	Membership - 1 Chairmanship - Nil
Inter-se Relationship with other Directors.	Brother of Mr. Ghanshyambhai Kumbhani and Mr. Pravinbhai Kumbhani	Brother of Mr. Jayantibhai Kumbhani and Mr. Pravinbhai Kumbhani	Brother of Mr. Jayantibhai Kumbhani and Mr. Ghanshyambhai Kumbhani

*Committee includes the Audit Committee and Stakeholders' Grievance Committee

Route Map to the venue of the Annual General Meeting



Venue : 508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, S.G. Highway, Vejalpur, Ahmedabad - 380051

Landmark : Nr. Prahladnagar Pick up Stand, S.G. Highway, Ahmedabad - 380051

Day & Date : Monday, September 30, 2019

Time : 04:00 P.M.



SIKKO INDUSTRIES LIMITED

Corporate Identity Number (CIN): L51909GJ2000PLC037329

Regd Office: 508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, S.G. Highway, Vejalpur, Ahmedabad-380051; Tel: (079) 66168950/51; Web: www.sikkoindia.com; Email: compliance@sikkoindia.com

ATTENDANCE SLIP

Regd. Folio No./DP Id No./Client Id No.* (*Applicable for investor holding shares in electronic form.)	
No. of Shares held	
Name and Address of the First Shareholder (IN BLOCK LETTERS)	
Name of the Joint holder (if any)	

I/we hereby record my/our presence at the 19th Annual General Meeting of Sikko Industries Limited held on Monday, September 30, 2019 at 04:00 P.M. the registered office of the company situated at 508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad - 380 051.

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

Notes: Please fill up this attendance slip and hand it over at the entrance of the venue of meeting. Members are requested to bring their copies of the Annual Report to the AGM.

-----Please tear here-----

PROXY FORM

(Form No. MGT-11 - Pursuant to section 105(6) of the Companies Act, 2013 Rules made thereunder)

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No/Client Id	

I/We, being the member (s) ofshares of the above-named company, hereby appoint

- Name: _____
Address: _____
E-mail Id: _____ Signature: _____ or failing him
- Name: _____
Address: _____
E-mail Id: _____ Signature: _____ or failing him
- Name: _____
Address: _____
E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting and/or any adjournment thereof of Sikko Industries Limited to be held on Monday, September 30, 2019 at 04:00 P.M. at the registered office of the company situated at 508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad - 380 051 and/or any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary businesses				
1.	To receive, consider and adopt Audited Financial Statement of account for the financial year ended on March 31, 2019 and the reports of the Directors' and the Auditors' thereon.			
2.	To appoint a Director in place of Mr. Pravinbhai Kumbhani, Director (DIN: 005878064) who retires by rotation and being eligible, seeks re-appointment.			
3.	Appointment of Statutory Auditor and to fix their remuneration			
Special Business				
4.	Revision in Remuneration payable to Mr. Jayantibhai Kumbhani (DIN: 00587807), Managing Director of the Company			
5.	Revision in Remuneration payable to Mr. Ghanshyam Kumbhani (DIN: 00587855), Chairman & Whole Time Director of the Company.			

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

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp of
not less
than

Note:

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before (September 28, 2019 at 04:00 PM)
- It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.