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### IMPORTANT COMMUNICATION TO SHAREHOLDERS

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent through e-mail to the Shareholders. Further, in compliance with the provisions of the Companies Act, 2013, the Rules framed thereunder and the recent Circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), electronic copies of the Notice of the 23<sup>rd</sup> (Twenty Third) Annual General Meeting (AGM) and the Annual Report for the Financial Year 2022-23 will be sent to all the Shareholders whose e-mail addresses are registered with the Company / Depository Participant(s). Shareholders may note that the Notice of the 23<sup>rd</sup> AGM and the Annual Report 2022-23 will also be available on the Company's website (at [www.sikkoindia.com](http://www.sikkoindia.com)), on the websites of the Stock Exchange where the Equity Shares of the Company are listed, i.e., National Stock Exchange of India Limited (at [www.nseindia.com](http://www.nseindia.com)) and on the website of National Securities Depository Limited (NSDL) (at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)).

# SIKKO INDUSTRIES LTD

## CORPORATE INFORMATION

SIKKO INDUSTRIES LIMITED

CIN: L51909GJ2000PLC037329

BOARD OF DIRECTORS		KEY MANAGERIAL PERSONNEL	
Mr. Jayantibhai Kumbhani	Managing Director	Mr. Mukesh Shah	Chief Financial Officer
Mr. Ghanshyambhai Kumbhani	Whole-time Director	Mr. Dhruvitkumar Mandliya	Company Secretary
Mrs. Alpaben Kumbhani	Executive Director		
Mrs. Mamtaben Thumbar	Independent Director		
Mr. Hasmukhbhai Vavaiya	Independent Director		
Mr. Ashvinkumar Trapasiya	Independent Director		
AUDIT COMMITTEE		BANKERS	
Mr. Ashvinkumar Trapasiya	Chairman	Bank of India	
Mr. Hasmukhbhai Vavaiya	Member	ICICI Bank	
Mrs. Mamtaben Thumbar	Member		
Mr. Jayantibhai Kumbhani	Member		
STAKEHOLDERS' RELATIONSHIP COMMITTEE		REGISTRAR AND SHARE TRANSFER AGENT	
Mrs. Mamtaben Thumbar	Chairman	Purva Sharegistry (India) Private Limited	
Mr. Hasmukhbhai Vavaiya	Member	Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lowe Parel (E), Mumbai, Maharashtra - 400 011.	
Mr. Ashvinkumar Trapasiya	Member	<b>Email:</b> support@purvashare.com; <b>Web:</b> www.purvashare.com	
Mrs. Alpaben Kumbhani	Member	<b>Tel:</b> +91 22 - 23012517/8261	
NOMINATION AND REMUNERATION COMMITTEE		SECRETARIAL AUDITOR	
Mr. Hasmukhbhai Vavaiya	Chairman	<b>Mr. Anand Lavingia, Practicing Company Secretary</b>	
Mr. Ashvinkumar Trapasiya	Member	Office No. 415 - 416, "Pushpam", Opp. Seema Hall, Anandnagar Road, Satellite, Ahmedabad - 380 015.	
Mrs. Mamtaben Thumbar	Member		
REGISTERED OFFICE		MANUFACTURING UNITS	
508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad - 380 051.		<b>Pesticide Unit:</b>	
<b>Tel No.:</b> +91 79 6616 8950;		55 - A & B, Ambica Estate, At: Ivaya, Sanand Viramgam Highway, Taluka: Sanand, District: Ahmedabad - 382110.	
<b>Email:</b> compliance@sikkoindia.com		<b>Fertilizer Unit:</b>	
<b>Web:</b> www.sikkoindia.com		193/2 & 193/02/2, Ambica Estate, At: Ivaya, Sanand Viramgam Highway, Taluka: Sanand, District: Ahmedabad - 382110.	



## NOTICE OF 23RD ANNUAL GENERAL MEETING

Notice is hereby given that the 23<sup>rd</sup> (twenty-Third) Annual General Meeting (AGM) of the Members of Sikko Industries Limited will be held on Monday, September 11, 2023 at 04:00 P.M. IST through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the following businesses:

### ORDINARY BUSINESSSES:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended on March 31, 2023 together with the Reports of Board of Directors and the Auditor thereon.

In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution**:

**“RESOLVED THAT** the Audited Financial Statement of the Company for the financial year ended on March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby received, considered and adopted.”

2. To appoint a Director in place of Mr. Ghanshyambhai Kumbhani (DIN: 00587855), Whole-time Director who retires by rotation and being eligible, seeks re-appointment.

**Explanation:** Based on the terms of appointment, executive and non-executive directors are subject to retirement by rotation. Mr. Ghanshyambhai Kumbhani (DIN: 00587855), Whole-time Director who was reappointed on October 1, 2021 as Whole-time Director, and is the longest-serving member on the Board, retires by rotation and, being eligible, seeks re-appointment.

To the extent that Mr. Ghanshyambhai Kumbhani (DIN: 00587855), Whole-time Director is required to retire by rotation, he would need to be reappointed as such. Therefore, shareholders are requested to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded for the reappointment of Mr. Ghanshyambhai Kumbhani (DIN: 00587855), Whole-time Director as such, to the extent that he is required to retire by rotation.”

### SPECIAL BUSINESS:

3. **To regularize appointment of Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672) as an Independent Director of the Company:**

To consider and if thought fit, to pass with or without modification, following resolution as **Special resolutions**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672) who was appointed as an Additional Director of the Company, categorized as Non-Executive Independent, by the Board of Directors with effect from June 13, 2023, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Non-Executive Independent Director and whose appointment has been recommended by the Nomination and Remuneration Committee and Board of Directors, being eligible, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from June 13, 2023 till June 12, 2028;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### 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**

**Jayantibhai M. Kumbhani**  
Managing Director  
DIN: 00587807

Place: Ahmedabad

Date: August 11, 2023

### NOTES TO SHAREHOLDERS FOR AGM:

1. Pursuant to the MCA Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 2/2022 dated May 5, 2022 and Circular No. 11/2022 dated December 28, 2022 (the “MCA Circulars”) and all other relevant circulars issued from time to time, physical attendance of the Members to the Annual General Meeting (“AGM”) venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue of the meeting shall be the registered office of the Company.

The detailed procedure for participation in the meeting through VC/OAVM is as per note given at the end of Notice and available at the Company's website [www.sikkoindia.com](http://www.sikkoindia.com).

