



SIKKO INDUSTRIES LTD

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



(CIN:-L51909GJ2000PLC037329)

ANNUAL REPORT 2019-20

REGISTERED OFFICE:

508, Iscon Elegance, Nr. Jain Temple Nr.
Prahladnagar 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. Jayantibhai Kumbhani	Managing Director	Mr. Hasmukh Vavaiya	Chairman
Mr. Pravinbhai 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. Ankita Lunagariya		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. D G M S & Co.,	
Purva Sharegistry (India) Private Limited,		Chartered Accountants	
Unit no. 9, Shiv Shakti Industrial Estate, JR Boricha Marg, Lower Parel (East), Mumbai - 400 011; Email: support@purvashare.com		217/218, Manek Centre, P.N. Marg, Jamnagar - 361001	
Tel: 022-23018261; Website: www.purvashare.com		SECRETARIAL AUDITOR	
BANKERS		Mr. Nirmalkumar Solanki	
Bank of India		Practicing Company Secretary	
ICICI Bank Limited		E-102, Panchshlok Residency, B/h. Satyamev Hospital, Chandkheda, Ahmedabad-382424.	

Dear Members,

The Board of Directors hereby submits the report of the business and operations of your Company, along with the Audited Financial statements, for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS**(Amount in Rs.)**

Particulars	F.Y. 2019-20	F.Y. 2018-19
Revenue from operations	31,98,69,718.00	26,89,22,743.10
Other income	53,31,726.27	50,37,717.28
Total Income	32,52,01,444.27	27,39,60,460.38
Less: Total Expenses before Depreciation, Finance Cost and Tax	27,83,85,468.68	23,45,31,638.45
Operating Profits before Depreciation, Finance Cost and Tax	4,68,15,975.59	3,94,28,821.93
Less: Finance cost	57,06,440.89	56,69,803.88
Less: Depreciation	70,11,278.13	83,96,164.90
Profit / (Loss) Before Tax	3,40,98,256.57	2,53,62,853.15
Less:- Provision for Income Tax (Current Year)	-	-
Less: Current Tax	10,080,000.00	83,00,000.00
Less: Deferred Tax Liabilities/ (Assets)	(335,000.00)	(30,13,653.00)
Profit/ (Loss) after tax (PAT)	2,43,53,256.57	2,00,76,506.15

COMPANY'S PERFORMANCE

During the year under review, the Company has earned total income of Rs. 3,252.02 Lakhs as against the total income of Rs. 2,739.61 Lakhs of previous year which states 18.70% increase in the turnover as compared to previous year. The profit before tax in the financial year 2019-20 stood at Rs. 340.98 Lakhs as compared to profit of Rs. 253.63 Lakhs for last year and net profit after tax stood at Rs. 243.53 Lakhs compared to profit of Rs. 200.77 Lakhs for the previous year which state 21.30% increase in profit of the Company.

IMPACT OF COVID-19 PANDEMIC

Being falling under essentials goods Sector Company (i.e. Agriculture products) there is no impact on revenues and the profitability of the Company and the business is running normally.

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 2019-20.

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.

SHARE CAPITAL

During the year under review, no changes took places in the Authorized and Paid-up share capital of the Company.

Authorized Capital

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

Issued, Subscribed & Paid-Up Capital

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

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.

DISCLOSURE BY DIRECTORS:

The Directors on the Board have submitted notice of interest under Section 184(1) i.e. in Form MBP 1, intimation under Section 164(2) i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company.

BOARD MEETINGS

During the year under review, the Board of Directors of the Company met 6 (Six) times, viz. on April 04, 2019, May 27, 2019, September 05, 2019, October 18, 2019, November 14, 2019 and March 10, 2020. 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	No	Yes	Yes	Yes

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 10, 2020 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. Further, all the independent directors of the company have registered themselves in the independent director data bank.

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. Jayantibhai M. Kumbhani, Managing Director (DIN: 00587807), 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") and secretarial standard, of the person seeking re-appointment/ appointment as Director are also provided in 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.

During the year under review, Ms. Lata Dharmani, company secretary has tendered her resignation w.e.f. September 13, 2019. The board took the same into consideration and appointed Ms. Ankita Lunagariya as the Company Secretary in the Company w.e.f. October 18, 2019.

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.

- o 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.
- o 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.
- o 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, 2020, 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, 2020 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 April 04, 2019, May 27, 2019, and November 14, 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 2019-20	
		Eligible to attend	Attended
Mr. Hasmukhbhai 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 27, 2019, September 05, 2019, November 14, 2019 and March 10, 2020. 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 2019-20	
		Eligible to attend	Attended
Mrs. Mamtaben Thumbar	Chairperson	4	4
Mr. Hasmukhbhai 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, 2020.

(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 05, 2019, October 18, 2019 and March 10, 2020. 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 2019-20	
		Eligible to attend	Attended
Mr. Hasmukhbhai 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.

Key points of the Nomination and Remuneration Policy are;

a. Policy on Appointment and Nomination of Directors, Key Managerial Personnel and Senior Management Personnel:

- o The policy is formulated to identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel and Senior Management personnel and recommend to the Board for his / her appointment.
- o A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment.
- o In case of appointment of Independent Director, 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.

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

The Company's remuneration policy is driven by the success and performance of Director, KMP and Senior Management Personnel vis-à-vis the Company. The Company's philosophy is to align them with adequate compensation so that the compensation is used as a strategic tool that helps us to attract, retain and motivate highly talented individuals who are committed to the core value of the Company. The Company follows mixed of fixed pay, benefits and performance based variable pay. The Company pays remuneration by way of salary, benefits, perquisites and allowance. The remuneration and sitting fees paid by the Company are within the salary scale approved by the Board and Shareholders.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at www.sikkoindia.com.

Remuneration of Director:

The details of remuneration paid during the financial year 2019-20 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.

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 - A".

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 - B" 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 - C". Refer to tables 3A (a) in "ANNEXURE - C".

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, 2020 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 - D".

STATUTORY AUDITOR AND THEIR REPORT:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. D G M S & Co., Chartered Accountants, Jamnagar (FRN: 0112187W), were appointed as Statutory Auditors of the Company to hold office till conclusion of the 24th Annual General Meeting (AGM) of the company to be held in the calendar year 2024.

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.

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. Nirmalkumar Solanki, Practicing Company Secretary, Ahmedabad to conduct the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report is annexed herewith as "ANNEXURE - E" 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.

For and on behalf of Board of Directors
For, Sikko Industries Limited

Place: Ahmedabad
Date: September 03, 2020

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

Jayantibhai M Kumbhani
Managing director
DIN: 00587807

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 into by the Company during the financial year ended on March 31, 2020, 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.	Sikko 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. 2019-20	All the transactions entered by the Company is at Market rate and on arms' length basis.	May 27, 2019	NIL

For and on behalf of Board of Directors
For, Sikko Industries LimitedPlace: Ahmedabad
Date: September 03, 2020Ghanshyam M Kumbhani
Chairman and Whole-Time Director
DIN: 00587855Jayantibhai Kumbhani
Managing director
DIN: 00587807

FORM MGT - 9 -EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2020

[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	98.36%

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									

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) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
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	68000	0	68000	1.21	101447	0	101447	1.81	0.60
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i. Individual Shareholders holding nominal share capital up to ` 1 lakh	428112	0	428112	7.64	362553	0	362553	6.47	(1.17)
i. Individual Shareholders holding nominal share capital in excess of ` 1 lakh	919377	0	919377	16.42	1032000	0	1032000	18.43	2.01
c) Others (specify)									
HUF	52000	0	52000	0.93	56000	0	56000	1	0.07
Market Maker	112000	0	112000	2	48000	0	48000	0.86	-1.14
Clearing Members	20511	0	20511	0.37	0	0	0	0	-0.37
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

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	
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
SURESBHAI BACHUBHAI USDADIYA	172000	3.07	-	-	-	-	-	172000	3.07
PUSHPABEN PANKJBHAI PATEL	124000	2.21	-	-	-	-	-	124000	2.21