2. The relevant details, pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard II on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this Annual General Meeting (“AGM”) are also annexed to this Notice.
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 csanandlavingia@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. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circulars, the Notice of AGM along with Annual Report 2022-23 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 2022-23 has been uploaded on the website of the Company at www.sikkoindia.com and the website of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com. The Notice can also be accessed from the website of NSDL i.e. www.evoting.nsdl.com.
7. 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 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) by email to compliance@sikkoindia.com. Alternatively, member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing above details.
  - b) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
  - c) 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. Those shareholders who have already registered their e-mail address are requested to keep their email addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, PSIPL to enable servicing of notices / documents / annual Reports electronically to their e-mail address.
8. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
9. 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 Monday, August 28, 2023 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.
10. 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.
11. In case of joint holders attending the AGM together, only holder whose name appearing first will be entitled to vote.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long period of time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to PSIPL in case the shares are held in physical form.
14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members can contact their DP in case the shares are held in electronic form and to PSIPL in case the shares are held in physical form.
15. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline.

The Details of Shareholders whose Dividend is unpaid or unclaimed are uploaded on the Website of the Company at www.sikkoindia.com.
16. **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 businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL, as the Authorized 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. Monday, September 4, 2023, 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. Monday, September 4, 2023, 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 Friday, September 8, 2023 and will end on 5:00 P.M. on Sunday, September 10, 2023. During this period, the members of the Company holding shares as on the Cut-off date i.e. Monday, September 4, 2023 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. Monday, September 4, 2023.
- vii. The Company has appointed CS Anand Sureshbhai Lavingia, Practicing Company Secretary, 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 Friday, September 8, 2023 and will end on 5:00 P.M. on Sunday, September 10, 2023. 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. ACCESS TO NSDL E-VOTING SYSTEM

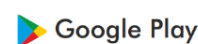
##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App is available on**





Type of Shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:**

Login Type	Helpdesk Details
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> contact at toll free no. 1800 22 55 33

## B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP 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.*
- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
<b>a) For Members who hold shares in demat account with NSDL.</b>	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>b) For Members who hold shares in demat account with CDSL.</b>	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
<b>c) For Members holding shares in Physical Form.</b>	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. Password details for shareholders other than Individual shareholders 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, please follow steps mentioned below in process for those shareholders whose email ids are not registered
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.nsd.com](http://www.evoting.nsd.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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.

## **Step 2. CAST YOUR VOTE ELECTRONICALLY AND JOIN ANNUAL GENERAL MEETING ON NSDL E-VOTING SYSTEM**

### **How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 [csanandlavingia@gmail.com](mailto:csanandlavingia@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
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.nsd.com](http://www.evoting.nsd.com) to reset the password.
3. 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.nsd.com](http://www.evoting.nsd.com) or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.

- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- 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](mailto:compliance@sikkoindia.com). The same will be replied by the company suitably.

#### INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 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.
- 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.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### CONTACT DETAILS:

<b>Company</b>	<b>SIKKO INDUSTRIES LIMITED</b> 508 Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad 380051. <b>Tel:</b> +91 79 6616 8950 / 6616 8951; <b>Email:</b> <a href="mailto:compliance@sikkoindia.com">compliance@sikkoindia.com</a> ; <b>Web:</b> <a href="http://www.sikkoindia.com">www.sikkoindia.com</a>
<b>Registrar and Transfer Agent</b>	<b>PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED</b> 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai - 400 011, Maharashtra <b>Tel:</b> 022 23012517 / 8261; <b>Email:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a> ; <b>Web:</b> <a href="http://www.purvashare.com">www.purvashare.com</a>
<b>E-Voting Agency &amp; VC/OAVM</b>	<b>Email:</b> <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> <b>NSDL help desk:</b> +91 - 22 - 4886 7000 and +91 - 22 - 2499 7000
<b>Scrutinizer</b>	Mr. Anand S Lavingia <b>Email:</b> <a href="mailto:csanandlavingia@gmail.com">csanandlavingia@gmail.com</a> ; <b>Tel No.:</b> +91 79 - 4005 1702





## EXPLANATORY STATEMENT

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

### Item No. 3:

**To regularize appointment of Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672) as an Independent Director of the Company: SPECIAL RESOLUTIONS:**

The Board of Directors has, at its meeting held on June 12, 2023, appointed Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672) as an Additional (Non-Executive) Independent Director of the Company w.e.f. June 13, 2023 pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672) will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, proposing the candidature of Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672) for the office of Professional - Non-Executive Independent Director, to be appointed as such under the provisions of Section 152 of the Companies Act, 2013.

The Company has received from Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672) (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013; (iii) declaration that he meets the criteria of independence as provided in Section 149 of the Act and in the Listing Regulations; (iv) declaration that he is not debarred or restrained from acting as a Director by any SEBI order or any other such authority; and (v) a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672) as a director of the Company.

Accordingly, Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672), aged 28 years was appointed as an Additional Director categorized as Independent Director by the Board for a term of five years with effect from June 13, 2023 up to June 12, 2028, subject to the approval of members of the Company.

Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672), living in Ahmedabad, Gujarat is experienced director with having expertise in excellent communication and public speaking skills which help in the better growth of the company. He has pursued B.E. (Computer Engineering) in 2021 from Gujarat Technological University. He enjoys solving technical challenges, using creative strategies to overcome difficulties or applying their imagination to innovate new technologies that fulfil specific needs, it can be rewarding to company in future times. He has been appointed as the independent director of the Company.

In terms of Section 152 and Schedule IV of the Companies Act, 2013, the board is of the opinion that Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672), fulfils the conditions for his appointment as an independent director as specified in the Companies Act, 2013 and the Listing Regulations and is independent of the management.

Hence, in view of the aforementioned provisions, the Company is seeking the approval of its members by way of Special Resolutions, for appointment of Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672), as Independent Director on the Board of the Company for a term of five consecutive years effective from June 13, 2023 up to June 12, 2028. The Board of Directors recommend the resolution as set out in item no. 3 for approval of the shareholders as Special Resolutions.

A copy of the draft letter for the appointment of Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672) as an Independent Director setting out the terms and conditions is available on the website of the Company on [www.sikkoindia.com](http://www.sikkoindia.com) inspection by the members.

Except Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672) and his relatives, none of the other directors or key managerial personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no. 3 of this notice.

#### 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**

Place: Ahmedabad

Date: August 11, 2023

**Jayantibhai M. Kumbhani**  
Managing Director  
DIN: 00587807

## DISCLOSURE UNDER REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2 ISSUED BY ICSI FOR ITEM NO. 2 & 3:

Names	Mr. Ashvinkumar Ramnikbhai Trapasiya	Mr. Ghanshyam Mohanbhai Kumbhani
Date of Birth	January 27, 1995	August 12, 1963
Qualification	B.E. (Computer Engineering)	Bachelors of Science
Experience - Expertise in specific functional areas - Job profile and suitability	Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672), living in Ahmedabad, Gujarat. He is experienced member with having expertise in excellent communication and public speaking skills which help in the better growth of the company. He has pursued B.E. (Computer Engineering) in 2021 from Gujarat Technological University. He enjoys solving technical challenges, using creative strategies to overcome difficulties or applying their imagination to innovate new technologies that fulfil specific needs, it can be rewarding to company in future times. He has been appointed as the independent director of the Company.	Mr. Ghanshyam Mohanbhai Kumbhani (DIN: 00587855) is the original founder of the SIKKO GROUP. He has 36 years of experience in agricultural field including 24 years of experience in agricultural business. He looks after the marketing department, administrative and finance Department of the Company. His skill helps the Company to maintain the healthy relationship with clients, dealers, distributors and other stakeholders of the Company.
No. of Shares held as on March 31, 2023	Nil	10,82,220 Equity Shares
Terms & Conditions	Not liable to retire by rotation	There is no change or modifications in the Terms and Conditions already approved by the Board and Shareholders.
Remuneration Last Drawn	Not Applicable	INR 59.25 Lakhs
Remuneration sought to be paid	Sitting Fees as may be decided by the Board from time to time.	As per the terms and conditions approved by the Members vide resolutions passed on October 15, 2021 and January 24, 2023 vide postal ballot resolutions
Date of Original Appointment	June 13, 2023	January 01, 2010 (Refer note hereunder)
Date of Appointment in current terms	June 13, 2023	October 01, 2021
Directorship held in other public companies*	Nil	Nil
Names of listed entities from which the person has resigned in the past three years	Not Applicable	Not Applicable
Memberships / Chairmanships of committees of public companies**	Chairman - 1 Committee	Nil
Inter-se Relationship with other Directors.	Nil	Mr. Ghanshyam M. Kumbhani is brother of Mr. Jayantibhai Kumbhani and brother in law of Mrs. Alpaben J. Kumbhani

\* Excluding Section 8 and Foreign Companies.

\*\* Includes only Audit Committee and Stakeholders' Grievances and Relationship Committee.

Note: Mr. Ghanshyam M. Kumbhani is acting as a Director since incorporation of the Company. He resigned in the year 2007. Subsequently appointed as a Director in the year 2010. Presently he is acting Whole-time Director since January 12, 2017.



## DIRECTOR'S REPORT

To

The Members of

### Sikko Industries Limited

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, 2023.

### FINANCIAL HIGHLIGHTS:

(₹ in Lakhs)

Particulars	F.Y. 2022-23	F.Y. 2021-22
Revenue from operations	4,967.03	5,102.64
Other income	25.48	21.69
<b>Total Income</b>	<b>4,992.51</b>	<b>5,124.34</b>
Less: Total Expenses before Depreciation, Finance Cost and Tax	4,483.98	4,746.55
<b>Operating Profits before Depreciation, Finance Cost and Tax</b>	<b>508.52</b>	<b>377.79</b>
Less: Finance cost	44.24	54.26
Less: Depreciation	58.99	62.51
<b>Profit / (Loss) Before Tax</b>	<b>405.30</b>	<b>261.01</b>
Less: Current Tax	117.86	77.95
Less: Deferred Tax Liabilities/ (Assets)	(1.81)	(4.65)
<b>Profit/ (Loss) after tax (PAT)</b>	<b>289.25</b>	<b>187.70</b>

### FINANCIAL PERFORMANCE:

During the year under review, the Company has earned total income of ₹ 4,992.51 Lakhs as against the total income of ₹ 5,124.34 Lakhs of previous year which states 2.57% decrease in the total income as compared to previous year. The profit before tax in the financial year 2022-23 stood at ₹ 405.30 Lakhs as compared to profit of ₹ 261.01 Lakhs for last year and net profit after tax stood at ₹ 289.25 Lakhs as compared to profit of ₹ 187.70 Lakhs for the previous year which state 55.28% increase in profit of the Company.

### DIVIDEND:

The Board of Directors, at their meeting, held on December 21, 2022, have declared and paid 1<sup>st</sup> Interim Dividend for the financial year 2022-23, at the rate of ₹ 0.15/- (1.5%) per equity share having face value of ₹ 10/- each fully paid-up, absorbing a sum of ₹ 25.20 Lakhs, to those shareholders whose names appear in the Register of Members and / or Depositories respectively, as at the close of working hours on Wednesday, December 28, 2022, being the Record Date fixed by the Company for this purpose (Previous Year - Nil).

The dividend payout is in accordance relevant provisions of companies Act, 2013 and rules made thereunder and in accordance with applicable provisions of other statutes.

The Details of Shareholders whose Dividend is unpaid or unclaimed are uploaded on the Website of the Company at [www.sikkoindia.com](http://www.sikkoindia.com).

Members who have not yet encashed their dividend warrant(s) for the above financial years, are requested to make their claims before relevant due dates without any delay to the Company or Registrar and Transfer Agents (RTA), Purva Sharegistry (India) Private Limited.

Shareholders are also informed that pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") the 1<sup>st</sup> Interim Dividend declared for the financial year 2022-23, which remained unclaimed for a period of seven years will be credited to the IEPF on or before February 24, 2030. The corresponding shares on which dividend was unclaimed for seven consecutive years will also be transferred as per the procedure set out in the Rules.

Accordingly, Shareholders are requested to claim the 1<sup>st</sup> Interim Dividend declared for the financial year 2022-23 before the same is transferred to the IEPF.

### 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 of the Company.

However, during the year under review and with a view to explore the opportunities in the field of Pharmaceutical Products and Agriculture Commodities, the activities relates to Pharmaceutical Products and Agriculture Commodities were added in the main object clause of Memorandum of Association of the Company vide special resolutions passed through postal ballot by the Members of the Company on October 13, 2022.

## SHARE CAPITAL:

### Authorized Capital:

During the year under review, the authorised share capital of the company was increased from ₹ 1,200.00 Lakhs divided into 12000000 (One Crore Twenty Lacs only) Equity Shares of ₹ 10/- (Rupees Ten Only) each, to ₹ 1,750.00 Lakhs divided into 17500000 (One crore Seventy-Five Lacs Only) Equity Shares of ₹ 10/- (Rupees Ten Only).

As on the date of this report the Authorized Capital of the Company is ₹ 1,750.00 Lakhs divided in to 17500000 Equity Shares of ₹ 10.00 each.

### Issued, Subscribed & Paid-Up Capital:

Further, with a view to capitalize the free reserves and to rationalize the capital structure, the members of the company, vide Special resolutions passed through postal ballot on October 13, 2022 approved issuance of 5600000 bonus equity shares in the ration of 1:2 (i.e. One bonus fully paid-up new equity share of ₹ 10/- for every Two fully paid-up equity shares of ₹ 10/- each held) to those shareholders whose names appear as on October 28, 2022 being the record fixed for the purpose.