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
HITESHBHAI CHIMANBHAI KUMBHANI	120000	2.14	-	-	-	-	-	120000	2.14
BEELINE BROKING LIMITED	112000	2.00	05-04-2019	-4000	Sell	108000	1.93		
			19-04-2019	8000	Buy	116000	2.07		
			03-05-2019	-4000	Sell	112000	2.00		
			10-05-2019	-8000	Sell	104000	1.86		
			07-06-2019	4000	Buy	108000	1.93		
			14-06-2019	-4000	Sell	104000	1.86		
			21-06-2019	20000	Buy	124000	2.21		
			05-07-2019	4000	Buy	128000	2.29		
			26-07-2019	4000	Buy	132000	2.36		
			02-08-2019	8000	Buy	140000	2.50		
			09-08-2019	-16000	Sell	124000	2.21		
			16-08-2019	-32000	Sell	92000	1.64		
			20-09-2019	16000	Buy	108000	1.93		
			27-09-2019	4000	Buy	112000	2.00		
			30-09-2019	-28000	Sell	84000	1.50		
			04-10-2019	-16000	Sell	68000	1.21		
			11-10-2019	-16000	Sell	52000	0.93		
			18-10-2019	8000	Buy	60000	1.07		
			25-10-2019	-36000	Sell	24000	0.43		
			15-11-2019	12000	Buy	36000	0.64		
			29-11-2019	-16000	Sell	20000	0.36		
			06-12-2019	4000	Buy	24000	0.43		
			20-12-2019	2086	Buy	26086	0.47		
			27-12-2019	-2086	Sell	24000	0.43		
			03-01-2020	8000	Buy	32000	0.57		
			10-01-2020	-4000	Sell	28000	0.50		
			24-01-2020	-4000	Sell	24000	0.43		
			31-01-2020	8000	Buy	32000	0.57		
			07-02-2020	8000	Buy	40000	0.71		
			14-02-2020	-8000	Sell	32000	0.57		
			06-03-2020	4000	Buy	36000	0.64		
			20-03-2020	8000	Buy	44000	0.79		
			27-03-2020	4000	Buy	48000	0.86	48000	0.86
DILIPSINH RANJITSINH MAKWANA	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
RUPEN JAYANTIBHAI PATEL	88000	1.57	-	-	-	-	-	88000	1.57
ELITE ACCFIN SOLUTIONS PRIVATE LIMITED	64000	1.14	26-04-2019	-32000	Sell	32000	0.57	32000	0.57
			07-06-2019	-16000	Sell	16000	0.29		
			30-08-2019	-16000	Sell	0	0.00		
			27-12-2019	16000	Buy	16000	0.29		
			03-01-2020	8000	Buy	24000	0.43		
			10-01-2020	4000	Buy	28000	0.50		
			24-01-2020	4000	Buy	32000	0.57		
BABUBHAI VIRABHAI PATEL	48000	0.86	-	-	-	-	48000	0.86	
DHAMELIYA VIJAY RAVJIBHAI	32000	0.57	-	-	-	-	32000	0.57	
MAHESHBHAI DAMJIBHAI DOMADIA	32000	0.57	-	-	-	-	32000	0.57	

* 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
Mukesh Vasantlal Shah (CFO)	4000	0.07	31-01-2020	-4000	Sell	0	0.00	0	0.00
Lata Mohankumar Dharmani (CS)	0	0.00	-	-	-	-	-	0	0.00
Mamtaben Hiteshbhai Thumbar (Non-Executive Independent Director)	0	0.00	-	-	-	-	-	0	0.00
Hasmukh Veljibhai Vavaiya	0	0.00	-	-	-	-	-	0	0.00

(Non-Executive Independent Director)									
Ankitaben Kanubhai Lunagariya (CS)	0	0.00	-	-	-	-	-	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 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	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 A (i+ii+iii)	6,32,26,671.91	2,71,00,000	-	9,03,26,671.91
B. Change in Indebtedness during the financial year*				
Additions	-	28,00,000	-	28,00,000
Reduction	(2,82,34,880.94)	-	-	(2,82,34,880.94)
Net Change B	(2,82,34,880.94)	28,00,000	-	(2,54,34,880.94)
C. Indebtedness at the end of the financial year				
i) Principal Amount	3,49,91,790.97	2,99,00,000	-	6,48,91,790.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total C (i+ii+iii)	3,49,91,790.97	2,99,00,000	-	6,48,91,790.97

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.	-	Rs. 30,000	Rs. 30,000	Rs. 60,000
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
Total (a)	-	Rs. 30,000	Rs. 30,000	Rs. 60,000
b) Other Non-Executive Directors				
(i) Fees for attending board/ committee meeting.	-	-	-	-
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
Total (b)	-	-	-	-
Total (B)	-	Rs. 30,000	Rs. 30,000	Rs. 60,000
Total Managerial Remuneration (A+B)				7,860,000
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. Lata Dharmani Company Secretary*	Ms. Ankita Lunagariya Company Secretary**	Total Amount (₹)
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	Rs. 6,05,630	Rs. 50,000	Rs. 1,37,500	Rs. 7,93,130
(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	Rs. 6,05,630	Rs. 50,000	Rs. 1,37,500	Rs. 7,93,130

* Up to September 13, 2019

** w.e.f. October 18, 2019

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					

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
B. 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					

For and on behalf of Board of Directors
For, Sikko Industries Limited

Place: Ahmedabad
Date: September 03, 2020

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	7.71:1
2.	Mr. Jayantibhai Kumbhani	Managing Director	7.71:1

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	Nil
2.	Mr. Jayantibhai Kumbhani	Managing Director	Nil
3.	Mr. Mukesh Shah	Chief Financial Officer	7.50%

c) The percentage increase/decrease in the median remuneration of employees in the financial year:

Median remuneration of Employees increased by 14.31% in F.Y 2019-20 as compared from F.Y. 2018-19.

d) The number of permanent employees on the rolls of the Company: 54 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 increased by 15.65% 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	12,09,600	58	Advance Pesticides
2.	Bhavesh Gosai	DY. VP-MKT	B.Sc. Agri	01.04.2018	10,33,560	56	Sikkon Crop Tech
3.	Bhavin Savaliya	Sales Executive	B. Com	01.04.2018	9,00,000	28	-
4.	Ganesh Pawar	ZSM-Central	Deploma In Agri	22.03.2017	8,80,293	43	Advance Pesticides

Sr. No.	Employee Name	Designation	Qualifications of the employee	Date of Joining	Remuneration Received (in `)	Age	Last employment held by employee
5.	Dilipsinh Makwana	Production Manager - Pesti Div.	B. Com	01.06.2018	6,05,680	47	-
6.	Mukesh Shah	Chief Financial Officer	B. Com	12.01.2017	6,05,630	51	-
7.	Vishal Mistry	Account Manager	B. Com	24.06.2003	5,78,090	36	-
8.	Mahesh Parmar	Production Manager - Ferti. Div.	B. Com	11.11.2010	5,63,302	49	Dindayal Pesticides
9.	Sunil Sharma	Sales Executive	B. SC	01.04.2018	5,15,746	34	-
10.	Ashok Pawar	ASM	Deploma In Agri	19.06.2017	5,05,735	32	Advance Pesticides

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.

For and on behalf of Board of Directors
For, Sikko Industries Limited

Place: Ahmedabad
Date: September 03, 2020

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 Rs.)