As on the date of this report the Issued, Subscribed and Paid-up Capital of the Company is ₹ 1,680.00 Lakhs divided in to 16800000 Equity Shares of ₹ 10.00 each.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### Constitution of Board:

The Constitution of the Board of Directors and other disclosure related to the Board of Directors are given in the Report on Corporate Governance.

### Board Meeting:

Regular meetings of the Board are held, inter-alia, to review the financial results of the Company. Additional Board meetings are convened, as and when required, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are generally held at registered office of the Company.

During the year under review, Board of Directors of the Company met 12 (Twelve) times, viz April 04, 2022, May 30, 2022, August 12, 2022, September 09, 2022, October 20, 2022, October 29, 2022, December 21, 2022, December 31, 2022, January 26, 2023, January 31, 2023, February 10, 2023 and March 23, 2023.

The details of attendance of each Director at the Board Meetings and Annual General Meeting are given in the Report on Corporate Governance.

### Independent Directors:

In terms of Section 149 of the Companies Act, 2013 and rules made there under and Listing Regulations, the Company has three Non-Promoter Non-Executive Independent Directors. In the opinion of the Board of Directors, all three Independent Directors of the Company meet all the criteria mandated by Section 149 of the Companies Act, 2013 and rules made there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are Independent of Management.

A separate meeting of Independent Directors was held on March 23, 2023 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 that is necessary for the board of directors to effectively and reasonably perform their duties.

The terms and conditions of appointment of Independent Directors and Code for Independent Director are incorporated on the website of the Company at <https://sikkoindia.com/wp-content/uploads/2022/04/Terms-and-conditions-of-Independent-Director.pdf>.

The Company has received a declaration from the Independent Directors of the Company under Section 149(7) of Companies Act, 2013 and 16(1)(b) of Listing Regulations confirming that they meet criteria of Independence as per relevant provisions of Companies Act, 2013 for financial year 2023-24. The Board of Directors of the Company has taken on record the said declarations and confirmation as submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfill the conditions for Independent Directors and are independent of the Management. All the Independent Directors have confirmed that they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

None of Independent Directors have resigned during the year. However, after the closure of financial year 2022-23, due to his personal reasons, Mr. Rupen Jayantibhai Patel (DIN 09247614) has resigned from the post of Non-Executive Independent Director w.e.f. June 16, 2023.

### Information on Directorate:

During the year under review, there was no change in the composition of board of directors of the company.

However, after the closure of financial year 2022-23, on recommendation of the Nomination and Remuneration Committee, Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672), has been appointed as an Additional Non-Executive Independent Director of the company for a period of five years w.e.f. June 13, 2023, subject to approval of the Members. Moreover, due to his personal reasons, Mr. Rupen Jayantibhai Patel (DIN 09247614) has resigned from the post of Non-Executive Independent Director w.e.f. June 16, 2023. The Board places on record its appreciation for the guidance and contribution made by Mr. Rupen Jayantibhai Patel (DIN 09247614) during his tenure on the Board.

Further, the company has received a notice in writing under Section 160 of the Act from a Members proposing the candidature of Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672) for the post of Independent Director of the company. Therefore, the Board of Directors proposes the appointment of Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672) as an independent director of the company for a period of five years w.e.f. June 13, 2023 to June 12, 2028, not liable to retire by rotation.

In accordance with the provisions of the Articles of Association and Section 152 of the Companies Act, 2013, Mr. Ghanshyam Mohanbhai Kumbhani (DIN: 00587855), Whole Time Director of the Company 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 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 Standards-II issued by ICSI, of the person seeking re-appointment as Directors are annexed to the Notice convening the 23<sup>rd</sup> Annual General Meeting.

#### **Key Managerial Personnel:**

During the year under review and in accordance with Section 203 of the Companies Act, 2013, the Company has 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 financial year 2022-23, Ms. Ankita Kanubhai Lunagariya, who was acting as Company Secretary and Compliance officer of the Company, has resigned from the post of w.e.f. January 1, 2023. The Board had, in her place, appointed Ms. Ishita Nayankumar Shah as Company Secretary and Compliance officer w.e.f. January 01, 2023. However, Ms. Ishita Nayankumar Shah had also resigned from the post of Company Secretary and Compliance officer w.e.f. April 18, 2023. Later on, the Board has appointed Mr. Dhruvitkumar Pareshbhai Mandliya as Company Secretary and Compliance officer of the Company since June 01, 2023.

#### **Performance Evaluation:**

The Board of Directors has carried out an annual evaluation of its own performance, board committees, chairman and individual directors pursuant to the provisions of the Companies Act, 2013 in the following manners;

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

Separate meeting of independent directors was held on March 23, 2023 to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairperson, considering the views of executive directors and non-executive directors. 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, 2023, 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, 2023 on going concern basis;
- e) The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- 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 BOARD**

The Board of Directors, in line with the requirement of the act, has formed various committees, details of which are given hereunder:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee

The composition of each of the above Committees, their respective role and responsibility are detailed in the Report on Corporate Governance annexed to this Report.

#### **Audit Committee:**

The Company has formed Audit Committee in line with the provisions Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As at March 31, 2023, the Audit Committee comprised Mr. Rupen Patel (Non-Executive Independent Director) as Chairperson and Mr. Hasmukhbhai Vavaiya (Non-Executive Independent Director), Mrs. Mamtaben Thumbar (Non- Executive Independent Director) and Mr. Jayantibhai Kumbhani (Executive Director) as Members.

After the closure of the financial year, the Board has re-constituted the Committee by inducting Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672), Additional Non-Executive Independent Director as Chairperson of the Committee w.e.f. June 13, 2023. Moreover, Mr. Rupen Patel, Non-Executive Independent Director ceased to be Chairperson / Member of the Committee due to his resignation from the directorship of the Company.

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



## **PUBLIC DEPOSIT:**

The Company has not accepted any deposits from Shareholders and Public falling within the ambit of Section 73 of the Companies Act, 2013 and rules made there under. 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.

## **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 behavior, 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 Chairperson 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 [www.sikkoindia.com](http://www.sikkoindia.com).

## **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 to its Executive Directors and Key Managerial Personnel. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, of each year.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at [www.sikkoindia.com](http://www.sikkoindia.com).

## **REMUNERATION OF DIRECTORS:**

The details of remuneration/sitting fees paid during the financial year 2022-23 to Executive Directors/Directors of the Company is provided in Report on Corporate Governance which is the part of this report.