Particulars	2019-20	2018-19
Earnings	4,23,52,216.00	Nil
Outgo	5,29,873.00	4,06,545.00

For and on behalf of Board of Directors
For, Sikko Industries Limited

Place: Ahmedabad
Date: September 03, 2020

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, 2020

[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, 2020, 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, 2020 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: September 03, 2020

Nirmalkumar Solanki
Practicing Company Secretary
ACS No. : 56360 C P No. : 21258
UDIN: A056360B000655002

Note: This Report is to be read with my letter of even date which is annexed as Annexure I 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: September 03, 2020

Nirmalkumar Solanki
Practicing Company Secretary
ACS No. : 56360 C P No. : 21258
UDIN: A056360B000655002

MANAGEMENT DISCUSSION & ANALYSIS REPORT

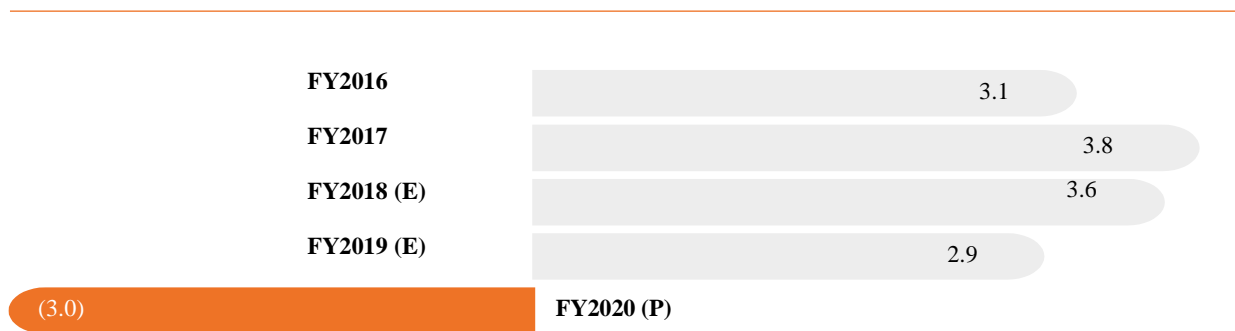
MARKET REVIEW

Global Economy:

Global economic growth slowed down to 2.9% in CY2019 from 3.6% in CY2018, as the weakness observed in the last three quarters of CY2018 spilled over. Although sentiments improved by the end of CY2019 due to a thaw in the US-China trade tensions and fading Brexit uncertainty, the outbreak of the COVID-19 pandemic and consequent lockdowns globally brought economic activities to a near halt in the first quarter of CY2020. As a result, the global economy is projected to contract by 3% in CY2020, much worse than that during the 2008 financial crisis.

Global Five-Year GDP Growth Trend

(%)



Indian Economy:

The Indian economy encountered headwinds as volatility and sluggish demand impacted growth considerably. There was a strong hope of recovery in the last quarter of FY2020. However, the sudden outbreak of COVID-19 made this recovery difficult to achieve in the near to medium term. The GDP growth for FY2020 touched 4.2% vis-à-vis 6.1% in FY2019.

However, the country remains an attractive investment destination. It also presents an opportunity for companies to diversify their supply chains and remain resilient to headwinds. India's remarkable improved ranking in ease of doing business by the World Bank (a jump of 67 positions to a current rank of 63 among 190 countries) is a testament to the government's continued efforts to do what it takes to unlock the country's full potential.

Indian Market:

INDIAN AGRICULTURAL SECTOR OVERVIEW - CROP YEAR FY2020 MARKS RECORD FOOD PRODUCTION

According to the third advance production estimates of major crops for FY2020, food grain production increased by 3.7%, with production of most of the crops estimated to be higher than normal. Cumulative rainfall during the year was also higher than the Long Period Average (LPA).

After two consecutive years of strong harvest of over 285 million tonnes, India's food grain production has reached a new record in crop year FY2020.

India's global agriculture trade lost momentum in FY2020:

After rising by 9.6% in FY2019, India's agricultural trade faced headwinds from increased volatility in the world markets, trade tensions and weak global commodity prices in FY2020. Agricultural exports fell 6.6% y-o-y to ₹ 1.93 trillion in April-December 2019, due to a significant reduction in exports of cotton (-64.1%), oil meals (-37.4%), non-basmati rice (-35.8%), guar gum meal (-26%), cashew (-13%), fresh fruits & vegetables (-12.7%) and buffalo meat (-8.2%). Meanwhile, agricultural imports increased 4.9% y-o-y to ₹ 1.3 trillion in April-December 2019, driven primarily by cotton (145%), pulses (46%), spices (44.7%) and oil meals (67%).

Government initiatives:

UNION BUDGET FY2021 AND OTHER INITIATIVES

In the Union Budget FY2021, the government continued to focus on uplifting agriculture through various key initiatives - increased allocation across schemes to boost irrigation, reduced taxes on farm equipment and other products, set up Farmer Producer Organisations (FPO) provided crop insurance, continued fertilizer subsidy and interest subsidies on farm credit.

In addition, direct income support schemes were announced, along with loan waivers of over ₹ 1,000 billion, to support farmers.

Agricultural outlook:

NEAR-TERM OUTLOOK - THE ONLY BRIGHT SPOT DURING PANDEMIC

Agriculture and allied activities are the major focus areas in a pandemic-hit world that is working towards ensuring food security. Overall, real agricultural growth is expected to be at 2.5% in FY2021, with risks tilted to the downside due to a hit to horticulture and likely impact of locust attacks. The effects of the pandemic on the sector and all activities it encompasses thus far have, however, been varied.

Further, horticulture production has exceeded that of food grains since crop year FY2013. With the rapid spread of the pandemic and consequent lockdowns to break the chain of transmission, demand for horticultural produce is likely to be impacted much more than that of food grains, which was evident from the collapse of wholesale prices of vegetables and fruits in April, despite a sharp reduction in mandi arrivals.

The recent locust attack remains a key event to watch out for. Its impact on agriculture output is unlikely to be worrisome, as rabi crops have been harvested and number of standing crops—largely horticulture produce that was not harvested because of problems in selling—are reportedly under attack. The locust attack needs to be contained on a war footing, as the kharif sowing season is approaching fast.

Reforms related to agriculture stand out in the Atma Nirbhar Bharat Abhiyan package announced by the Government of India. The proposed new law, if enacted, will set the farmers free from the clutches of the Agriculture Produce and Marketing Commission (APMC). This was long overdue, as the APMC—instead of helping farmers sell their produce—has left them vulnerable to price manipulations by traders and commission agents. Further, the amendment of the Essential Commodities Act to deregulate food items (food grains, oilseeds, onion and potato) would also improve price realisations for farmers.

Normal monsoon expected:

The India Meteorological Department (IMD) in its second long-range forecast update set this year's Southwest monsoon at 102% of LPA, up from 100% announced in April. Implying a normal outcome, it pegged over 100% rainfall in all geographical regions and expects a well distributed monsoon rainfall on a spatial and temporal basis. The IMD continues to place the likelihood of a normal monsoon at 41%. The water reservoirs are also at good levels.

Timely kharif Minimum Support Price (MSP) revisions:

The Union government announced kharif MSP well in time, with an average increase of 4.9% for FY2021.

Sowing and procurement in full swing during lockdown:

With favourable Rainfall—tracking 13% above normal and reservoir levels - 188% above last year's levels, sowing for summer crops gets a head start, with the total acreage under cultivation rising ~44% y-o-y as on July 10, 2020, covering ~55% of the total kharif area sown.

To sum up, growth in agriculture in FY2021 is expected to be encouraging, driven by strong food grain production enhanced government focus on food security during the pandemic and continued policy reforms for the sector.

Overall Outlook

With favourable weather in key markets and strong demand following the COVID-19 pandemic, the outlook appears positive in the long term. However, key developments to watch out for would be the US-China trade war, impact of low crude prices, exchange rate volatility, enhanced focus on climate smart sustainable agricultural solutions and government reforms.