## **PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS & SECURITY:**

Details of Loans, Guarantees, Investments and Security covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement. However, during the year under review, the Company has not made any loans, guarantees, investments and security covered under the provisions of Section 186 of the Companies Act, 2013.

## **WEB LINK OF ANNUAL RETURN:**

The Annual Return of the Company as on March 31, 2023 is available on the Company's website and can be accessed at <https://sikkoindia.com/wp-content/uploads/2023/08/Annual-return.pdf>.

## **RELATED PARTIES TRANSACTION:**

There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interests of the Company at large. All Related Party Transactions are placed before the Audit Committee and the Board for approval, if required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive in nature.

The Company has developed an Internal Guide on Related Party Transactions Manual and prescribed Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at [www.sikkoindia.com](http://www.sikkoindia.com).

Particulars 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". There was no contracts, arrangements or transactions which was executed not in ordinary course of business and/or at arm's length basis.

## **PARTICULAR OF EMPLOYEES:**

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 - B".

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection in electronic form. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

## **MATERIAL CHANGES AND COMMITMENT:**

There are no material changes and commitments, affecting the financial position of the Company, have occurred between the end of financial year of the Company i.e. March 31, 2023 to the date of this Report.

## **MAINTENANCE OF COST RECORDS**

The Company has maintained adequate cost records as required to be maintained by the Company under the provisions of Section 148 of the Companies Act, 2013 read with the relevant rules made framed thereunder.

## **SIGNIFICANT AND MATERIAL ORDERS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

#### **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

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.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with rule 8 of The Companies (Accounts) Rules, 2014, as amended from time to time is annexed to this Report as “Annexure - C”.

#### **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.

#### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Though the various risks associated with the business cannot be eliminated completely, all efforts are made to minimize the impact of such risks on the operations of the Company. Necessary internal control systems are also put in place by the Company on various activities across the board to ensure that business operations are directed towards attaining the stated organizational objectives with optimum utilization of the resources. Apart from these internal control procedures, a well-defined and established system of internal audit is in operation to independently review and strengthen these control measures, which is carried out by a reputed firm of Chartered Accountants. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditor of the Company and the audit committee. The conduct of internal audit is oriented towards the review of internal controls and risks in its operations.

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

Your Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. During the year, such controls were tested and no material discrepancy or weakness in the Company's internal controls over financial reporting was observed.

#### **CORPORATE GOVERNANCE:**

Your Company strives to incorporate the appropriate standards for corporate governance. As stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance and Certificate of the Practicing Company Secretary with regards to compliance with the conditions of Corporate Governance is annexed to the Board's Report as “Annexure - D”.

#### **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.

#### **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 24<sup>th</sup> 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.

#### **SECRETARIAL AUDITOR AND THEIR REPORT:**

The Company has appointed Mr. Anand Sureshbhai Lavingia, Practicing Company Secretary, to conduct the secretarial audit of the Company for the financial year 2022-23, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report for the financial year 2022-23 is annexed to this report as an “Annexure - E - 1”.

The Annual Secretarial Compliance Report for the financial year ended March 31, 2023 issued by Mr. Anand Sureshbhai Lavingia, in relation to compliance of all applicable SEBI Regulations/ Circulars/Guidelines issued thereunder, pursuant to requirement of Regulation 24A of the Listing Regulations read with Circular no. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 (including any statutory modification(s) or reenactment(s) thereof for the time being in force) is annexed to this report as an “Annexure - E - 2”.

The above reports contain remark regarding that 1) the the Board of Directors of the Company had announced the Bonus Issue on September 9, 2022. Since, the Bonus Issue was required to be approved by the Shareholders of the Company, the Company should have completed the Bonus Issue by November 8, 2022 i.e. Trading Approval must have been issued by that date. However, the Trading Approval was issued on November 11, 2022. Accordingly, there was delay of three days for completions of Bonus Issue.

Your Directors submit that the delay in Trading Approval occurred due to improper communication between the RTA and NSE regarding DNR for Corporate Action. Management is taking due care for such instances and ensures that no such miscommunication happens in future.

#### **REPORTING OF FRAUD:**

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

## INSURANCE:

The assets of your Company have been adequately insured.

## PROCEEDINGS INITIATED/PENDING AGAINST YOUR COMPANY UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the Business of the Company.

## WEBSITE

As per Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has maintained a functional website namely "www.sikkoindia.com" containing basic information about the Company. The website of the Company is also containing information like Policies, Shareholding Pattern, Financial Results and information of the designated officials of the Company who are responsible for assisting and handling investor grievances for the benefit of all stakeholders of the Company, etc.

## ADOPTION OF IND-AS

The company has prepared the opening balance sheet as per Ind AS as of 1 April 2019 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities.

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

## DETAILS OF SUBSIDIARIES/ ASSOCIATES/ JOINT VENTURES:

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

## SECRETARIAL STANDARDS OF ICSI:

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by your Company.

## ACKNOWLEDGEMENT:

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.

### 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**

Place: Ahmedabad

Date: August 11, 2023

**Ghanshyambhai M. Kumbhani**    **Jayantibhai M. Kumbhani**  
**Chairman & Whole-time Director**    **Managing Director**  
**DIN: 00587855**    **DIN: 00587807**



## ANNEXURE-A

### FORM NO. AOC-2 - PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES

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

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

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

There were no contracts or arrangements or transactions entered in to by the Company during the financial year ended on March 31, 2023, which were not at arm's length basis.

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

Particulars	RPT-1	RPT-2	RPT-3
<b>Name(s) of the related party and nature of relationship</b>	Sikkon Crop Technology  Enterprise in which Directors is having significant influence.	Bhav nabn P Kumbhani  Relative of Directors	Pravinbhai M Kumbhani  Relative of Directors
<b>Nature of contracts / arrangements / transactions</b>	C & F Income, Marketing Income, Purchase of Goods	Godown Rent	Factory Rent
<b>Duration of the contracts / arrangements / transactions</b>	F.Y. 2022-23	F.Y. 2022-23	F.Y. 2022-23
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	All the transactions entered by the Company is at Market rate and on arms' length basis.  Total Purchase of ₹ 126.32 Lakhs  Total C & F Income of ₹ 1.89 Lakhs  Total Marketing Income Received of ₹ 18.95 Lakhs	All the transactions entered by the Company is at Market rate and on arms' length basis.  Total payment of Rent of ₹ 1.20 Lakhs	All the transactions entered by the Company is at Market rate and on arms' length basis.  Total payment of Rent of ₹ 4.95 Lakhs
<b>Date(s) of approval by the Board</b>	May 30, 2022	May 30, 2022	May 30, 2022
<b>Amount paid as advances, if any</b>	Nil	Nil	Nil

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Vejalpur, Ahmedabad - 380 051.

**Place:** Ahmedabad  
**Date:** August 11, 2023

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

**Ghanshyambhai M. Kumbhani** **Jayantibhai M. Kumbhani**  
Chairman & Whole-time Director Managing Director  
DIN: 00587855 DIN: 00587807

## ANNEXURE-B

### 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 and 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	Nature of Payment	Ratio against median employee's remuneration	Percentage Increase
1	Jayantibhai Kumbhani	Managing Director	Remuneration	19.48:1.00	51.51
2	Ghanshyambhai Kumbhani	Chairman & Whole-time Director	Remuneration	15.39:1.00	51.92
3	Alpaben Kumbhani	Executive Director	Remuneration	12.47:1.00	700.00
4	Hasmukhbhai Vavaiya	Independent Director	Sitting Fees	Not Applicable	Not Applicable
5	Mamtaben Thumbar	Independent Director	Sitting Fees	Not Applicable	Not Applicable
6	Rupen Patel	Independent Director	Sitting Fees	Not Applicable	Not Applicable
7	Mukesh Shah	Chief Financial Officer	Salary	Not Applicable	20.63
8	Ankita Lunagariya	Company Secretary	Salary	Not Applicable	-
9	Ishita Shah	Company Secretary	Salary	Not Applicable	-

##### b. The percentage increase/decrease in the median remuneration of employees in the financial year:

Median remuneration of Employees increased by 38.07% in F.Y 2022-23 as compared from F.Y. 2021-22.

##### c. The number of permanent employees on the rolls of the Company: 64 Employees

##### d. 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 29.14% 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.

#### Registered Office

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Vejalpur, Ahmedabad - 380 051.

Place: Ahmedabad

Date: August 11, 2023

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

Ghanshyambhai M. Kumbhani    Jayantibhai M. Kumbhani  
Chairman & Whole-time Director    Managing Director  
DIN: 00587855    DIN: 00587807





## ANNEXURE-C

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND 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:

##### i. 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.

##### ii. Benefits derived like product improvement, cost reduction, product development or import substitution:

- Cost optimization
- Improvement in quality of products.

##### iii. In case of imported technology (imported during the last three years reckoned from the beginning of financial year) - Not Applicable

##### iv. Expenditure incurred on Research & Development - ₹ 0.33 Lakhs

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lakh)

Particulars	F.Y. 2022-23	F.Y. 2021-22
Export Sales	377.80	-
Import Purchases	-	-

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**Place:** Ahmedabad  
**Date:** August 11, 2023

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

**Ghanshyambhai M. Kumbhani** **Jayantibhai M. Kumbhani**  
**Chairman & Whole-time Director** **Managing Director**  
**DIN: 00587855** **DIN: 00587807**

### REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2023:

#### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company believes that effective Corporate Governance is not just the framework enforced by the regulation but it is supported through the principles of transparency, unity, integrity, spirit and responsibility towards the stakeholders, shareholders, employees and customers.

Good Corporate Governance requires competence and capability levels to meet the expectations in managing the business and its resources and helps to achieve goals and objectives of the Company. It should provide proper incentives for the board and management to pursue objectives that are in the interests of the Company and its shareholders and should facilitate effective monitoring.

The Company acutely and consistently reviews its systems, policies and internal controls with an objective to establish sound risk management system and impeccable internal control system.

#### GOVERNANCE STRUCTURE:

The Company's Governance Structure comprises a dual layer, the Board of Directors and the Committees of the Board at the apex level and the Management Team at an operational level. The Board lays down the overall Corporate Objectives and provides direction and independence to the Management Team to achieve these objectives within a given framework. This professional management process results in building a conducive environment for sustainable business operations and value creation for all stakeholders.

The Board of Directors and the Committees of the Board play a fundamental role in upholding and furthering the principals of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its stakeholders and in the utilization of resources for creating sustainable growth to the benefit of all the stakeholders. The Board within the framework of law discharges its fiduciary duties of safeguarding the interests of the Company.

The Boards composition and size is robust and enables it to deal competently with emerging business development issue and exercise independent judgment. Committee of Directors assists the Board of Directors in discharging its duties and responsibilities. The Board has constituted the following Committees viz. Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee which are mandatory Committees. The Management Structure for the day-to-day business operations and management of the Company is in place with appropriate delegation of powers and responsibilities.

#### CORPORATE GOVERNANCE PRACTICE:

The Company maintains the highest standard of Corporate Governance; it is the Company's constant endeavor to adopt the best Corporate Governance Practice.

#### ROLE OF COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS:

The Company Secretary plays a key role in ensuring that the Board and Committees procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision making at the Meetings. The Company Secretary is primarily responsible for assisting and advising the Board in conducting the affairs of the Company, to ensure the compliances with applicable statutory requirements, to provide guidance to Directors and to facilitate convening of Meetings. The Company Secretary interfaces between the Management and regulatory authority for governance matters.

#### BOARD OF DIRECTORS:

The Company has a broad-based Board of Directors, constituted in compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations") and is in accordance with best practices in Corporate Governance.

##### Constitution of Board:

The Company has a balanced board with optimum combination of Executive and Non-Executive Directors, including Independent Directors, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance. As on March 31, 2023, board comprises of 6 (Six) Directors out of which 3 (Three) Directors are Promoter Executive Directors and remaining 3 (Three) are Non-Executive Independent Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations as amended from time to time. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations as amended from time to time and Section 149 of the Companies Act, 2013. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than ten public companies as on March 31, 2023.

None of the Directors is a Director in more than ten Public Limited Companies. Further, none of the Directors on the Company's Board is a Member of more than ten Committees including Chairman of more than five Committees (Committees being, Audit Committee and Stakeholders Relationship Committee) across all the companies in which he/she is a Director.

None of the Director of the Company is serving as a Whole-Time Director in any Listed Company and is holding position of Independent Director in more than three Listed Company and none of the Director of the Company is holding position as Independent Director in more than seven Listed Company.