Our competitive strength:

Vast experience over 19 years with sound market knowledge

Our promoters are having experience of more than 19 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 19 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 exits, 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 CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company believes that corporate efficiency, managerial effectiveness and asset safeguarding can be guaranteed by exercising adequate internal controls and ensuring procedural standardization. At Sikko Industries Limited, internal control is implemented through the following initiatives:

- ✓ Accurate and timely recording of transactions by utilizing a multi-layered system of checks and balances
- ✓ Implementation of ERP enabling real-time access to mission-critical data
- ✓ Application of accounting policies in line with prescribed standards
- ✓ Periodic reviews of long-term plans and annual budgets
- ✓ Implementation of business intelligence to assess consumer preferences
- ✓ Constant monitoring of processes through routine audits

SEGMENT WISE /PRODUCT WISE REPORTING

For Segment wise/Product wise reporting please refer to notes of Profit and Loss Statement enclosed to 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 Rs.)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Revenue from operations	31,98,69,718.00	26,89,22,743.10
Other income	53,31,726.27	50,37,717.28
Total Income	32,52,01,444.27	27,39,60,460.38
Less: Total Expenses before Depreciation, Finance Cost and Tax	27,83,85,468.68	23,45,31,638.45
Operating Profits before Depreciation, Finance Cost and Tax	4,68,15,975.59	3,94,28,821.93
Less: Finance cost	57,06,440.89	56,69,803.88
Less: Depreciation	70,11,278.13	83,96,164.90
Profit / (Loss) Before Tax	3,40,98,256.57	2,53,62,853.15
Less:- Provision for Income Tax (Current Year)	-	-
Less: Current Tax	10,080,000.00	83,00,000.00
Less: Deferred Tax Liabilities/ (Assets)	(335,000.00)	(30,13,653.00)
Profit/ (Loss) after tax (PAT)	2,43,53,256.57	2,00,76,506.15

Company's Performance

During the year under review, the Company has earned total income of Rs. 3,252.02 Lakhs as against the total income of Rs. 2,739.61 Lakhs of previous year which states 18.70% increase in the turnover as compared to previous year. The profit before tax in the financial year 2019-20 stood at Rs. 340.98 Lakhs as compared to profit of Rs. 253.63 Lakhs for last year and net profit after tax stood at Rs. 243.53 Lakhs compared to profit of Rs. 200.77 Lakhs for the previous year which state 21.30% 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, 2020, the Company had total 54 full time employees. The industrial relations have remained harmonious throughout the year.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

Particulars	F.Y. 2019-20	F.Y. 2018-19	Reason
Debtors Turnover	1.66	2.48	As increase in Avg. debtor is higher than previous year.
Inventory Turnover	3.28	3.18	As increase in Inventory is higher than previous year.
Interest Coverage Ratio	6.98	5.47	Due to increase in operating profitability of the Company.
Current Ratio	1.62	2.56	Due to increase in Current Assets.
Debt Equity Ratio	1.33	0.64	As decrease in Debt comparison to previous year.
Operating Profit Margin (%)	31.36	37.11	Due to increase in operating cost.
Net Profit Margin (%)	7.61	7.47	Due to reduction in expenses & better realization of products.
Return on Net Worth	14.55	14.03	Return on Net worth is 14.55% as compared to 14.03% previous year. The Company has delivered good performance to its shareholders.

CAUTIONARY STATEMENT:

The statements in the "Management Discussion and Analysis Report" describe your Company's objectives, projections, estimates and expectations which may be "forward-looking statements" within the meaning of the applicable laws and regulations. The actual results could differ materially from those expressed or implied, depending upon the economic and climatic conditions, government policies, taxation and other laws and other incidental factors.

**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, 2020, 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 2020, 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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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, 2020 on its financial position in its financial statements, except as provided in Annexure "A" clause (vii) Sub-Clause (b).
 - b) The Company did not have any long-term and derivative contracts as at March 31, 2020.
 - 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, 2020.

FOR D G M S & Co.,
Chartered Accountants

Sarvesh A. Gohil
Partner

M. No. 135782

FRN: 0112187W

UDIN: 20135782AAAAFJ1085

Place: Jamnagar
Date : 27TH June, 2020

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:**
- The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - 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.
 - 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:**
- 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 31.03.20 for a period of more than six months from the date they became payable.
 - 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 except following:

Name of the status	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	254.40 Lacs	F.Y. 2011-12 to F.Y. 2014-15	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	4.79 Lacs	April - 2015 to January -2016	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	4.18 Lacs	Feb. - 2016 to June -2017	Customs, Excise & Service Tax Appellate Tribunal

- (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 D G M S & Co.,
Chartered Accountants

Sarvesh A. Gohil
Partner

M. No. 135782

FRN: 0112187W

UDIN: 20135782AAAAFJ1085

Place: Jamnagar
Date : 27TH June, 2020

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')

Opinion

We have audited the internal financial controls over financial reporting of **SIKKO INDUSTRIES LIMITED** ('the Company') as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 2020 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.

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.

FOR D G M S & Co.,
Chartered Accountants

Sarvesh A. Gohil
Partner

M. No. 135782

FRN: 0112187W

UDIN: 20135782AAAAFJ1085

Place: Jamnagar
Date : 27TH June, 2020

SIKKO INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2020

(Amount in Rs.)

Particulars		Note No.	As at 31st March 2020	As at 31st March 2019
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	2	56,000,000.00	56,000,000.00
	(b) Reserves and Surplus	3	111,394,267.08	87,057,610.11
2	Non-current liabilities			
	(a) Long-term Borrowings	4	28,66,272.00	4,295,593.28
	(b) Deferred tax liabilities (Net)		880,000.00	1,215,000.00
3	Current liabilities			
	(a) Short-term Borrowings	5	62,025,518.97	86,031,078.63
	(b) Trade payables	6	89,843,901.58	49,998,728.97
	(c) Other Current Liabilities	7	50,247,449.68	42,098,454.49
	(d) Short-term Provisions	8	15,942,339.00	8,965,965.00
	TOTAL		389,199,748.31	335,662,430.48
II.	ASSETS			
1	Non-current assets			
	(a) Fixed Assets			
	(i) Tangible Assets	9	34,443,696.44	37,217,949.76
	(ii) Intangible Assets	9	487,763.89	776,335.07
	(b) Long-term Loans and Advances	10	1,009,660.00	1,009,660.00
	(c) Other Non-Current Assets		-	-
	(d) Deferred tax Asset(Net)		-	-
2	Current assets			
	(a) Inventories	11	97,554,964.00	80,299,712.00
	(b) Trade Receivables	12	192,633,217.46	122,120,211.41
	(c) Cash and Cash Equivalents	13	4,292,086.46	32,550,485.17
	(d) Short-term Loans and advances	14	58,363,380.06	60,872,288.28
	(e) Other Current Assets	15	414,980.00	815,788.79
	TOTAL		389,199,748.31	335,662,430.48

Accounting Policies & Notes on Accounts

As per our Report on Even date attached

For D G M S & Co.

Chartered Accountants

Sarvesh A. Gohil

Partner

M. No. 135782

FRN No. 0112187W

Place : Jamnagar

Date : 27/06/2020

UDIN: 20135782AAAFJ1085

For Sikko Industries Limited

Jayantibhai M. Kumbhani

Managing Director

DIN: 00587807

Ankita Lunagariya

Company Secretary

Place : Ahmedabad

Date : 27/06/2020

Ghanshyam M. Kumbhani

Whole Time Director

DIN: 00587855

Mukesh Shah

Chief Financial Officer

Place : Ahmedabad

Date : 27/06/2020

SIKKO INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(Amount in Rs.)

Particulars		Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I.	Revenue from operations	16	319,869,718.00	268,922,743.10
II.	Other Income	17	5,331,726.27	5,037,717.28
III.	Total Revenue (I + II)		325,201,444.27	273,960,460.38
IV.	Expenses:			
	Cost of materials consumed	18	188,767,703.53	94,553,388.30
	Purchase of Traded Goods	19	-	52,988,470.50
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	(1,043,743.00)	4,855,055.00
	Employee benefits expense	21	31,848,315.00	32,750,050.00
	Finance Costs	22	5,706,440.89	5,669,803.88
	Depreciation and amortization expense	23	7,011,278.13	8,396,164.90
	Other expenses	24	58,813,193.15	49,384,674.65
	Total expenses		291,103,187.70	248,597,607.23
V.	Profit before tax (VII- VIII)		34,098,256.57	25,362,853.15
VI	Tax expense:			
	(1) Current tax		10,080,000.00	8,300,000.00
	(2) Deferred tax		(335,000.00)	(3,013,653.00)
VII	Profit (Loss) for the period (XI + XIV)		24,353,256.57	20,076,506.15
VIII	Earnings per equity share:			
	(1) Basic		4.35	3.59
	(2) Diluted		4.35	3.59

Accounting Policies & Notes on Accounts
As per our Report on Even date attached
For D G M S & Co.
Chartered Accountants

Sarvesh A. Gohil
Partner
M. No. 135782
FRN No. 0112187W
Place : Jamnagar
Date : 27/06/2020
UDIN: 20135782AAAAFJ1085

For Sikko Industries Limited

Jayantibhai M. Kumbhani
Managing Director
DIN: 00587807

Ankita Lunagariya
Company Secretary

Place : Ahmedabad
Date : 27/06/2020

Ghanshyam M. Kumbhani
Whole Time Director
DIN: 00587855

Mukesh Shah
Chief Financial Officer

Place : Ahmedabad
Date : 27/06/2020

SIKKO INDUSTRIES LIMITED
Cash Flow Statement for the year ended 31st March 2020

(Amount in Rs.)

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A.	<u>Cash flow from Operating Activities</u>		
	Net Profit Before tax as per Statement of Profit & Loss	34,098,256.57	25,362,853.15
	Adjustments for :		
	Depreciation & Amortisation Exp.	7,011,278.13	8,396,164.90
	Interest Income	(25,020.00)	(48,309.00)
	Expenses Written off	-	1,537,161.23
	Previous Year Income Tax Written Off	(16,599.09)	-
	Finance Cost	5,706,440.89	5,669,803.88
		12,676,099.93	15,554,821.01
	Operating Profit before working capital changes	46,774,356.50	40,917,674.16
	Changes in Working Capital		
	Trade receivable	(70,513,006.05)	(27,424,790.83)
	Other Loans and advances receivable	2,508,908.22	(17,062,877.22)
	Inventories	(17,255,252.00)	8,509,065.00
	Trade Payables	39,845,172.61	(24,220,525.75)
	Other Current Liabilities and other assets	8,549,803.47	24,643,824.61
	Short term Provisions	6,976,374.00	(3,201,429.00)
		(29,887,999.75)	(38,756,733.19)
	Net Cash Flow from Operation	16,886,356.75	2,160,940.97
	Tax Paid	10,080,000.00	8,300,000.00
	Net Cash Flow from Operating Activities (A)	6,806,356.75	(6,139,059.03)
B.	<u>Cash flow from investing Activities</u>		
	Purchase of Fixed Assets	(3,948,453.63)	(5,477,265.73)
	Movement in Loan & Advances	-	(166,574.00)
	Interest Income	25,020.00	48,309.00
		(3,923,433.63)	(5,595,530.73)
	Net Cash Flow from Investing Activities (B)	(3,923,433.63)	(5,595,530.73)
C.	<u>Cash Flow From Financing Activities</u>		
	Proceeds From Issue of shares capital	-	-
	Proceeds From long Term Borrowing (Net)	(1,429,321.28)	(574,082.72)
	Short Term Borrowing (Net)	(24,005,559.66)	49,134,307.05
	Interest Paid	(5,706,440.89)	(5,669,803.88)

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Dividend paid (Including DDT)	-	-
		(31,141,321.83)	42,890,420.45
	Net Cash Flow from Financing Activities (C)	(31,141,321.83)	42,890,420.45
D.	Net (Decrease)/ Increase in Cash & Cash Equivalents (A+B+C)	(28,258,398.71)	31,155,830.69
E.	Opening Cash & Cash Equivalents	32,550,485.17	1,394,654.48
F.	Cash and cash equivalents at the end of the period	4,292,086.46	32,550,485.17
G.	Cash And Cash Equivalents Comprise :		
	Cash	598,344.17	497,002.71
	Bank Balance :		
	Current Account	3,236,944.29	31,621,704.46
	Deposit Account	456,798.00	431,778.00
	Total	4,292,086.46	32,550,485.17

Accounting Policies & Notes on Accounts
As per our Report on Even date attached
For D G M S & Co.
Chartered Accountants

Sarvesh A. Gohil
Partner
M. No. 135782
FRN No. 0112187W
Place : Jamnagar
Date : 27/06/2020
UDIN: 20135782AAAAFJ1085

For Sikko Industries Limited

Jayantibhai M. Kumbhani
Managing Director
DIN: 00587807

Ankita Lunagariya
Company Secretary

Place : Ahmedabad
Date : 27/06/2020

Ghanshyam M. Kumbhani
Whole Time Director
DIN: 00587855

Mukesh Shah
Chief Financial Officer

Place : Ahmedabad
Date : 27/06/2020

SIKKO INDUSTRIES LIMITED

Year ended on 31st March 2020

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 from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. The Company is generally the principal as it typically controls the goods or services before transferring them to the customer.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Other operating revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognized when the right to receive the income is established as per the terms of the contract. Service income is recognized as and when services are rendered as per the terms of the contract.

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.

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 equipment are capitalized as a part of cost of that property, plants and equipment. 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 equipment 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 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 June 27, 2020 have been considered, disclosed and adjusted, wherever applicable, as per the requirement of Accounting Standards.

u) Global Health Pandemic COVID - 19:-

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant slow disturbance and slowdown of economic activity. The company has evaluated impact of this pandemic on its business operations and based on its review and current indicators for future economic conditions, there is no significant impact on its financial statements.

Note - 2 SHARE CAPITAL

(Amount in Rs.)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amt Rs.	Number	Amt Rs.
Authorised				
Equity Shares of Rs. 10 each	6000000	60,000,000.00	6000000	60,000,000.00
Issued				
Equity Shares of Rs. 10 each	5600000	56,000,000.00	5600000	56,000,000.00
Subscribed & Paid up				
Equity Shares of Rs. 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 Rs.)

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amt Rs.	Number	Amt Rs.
Shares outstanding at the beginning of the year	5600000	56,000,000.00	5600000	56,000,000.00
Shares Issued during the year	-	-	-	-
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 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jayantibhai M. Kumbhani	1527042	27.27	1527042	27.27
Alpaben J. Kumbhani	559320	9.99	559320	9.99
Ghanshyambhai M. Kumbhani	360740	6.44	360740	6.44
Bhavnaben P. Kumbhani	385150	6.88	385150	6.88
Mohanbhai N. Kumbhani	330740	5.91	330740	5.91
Nandaben G. Kumbhani	340000	6.07	340000	6.07
Pravinbhai M. Kumbhani	325000	5.80	325000	5.80

Note - 3 RESERVE AND SURPLUS

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
A. Securities Premium Account		
Opening Balance	30,539,156.00	30,539,156.00
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons		
For Share issue Exp.	-	-
Closing Balance	30,539,156.00	30,539,156.00
B. Surplus		
Opening balance	56,518,454.11	34,904,786.73
(+) Net Profit/(Net Loss) For the current year	24,353,256.57	20,076,506.15
(-) Income Tax expenses write off	16,599.60	(1,537,161.23)
Closing Balance	80,855,111.08	56,518,454.11
Total	111,394,267.08	87,057,610.11

Note - 4 LONG TERM BORROWINGS

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
<u>Secured</u>		
(a) Term loans		
From banks		
BOI Tata Zest Car Loan	-	17,785.54
BOI New Duster Car Loan	372,994.00	637,953.74
HDFC Bank Ltd BMW Car Loan	-	-
ICICI Bank TATA Tigor Car Loan	134,823.00	252,562.00
ICICI Bank Brezza Car Loan	534,921.00	535,121.00
SBI Range Rover Car Loan	1,823,534.00	2,852,171.00
Sub-total (a)	2,866,272.00	4,295,593.28
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	-	-
<u>Unsecured</u>		
(b) Loan and advances from related parties	-	-