The composition of the Board is in conformity with the Regulation 17 of the SEBI Listing Regulations. As at March 31, 2023, the Board comprised following Directors;

Name of Director	Category cum Designation	Date of Appointment at current term	Total Directorship in other Companies~	Directorship in other Listed Companies excluding our Company	No. of Committee <sup>^</sup>		No. of Shares held as on March 31, 2023	Inter-se Relation between Directors
					in which Director is Members	in which Director is Chairman		
Mr. Ghanshyam Kumbhani	Chairman and Whole-Time Director (Promoter)	October 01, 2021	2	-	-	-	1082220 Equity Shares	Brother of Jayantibhai Kumbhani and brother in law of Alpaben Kumbhani
Mr. Jayantibhai Kumbhani	Managing Director (Promoter)	October 01, 2021	2	-	1	-	4581126 Equity Shares	Brother of Ghanshyambhai Kumbhani and Spouse of Alpaben Kumbhani
Mrs. Alpaben Kumbhani	Executive Director (Promoter Group)	October 01, 2021	-	-	1	-	1677960 Equity Shares	Spouse of Jayantibhai Kumbhani and sister in law of Ghanshyam Kumbhani
Mrs. Mamtaben Thumbar	Non-Executive Independent Director	February 10, 2022	-	-	2	1	-	No Relation
Mr. Hasmukhbhai Vavaiya	Non-Executive Independent Director	May 04, 2022	-	-	2	-	-	No Relation
Mr. Rupen Patel	Non-Executive Independent Director	September 04, 2021	2	-	2	1	264000 Equity Shares	No Relation

~ Excluding Section 8 Company, struck off Company, Amalgamated Company and LLPs.

<sup>^</sup> Committee includes Audit Committee and Stakeholders Relationship Committee across all Public Companies including our 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. A Certificate from Mr. Anand Sureshbhai Lavingia, Practicing Company Secretary, Ahmedabad as stipulated under Regulation 34 read with Schedule V of the SEBI LODR Regulations, is attached as an "Annexure D - 1" to this Report.

#### Board Meeting:

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly results of the Company. Additional Board meetings are convened, as and when required, to discuss and decide on various business policies, strategies and other businesses. The Board meetings are generally held at registered office of the Company.

During the year under review, Board of Directors of the Company met 12 (Twelve) times, viz April 04, 2022, May 30, 2022, August 12, 2022, September 09, 2022, October 20, 2022, October 29, 2022, December 21, 2022, December 31, 2022, January 26, 2023, January 31, 2023, February 10, 2023 and March 23, 2023.

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

Name of Director	Jayantibhai Kumbhani	Ghanshyambhai Kumbhani	Alpaben Kumbhani	Hasmukhbhai Vavaiya	Mamtaben Thumbar	Rupen Patel
No. of Board Meeting held	12	12	12	12	12	12
No. of Board Meeting eligible to attend	12	12	12	12	12	12
Number of Board Meeting attended	12	12	12	12	12	12
Presence at the previous AGM	Yes	Yes	Yes	Yes	Yes	Yes

#### Familiarization Programmes for Independent Directors:

The Company has formulated a policy to familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. The details of such familiarization programmes are disclosed on the website of the Company and the web link for the same is <https://sikkoindia.com/wp-content/uploads/2022/04/Familiarisation-Programme-for-Independent-Directors.pdf>

## Independent Directors:

In terms of Section 149 of the Companies Act, 2013 and rules made there under and Listing Regulations, the Company has three Non-Promoter Non-Executive Independent Directors. In the opinion of the Board of Directors, all three Independent Directors of the Company meet all the criteria mandated by Section 149 of the Companies Act, 2013 and rules made there under and Listing Regulations and they are Independent of Management. A separate meeting of Independent Directors was held on March 23, 2023 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 that is necessary for the board of directors to effectively and reasonably perform their duties. The meeting was attended by all the Independent Directors of the Company.

The terms and conditions of appointment of Independent Directors and Code for Independent Director are incorporated on the website of the Company at <https://sikkoindia.com/wp-content/uploads/2022/04/Terms-and-conditions-of-Independent-Director.pdf>.

The Company has received a declaration from the Independent Directors of the Company under Section 149(7) of Companies Act, 2013 and 16(1)(b) of Listing Regulations confirming that they meet criteria of Independence as per relevant provisions of Companies Act, 2013 for financial year 2022-23. The Board of Directors of the Company has taken on record the said declarations and confirmation as submitted by the Independent Directors after undertaking due assessment of the veracity of the same. In the opinion of the Board, they fulfill the conditions for Independent Directors and are independent of the Management. All the Independent Directors have confirmed that they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

None of Independent Directors have resigned during the year. However, after the closure of financial year 2022-23, due to his personal reasons, Mr. Rupen Jayantibhai Patel (DIN 09247614) has resigned from the post of Non-Executive Independent Director w.e.f. June 16, 2023.

## Code of conduct for the Board of Directors and senior management personnel:

In terms of Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted the Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The compliance of the said code has been affirmed by them annually. The Code of Conduct also includes the duties of Independent Directors. A copy of the Code has been put up on the Company's website and same may be accessed at <https://sikkoindia.com/wp-content/uploads/2022/04/Code-of-Conduct-for-Board-Members-and-Senior-Management-Personnel.pdf>.

A declaration signed by the Chairman and Managing Director of the Company is attached with this report.

## Skills/expertise/ competencies of Board of Directors:

The Board Members are from diversified areas having the required knowledge. Competency, skills, and experience to effectively discharge their responsibilities. The range of experience of the Board Members includes in the areas of Agrochemicals, Pesticides, Seeds, Banking & Finance, Taxation and Legal.

The broad policies are framed by the Board of Directors. All strategic decisions are taken by the Board after due deliberation between the Board Members which consists of Managing Director, Executive Directors, Non-Executive Director and Independent Directors.

The Company has identified and broadly categorized its Core Skills, Expertise and Competencies as mentioned hereunder:

		Name of Directors						
		Jayantibhai Kumbhani	Ghanshyambhai Kumbhani	Alpaben Kumbhani	Hasmukhbhai Vavaiya	Mamtaben Thumbar	Rupen Patel*	Ashvinkumar Trapasiya**
Core Skills	Strategic policy formulation and advising	✓	✓	✓	-	-	✓	✓
	Regulatory framework knowledge	✓	✓	-	✓	✓	✓	✓
	Financial performance	✓	✓	✓	✓	✓	✓	✓
	Advising on Risk mitigation and Compliance requirements	✓	✓	-	✓	✓	✓	✓
Expertise	Knowledge Agro Chemical & Pesticides Industries	✓	✓	✓	-	✓	-	-
	Commercial acumen	✓	✓	✓	-	-	-	-
	Able to guide in building the right environment for Human Assets Development	✓	✓	-	-	-	-	-

		Name of Directors						
		Jayantibhai Kumbhani	Ghanshyambhai Kumbhani	Alpaben Kumbhani	Hasmukhbhai Vavaiya	Mamtaben Thumbar	Rupen Patel*	Ashvinkumar Trapasiya**
Competencies	Strategic Leadership	✓	✓	✓	✓	✓	✓	✓
	Execution of policies framed by the Board	✓	✓	✓	✓	✓	✓	✓
	Identifying the growth areas for expanding the business in India and outside India	✓	✓	✓	-	-	✓	✓
	Advising on Business Risks & environment.	✓	✓	✓	✓	✓	✓	✓

\* up to June 15, 2023

\*\* w.e.f June 13, 2023

#### BOARD EVALUATION CRITERIA

During the year, the Board carried out an Annual Evaluation of its own performance and the performance of individual Directors, as well as evaluation of the Committees of the Board. An indicative list of factors on which evaluation of the individual directors, the Board and the Committees was carried out includes, Board structure and composition, degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information flow, functioning of the Board/ Committees, Board culture and dynamics, quality of relationship between the Board and Management, contribution to decisions of the Board, guidance/support to Management outside Board/Committee meetings.