Sub-total (b)	-	-
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	2,866,272.00	4,295,593.28

Note - 5 SHORT TERM BORROWINGS

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
Secured		
(a) Working Capital Loans		
from banks		
ICICI Bank CC	32,125,518.97	58,931,078.63
Sub-total (a)	32,125,518.97	58,931,078.63
Unsecured		
(b) Loans and advances from related parties	29,900,000.00	27,100,000.00
Sub-total (b)	29,900,000.00	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	62,025,518.97	86,031,078.63

Note - 6 TRADE PAYABLES

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
(a) Micro, Small and Medium Enterprise	-	-
(b) Others	89,843,901.58	49,998,728.97
Total	89,843,901.58	49,998,728.97

Note - 7 OTHER CURRENT LIABILITIES

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
(i) Current maturities of Long Term Debt		
(i.e. Term Liability classified as current)		
BOI Tata Zest Car Loan	19,733.00	214,853.46
BOI New Duster Car Loan	255,631.00	110,104.26
HDFC Bank Ltd BMW Car Loan	-	61,316.60
ICICI Bank Tata Tigor	117,739.00	160,325.00
ICICI Bank	-	319,278.00
SBI Range Rover Car Loan	1,025,685.00	875,010.00

(ii) Statutory Remittance		
(i) TDS Payable	1,377,894.00	347,295.00
(ii) GST Payable	8,617,464.02	7,679,236.42
(iii) Professional Tax Payable	26,750.00	18,820.00
(iii) Advanced from Customer	12,727,390.03	10,087,948.50
(v) Dealer Deposits	26,079,163.63	22,224,267.25
Total	50,247,449.68	42,098,454.49

Note - 8 SHORT TERM PROVISIONS

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision For		
(a) Employee benefits		
(i) Contribution to PF	33,725.00	37,421.00
(ii) Bonus Payable	626,600.00	522,200.00
(iii) ESIC Payable	1,204.00	6,344.00
(b) Others (Specify nature)		
(i) Electricity Burning Expense	123,288.00	-
(ii) C & F Charges	52,042.00	-
(iii) Security Charges	25,800.00	-
(iv) Telephone Charges	980.00	-
(v) Director Sitting Fees	60,000.00	-
(vi) Audit Fees	100,000.00	100,000.00
(ii) Income Tax	14,918,700.00	8,300,000.00
Total	15,942,339.00	8,965,965.00

Note - 10 LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
(Unsecured and Considered Good)		
a. Security Deposits	1,009,660.00	1,009,660.00
Total	1,009,660.00	1,009,660.00

Note - 11 INVENTORIES

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
a. Raw Materials and components (Valued at Lower of Cost or NRV as per FIFO Method)	59,899,420.00	39,231,528.00
b. Work-in-progress (Valued at Estimated Cost)	-	-
c. Finished goods (Valued At Lower of Cost or NRV)	33,632,847.00	32,589,104.00
d. Packing Material (Valued at Lower of Cost or NRV as per FIFO Method)	4,022,697.00	8,479,080.00
Total	97,554,964.00	80,299,712.00

Note - 12 TRADE RECEIVABLES

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
(Unsecured and Considered Good)		
Over Six Months	-	-
Others	192,633,217.46	122,120,211.41
Total	192,633,217.46	122,120,211.41

Note - 13 CASH AND CASH EQUIVALENTS

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
Bank of India (Ferti) - S.G. Highway	779,178.94	525,315.34
Bank of India Paldi	239,743.71	29,695.55
ICICI Bank Bhopal	20,597.18	20,597.18
Bank of India CC	-	702,727.39
ICICI Bank	2,197,424.46	30,343,369.00
b. Cash on hand	598,344.17	497,002.71
Other Bank Balance		
Deposit With Maturity for more than 12 Months		
Fixed Deposit - BOI	452,798.00	427,778.00
Fixed Deposit	4,000.00	4,000.00
Total	4,292,086.46	32,550,485.17

Note - 9 FIXED ASSETS

(Amount in Rs.)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1 April 2019	Additions	Disposal/ Adjustment	Balance as at 31 March 2020	Balance as at 1 April 2019	Amount Charged to Reserves (refer Note below)	Depreciation charge for the year	Deductions/ Adjustments	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
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	13,295,337.00	385,320.00	-	13,680,657.00	6,319,410.54	-	481,505.75	-	6,800,916.29	6,879,740.71	6,975,926.46
Office Equipments	1,467,990.00	-	-	1,467,990.00	1,208,559.14	-	91,269.48	-	1,299,828.62	168,161.38	259,430.86
Computer & Software	1,256,559.73	241,530.63	-	1,498,090.36	1,074,249.79	-	212,547.95	-	1,286,797.74	211,292.62	182,309.94
Furniture & Fixtures	11,118,764.00	606,300.00	-	11,725,064.00	9,098,129.34	-	583,364.43	-	9,681,493.77	2,043,570.23	2,020,634.66
Plant & Machinery	46,822,286.00	2,699,637.00	-	49,521,923.00	33,723,954.39	-	3,036,097.34	-	36,760,051.73	12,761,871.27	13,098,331.61
LABORATORY EQUIPMENTS	1,079,935.00	11,166.00	-	1,091,101.00	485,237.61	-	154,379.02	-	639,616.63	451,484.37	594,697.39
Motor Vehicle	16,106,956.00	-	-	16,106,956.00	9,139,412.16	-	2,159,042.98	-	11,298,455.14	4,808,500.86	6,967,543.84
Bike	36,800.00	-	-	36,800.00	36,375.00	-	-	-	36,375.00	425.00	425.00
Software	897,620.00	-	-	897,620.00	366,189.33	-	265,715.33	-	631,904.66	265,715.34	531,430.67
INTANGIBLE ASSETS	424,250.00	4,500.00	-	428,750.00	179,345.60	-	27,355.85	-	206,701.45	222,048.55	244,904.40
Total	99,625,147.73	3,948,453.63	-	103,573,601.36	61,630,862.90	-	7,011,278.13	-	68,642,141.03	34,931,460.33	37,994,284.83

Note - 14 SHORT TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
a. Balance with Government Authorities	52,101,692.47	44,754,068.34
b. Deposits	105,000.00	1,105,000.00
c. Others (specify nature)		
Advance to Creditors	5,454,687.59	14,120,219.94
Advance to Employees	702,000.00	893,000.00
Total	58,363,380.06	60,872,288.28

Note - 15 OTHER CURRENT ASSETS

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
(Unsecured and Considered Good)		
Prepaid Expenses	414,980.00	815,785.72
Total	414,980.00	815,785.72

Note - 16 REVENUE FROM OPERATIONS

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products	314,383,004.00	262,122,697.10
Other Operating Revenue	5,486,714.00	6,800,046.00
Total	319,869,718.00	268,922,743.10

Note - 16.1 PARTICULARS OF SALE OF PRODUCTS

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Manufactured Goods		
Fertilisers	35,574,096.00	34,167,459.80
Pesticides	270,204,766.00	208,903,565.40
Seeds	7,500,230.00	17,998,421.90
Others	1,103,912.00	1,053,250.00
Total	314,383,004.00	262,122,697.10

Note - 16.2 OTHER OPERATING REVENUE

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Reimbursement of C & F Charges	498,792.00	618,186.00
Reimbursement of Marketing Expense	4,987,922.00	6,181,860.00
Total	5,486,714.00	6,800,046.00

Note - 17 OTHER INCOME

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income		
From Bank FD Deposits	25,020.00	36,059.00
From Staff Loan	-	12,250.00
Other Income		
Kasar Income	-	20,460.89
Duty Drawback Income	341,290.00	-
Income tax Refund	350.00	-
Rate Difference Exp.	1,387,853.00	-
Rent Income	-	132,000.00
Late Payment Charges	3,290,023.27	3,923,966.64
Bed Debts Recovery	156,190.00	906,103.75
Machinery Rent Income	119,000.00	-
Office Rent Income	12,000.00	-
Shortage Material	-	6,877.00
Total	5,331,726.27	5,037,717.28

Note - 18 COST OF MATERIAL CONSUMED

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock Raw Materials	39,231,528.00	44,751,306.00
Add:- Purchase of Raw Materials	191,980,517.53	77,768,651.30
Closing Stock of Raw Materials	59,899,420.00	39,231,528.00
Total (A)	171,312,625.53	83,288,429.30
Opening Stock Packing Material Consumed	8,479,080.00	6,613,312.00
Add:- Purchase of Packing Material Consumed	1,299,8695.00	13,130,727.00
Closing Stock of Packing Material Consumed	4,022,697.00	8,479,080.00
Total (B)	17,455,078.00	11,264,959.00
Cost of Raw Materials Consumed	188,767,703.53	94,553,388.30

Note - 18.1 PARTICULARS OF COST OF MATERIAL CONSUMED

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Breakup of Raw Material Consumed		
Fertilisers	17,125,252.53	4,306,312.00
Pesticides	149,260,387.00	69,684,475.80
Seeds	4,303,436.00	3,777,863.50

Others	623,550.00	-
Total (A)	171,312,625.53	77,768,651.30
Breakup of Packing Material Consumed		
Fertilisers	3,804,682.00	910,700.00
Pesticides	13,650,396.00	11,847,752.00
Seeds	-	372,275.00
Others	-	-
Total (B)	17,455,078.00	13,130,727.00
Total	188,767,703.53	90,899,378.30

Note - 19 PURCHASE OF TRADED GOODS

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Breakup of Purchase of Traded Goods		
Fertilisers	-	9,000.00
Pesticides	-	44,721,088.50
Seeds	-	7,773,422.00
Others	-	484,960.00
Total	-	52,988,470.50

Note - 20 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND WIP

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Inventories at the end of the year</u>		
Finished Goods	33,632,847.00	32,589,104.00
<u>Inventories at the beginning of the year</u>		
Finished Goods	32,589,104.00	37,444,159.00
Net(Increase)/decrease	(10,43,743.00)	4,855,055.00

Note - 21 EMPLOYEE BENEFITS EXPENSES

(Amount in Rs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Salaries and Wages	31,569,161.00	32,413,345.00
(b) Contributions to Provident Fund & Other Fund		
Provident fund	214,333.00	241,036.00

ESIC	20,544.00	64,580.00
(c) Staff welfare expenses	44,277.00	31,089.00
Total	31,848,315.00	32,750,050.00

Note - 22 FINANCE COST

(Amount in Rs.)

Finance Cost	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest expense :-		
(i) Borrowings	5,330,388.40	4,060,633.52
(ii) Interest on TDS	3,580.00	-
(iii) Interest on Professional Tax	2,651.00	2,516.00
(iv) Interest on Dealer Deposits	-	13,465.00
(v) Interest on Provident Fund	139.00	-
(b) Other borrowing costs	369,682.49	1,593,189.36
Total	5,706,440.89	5,669,803.88

Note - 23 DEPRECIATION AND AMORTISATION

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation Exp	7,011,278.13	8,396,164.90
Total	7,011,278.13	8,396,164.90

Note - 24 OTHER EXPENSES

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Manufacturing Expenses		
Loading & Unloading Charges	93,984.00	131,035.00
Electric Power & Fuel	12,670.00	1,239,566.44
Electric Burning Exp.	1,963,335.60	-
Factory Exp.	1,026,794.16	678,371.64
Factory Rent Exp.	240,000.00	-
C & F Charges	3,481,857.47	4,028,736.50
Field Assistant Exp.	310,294.00	211,000.00
Leakage Material	59,958.00	10,440.00
Freight & Forwarding Exp	10,711,468.32	1,233,797.00
Rate Difference	2,562,930.00	9,183,578.00

Selling & Distribution Expenses		
Sales Promotion Exp.	1,220,728.22	731,988.00
Sales Commission Exp.	179,200.00	408,890.00
Exhibition Exp.	355,000.00	390,272.48
Establishment Expenses		
Advertisement Expenses	1,369,898.00	1,687,968.00
Rent Exp.	166,740.00	372,300.00
Rates & Taxes	235,940.00	170,498.00
Payment To auditor	100,000.00	100,000.00
Discounts	9,453,259.40	7,011,673.40
Donation	5,600.00	13,000.00
Insurance Exp.	746,908.00	930,710.00
Legal & Professional Fees	1,658,038.06	2,059,547.38
Travelling Conveyance Exp.	8,232,423.47	8,670,527.00
Repairs & Maintenance	730,152.44	1,330,573.82
Communication Exp.	404,691.42	376,760.48
Research and Development Cost	6,082,375.03	775,265.00
Foreign Exchange Loss	-	2,038.17
Bad Debts Exp.	65,37,134.00	6,576,174.88
Late Payment Reverse Charge	41,274.73	-
Miscellaneous Expense	830,538.83	1,059,887.46
Total	58,813,193.15	49,384,674.65

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. Balances of Trade Payables, Trade Receivable and Loans and Advances are subject to confirmations and reconciliation if any, by the respective parties.
28. The account balances existing at the beginning of the period have been relied upon the audited financial statements audited by the previous auditor.

29. 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.

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

Components of which are as under: -

(Amount in Lacs)

Particulars	31-3-2020	31-3-2019
<i>Deferred Tax Asset</i>		
<i>Block of assets (Depreciation)</i>	45.52	66.92
<i>Net Differed Tax Asset (Liability)</i>	(8.80)	(12.15)

31. Earnings Per Share

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit / (Loss) after tax attributable to Equity Shareholders (A)	24,353,256.57	2,00,76,506.15
Weighted Number of Equity Share outstanding During the year (B) (In Nos.)	5600000	5600000
Basic Earnings Per Share for each Share of Rs.10/- (A) / (B)	4.35	3.59

32. Foreign Currency Transactions: -

Expenditure in Foreign Currency: -

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Import Purchases	529,873.00	4,06,545.00
Total	529,873.00	4,06,545.00

Earnings in Foreign Currency: -

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Export Sales	42,352,216.00	-
Total	42,352,216.00	-

33. 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
Ghanshyam M. Kumbhani	Key Managerial Personnel
Jayanti M. Kumbhani	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 (Left job on 13/09/2019)
Ankita K. Lunagariya	Company Secretary

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

(Amount in Rs.)

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	38,985,418.00	38,985,418.00	-
			C & F Charges	498,792.00	498,792.00	
			Marketing Exp.	4,987,922.00	4,987,922.00	
			Office Rent Income	12,000.00	12,000.00	
4.	Mukesh V. Shah	Chief Financial Officer	Salary Exp.	605,630.00	605,630.00	-
6.	Lata M. Dharmani	Company Secretary	Salary Exp.	50,000.00	50,000.00	-
7.	Ankita K. Lunagariya	Company Secretary	Salary Exp.	137,500.00	137,500.00	-

34. 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 Rs.)

Sr. No.	Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
		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	Nil	Nil	Nil	Nil

Sr. No.	Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
		Principal	Interest	Principal	Interest
	making payments of principal 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.

35. 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 Rs.)

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	2,01,260.00	1,99,046/-

36. 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 Rs.)

Particulars		Year Ended 31/03/2020	Year Ended 31/03/2019
1	Segment Revenue		
	a) Fertilizer	35,574,096.00	34,167,459.80
	b) Pesticides	275,691,480.00	215,703,611.40
	c) Seeds	7,500,230.00	17,998,421.90
	d) Others	1,103,912.00	1,053,250.00
	Gross Turnover (Turnover and Inter Segment transfer)	319,869,718.00	268,922,743.10
	Less:		
	Inter Segment Transfers	-	-
	Revenue from Operation	319,869,718.00	268,922,743.10
2	Segment Results		
	a) Fertilizer	522,579.54	1,760,973.25
	b) Pesticides	42,439,264.70	33,161,567.32

Particulars	Year Ended 31/03/2020	Year Ended 31/03/2019
c) Seeds	(3,423,746.63)	237,882.17
d) Others	266,599.85	(637,868.92)
Total Segment profit Profit before Unallocated Interest and Tax	39,804,697.46	34,522,553.82
i. Finance Cost	5,706,440.89	5,669,803.88
ii. Other Income	-	-
iii. Other Un-allocable Expenses (Net of Income)	-	3,489,897.00
Profit before Tax	34,098,256.57	25,362,852.94
i. Current Tax	10,080,000.00	8,300,000.00
ii. Deferred Tax	(335,000.00)	(3,013,653.21)
Profit after Tax	24,353,256.57	20,076,506.15
3 Segment Assets		
a) Fertilizer	85,652,609.56	94,518,425.37
b) Pesticides	270,501,292.95	209,535,129.65
c) Seeds	5,828,527.00	11,899,790.19
d) Others	738,960.00	844,065.41
Unallocated	26,478,358.81	18,865,019.34
Total Segment Assets	389,199,748.31	335,662,429.97
4 Segment Liabilities		
a) Fertilizer	26,321,513.07	18,854,349.91
b) Pesticides	97,140,808.82	63,475,011.85
c) Seeds	10,624,329.40	6,436,213.93
d) Others	1,075,036.95	613,929.63
Unallocated	86,643,792.99	103,225,315.05
Total Segment Liabilities	221,805,481.23	192,604,820.37

37. Contingent Liabilities and Commitments

(Amount in Rs.)

Particulars	2019-20	2018-19
Contingent Liabilities	NIL	NIL
Capital and Other Commitments	NIL	NIL

As per our Report on Even date attached
For D G M S & Co.
Chartered Accountants

For Sikko Industries Limited

Sarvesh A. Gohil
Partner
M. No. 135782
FRN No. 0112187W
Place : Jamnagar
Date : 27/06/2020
UDIN: 20135782AAAAFJ1085

Jayantibhai M. Kumbhani
Managing Director
DIN: 00587807

Ghanshyam M. Kumbhani
Whole Time Director
DIN: 00587855

Ankita Lunagariya
Company Secretary

Mukesh Shah
Chief Financial Officer

Place : Ahmedabad
Date : 27/06/2020

Place : Ahmedabad
Date : 27/06/2020

NOTICE OF TWENTIETH (20TH) ANNUAL GENERAL MEETING

Notice is hereby given that the 20th (Twentieth) Annual General Meeting (AGM) of the Members of Sikko Industries Limited will be held on Tuesday, September 29, 2020 at 04:00 P.M. IST through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to transact the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended on March 31, 2020, together with the Reports of Board of Directors and the Auditor thereon.
2. To appoint a Director in place of Mr. Jayantibhai M. Kumbhani (DIN 00587807), who retires by rotation and being eligible, seeks re-appointment.

Registered Office:
508, Iscon Elegance, Nr. Jain Temple,
Nr. Prahladnagar Pick up Stand,
Vejalpur, Ahmedabad - 380 051.

For and on behalf of Board of Directors
For, Sikko Industries Limited

Sd/-
Jayantibhai Kumbhani
Managing director
DIN: 00587807

Place: Ahmedabad
Date: September 03, 2020

NOTES: -

- 1) In view of the continuing Covid-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 22/2020 dated June 15, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 20th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 13 and available at the Company's website www.sikkoindia.com. The deemed venue for the AGM shall be the Registered Office of the Company.
- 2) Information regarding appointment/re-appointment of Director(s) pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and secretarial standard II is annexed hereto.
- 3) Though, pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf, since this AGM is being held pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 4) Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to krishivadvisory@gmail.com with copies marked to the Company at compliance@sikkoindia.com and to National Securities Depository Limited (NSDL) at evoting@nsdl.co.in.
- 5) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

- 6) Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
- 7) In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.sikkoindia.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and the AGM Notice is also available on the website of NSDL i.e. www.evoting.nsdl.com.
- 8) Those shareholders who have not yet registered their e-mail address are requested to get their e-mail addresses submitted, by following the procedure given below:
 - a) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to compliance@sikkoindia.com.
 - b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to compliance@sikkoindia.com.
 - c) Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (a).
 - d) It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants by following the due procedure.
 - e) Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, Purva Sharegistry (India) Private Limited to enable servicing of notices / documents / annual Reports electronically to their e-mail address.
- 9) It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants, by following the due procedure.
- 10) Members seeking any information with regard to the accounts or any matter to be placed at the AGM or who would like to ask questions or registered themselves as Speaker, are requested to write to the Company mentioning their name demat account number/folio number, email id, mobile number at Compliance@sikkoindia.com on or before September 20, 2020 so as to enable the management to keep the information ready. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- 11) Members holding the shares in dematerialized form are requested to notify immediately, the information regarding change of address and bank particulars to their respective Depository Participant.
- 12) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
- 13) **PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS AND PARTICIPATING AT THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:**
 - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and SEBI Circular dated May 12, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL, as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.
 - ii. There being no physical shareholders in the Company, the Register of members and share transfer books of the Company will not be closed. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date

i.e. Tuesday, September 22, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

- iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Tuesday, September 22, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
- iv. The remote e-voting will commence on 9:00 A.M. on Saturday, September 26, 2020 and will end on 5:00 P.M. on Monday, September 28, 2020 During this period, the members of the Company holding shares as on the Cut-off date i.e. Tuesday, September 22, 2020 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
- v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Tuesday, September 22, 2020.
- vii. The Company has appointed CS Anand S Lavingia, Practicing Company Secretary (Membership No. ACS: 26458; CP No: 11410), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING

The remote e-voting period begins on 9:00 A.M. on Saturday, September 26, 2020 and will end on 5:00 P.M. on Monday, September 28, 2020. The remote e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

- Step 1. Log-in to NSDL e-Voting system at www.evoting.nsdl.com.
- Step 2. Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: www.evoting.nsdl.com either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. **Your password details are given below:**

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, you can send a request at evoting@nsdl.co.in or at compliance@sikkoindia.com mentioning your demat account number/folio number, your PAN, your name and your registered address.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to krishivadvisory@gmail.com with copies marked to the Company at compliance@sikkoindia.com and to National Securities Depository Limited (NSDL) at evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

CONTACT DETAILS

Company	Sikko Industries Limited 508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar pick up stand, Vejalpur, Ahmedabad - 380 051, Gujarat. Tel No. +91 79 66168950 / 66168951; Email: compliance@sikkoindia.com ; Web: www.sikkoindia.com
Registrar and Transfer Agent	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
e-Voting Agency & VC / OAVM	Email: evoting@nsdl.co.in NSDL help desk 1800-222-990
Scrutinizer	Mr. Anand S. Lavingia Email: krishivadvisory@gmail.com ; Tel No.: +91 79 - 4005 1702

INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at compliance@sikkoindia.com. The same will be replied by the company suitably.

Disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard II issued by ICSI for

Item No. 2 of the Notice:

Name	Mr. Jayantibhai M. Kumbhani
Date of Birth	April 10, 1966
Date of Appointment at current term and designation	Originally appointed as Director w.e.f January 15, 2003. Re-designated as Managing Director w.e.f. January 12, 2017 for a period of 5 years.
Qualification	B. Sc. (Agri)
Experience - Expertise in specific functional areas - Job profile and suitability	Having 32 years of experience in agricultural field including 22 years of experience in agricultural business.
Directorships held in other public companies including deemed public companies and excluding our Company, Section 8 Companies, Struck off Companies and LLPs.	Nil
Memberships / Chairmanships of committees* of public companies	Membership - 1 Chairmanship - Nil
Inter-se Relationship with other Directors.	Brother of Mr. Ghanshyambhai Kumbhani and Mr. Pravinbhai Kumbhani
No. of Shares held as on March 31, 2020	1527042 Equity Shares
Terms and conditions	Liable to retire by rotation.
Number of Board Meetings attended during the Financial Year 2019-20.	6 Meetings

*Committee includes the Audit Committee and Stakeholders' Grievance Committee