#### INSIDER TRADING CODE:

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), as amended from time to time, the Board of Directors of the Company had adopted the Codes of Fair Disclosure and Conduct ("the Code") which in turn contains the Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Fair Disclosure Practices. This Code is applicable to all Directors, Promoters, such identified Designated Persons and their Immediate Relatives and other Connected Persons who are expected to have Unpublished Price Sensitive Information relating to the Company. Mr. Dhruvitkumar Pareshbhai Mandliya, Company Secretary of the Company is acting as the Compliance Officer under the Code.

#### COMMITTEES OF BOARD:

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has Three (3) committees i.e. Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee.

All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided in detailed hereunder.

There were no instances during the financial year 2022-23, wherein the Board had not accepted recommendations made by any committee of the Board.

#### A. Audit Committee:

The Company has formed audit committee for the purpose of assisting the Board in fulfilling its overall responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The terms of reference of the Committee is briefed hereunder:

#### Role of Audit Committee:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;



- d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval and examine the financial statement and the auditors' report thereon;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ Information Memorandum/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of our Company with related parties subject to manner prescribed under the Companies Act, 2013;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
  18. to review the functioning of the whistle blower mechanism;
  19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the audit committee;
  21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision and monitoring the end use of funds raised through public offers and related matters;
  22. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases;
  23. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
  24. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., of the Company and its shareholders
  25. To investigate any other matters referred to by the Board of Directors.

#### **Review of Information by the Audit Committee:**

The audit committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
5. Statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
6. review and monitor the auditor's independence and performance, and effectiveness of audit process;
7. examination of the financial statement and the auditors' report thereon;

8. approval or any subsequent modification of transactions of the company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
13. Monitoring the end use of funds raised through public offers and related matters.

**Powers of Audit Committee:**

The Committee –

1. May call for comments of auditors about internal control system, scope of audit, including observations of auditors and review of financial statement before their submission to board;
2. May discuss any related issues with internal and statutory auditors and management of the Company;
3. To investigate into any matter in relation to above items or referred to it by Board;
4. To obtain legal or professional advice from external sources and have full access to information contained in the records of the Company;
5. To seek information from any employee;
6. To secure attendance of outsiders with relevant expertise, if it considers necessary;
7. Any other power as may be delegated to the Committee by way of operation of law.

**Composition, Meetings and Attendance of the Audit Committee:**

Audit Committee meeting is generally held for the purpose of recommending the financial result and the gap between two meetings did not exceed one hundred and twenty days. Additional meeting is held for the purpose of reviewing the specific item included in terms of reference of the Committee. During the year under review, Audit Committee met 9 (Nine) times on May 28, 2022, May 30, 2022, August 12, 2022, September 09, 2022, October 20, 2022, December 21, 2022, December 31, 2022, February 10, 2023 and March 23, 2023.

The composition of the Committee during the year and the details of meetings attended by its members are given below:

Name of Member	Category	Designation in Committee	Number of meetings during the FY 2022-23		
			Held	Eligible to attend	Attended
Mr. Rupen Patel	Independent Director	Chairman	9	9	9
Mr. Hasmukhbhai Vavaiya	Independent Director	Member	9	9	9
Mrs. Mamtaben Thumbar	Independent Director	Member	9	9	9
Mr. Jayantibhai Kumbhani	Executive Director	Member	9	9	9

The Company Secretary of the Company acts as a Secretary to the Committee. The Constitution of the Audit Committee is in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations, 2015. The Statutory Auditors and Internal Auditors of the Company are invited in the meeting of the Committee wherever requires. Chief Financial Officer of the Company is a regular invitee at the Meeting.

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

After the closure of the financial year, the Board has re-constituted the Committee by inducting Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672), Additional Non-Executive Independent Director as Chairperson of the Committee w.e.f. June 13, 2023. Moreover, Mr. Rupen Patel, Non-Executive Independent Director ceased to be Chairperson / Member of the Committee due to his resignation from the directorship of the Company.

**B. Nomination and Remuneration Committee:**

The Company has formed Nomination and Remuneration Committee for the purpose of assisting the Board to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and such other matters specified under various statute.

**Role of Nomination and Remuneration Committee:**

Role of committee shall, inter-alia, include the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;

- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

#### Composition, Meetings and Attendance of the Nomination and Remuneration Committee:

Nomination and Remuneration Committee meeting is generally held at least once in a year. Additional meetings are held for the purpose of recommending appointment/re-appointment of Directors and Key Managerial Personnel and their remuneration. During the year under review, Nomination and Remuneration Committee met 4 (Four) times viz, August 12, 2022, December 21, 2022, December 31, 2022 and March 23, 2023.

The composition of the Committee during the year and the details of meetings attended by its members are given below:

Name of Member	Category	Designation in Committee	Number of meetings during the FY 2022-23		
			Held	Eligible to attend	Attended
Mr. Hasmukhbhai Vavaiya	Independent Director	Chairman	4	4	4
Mrs. Mamtaben Thumbar	Independent Director	Member	4	4	4
Mr. Rupen Patel	Independent Director	Member	4	4	4

After the closure of the financial year, the Board has re-constituted the Committee by inducting Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672), Additional Non-Executive Independent Director as Member of the Committee w.e.f. June 13, 2023. Moreover, Mr. Rupen Patel, Non-Executive Independent Director ceased to be Member of the Committee due to his resignation from the directorship of the Company.

#### Performance Evaluation:

Criteria on which the performance of the Independent Directors shall be evaluated are placed on the website of the Company and may be accessed at link <https://sikkoindia.com/wp-content/uploads/2022/04/Performance-Evaluation-Policy.pdf>.

#### Remuneration of Directors:

The Company has not entered into any pecuniary relationship or transactions with Non-Executive Directors of the Company except payment of Sitting Fees for attending the Meetings.

Further, criteria for making payment, if any, to non-executive directors are provided under the Nomination and Remuneration Policy of the Company which is hosted on the website of the Company viz; <https://sikkoindia.com/wp-content/uploads/2022/04/Nomination-and-Remuneration-Policy.pdf>.

During the year under review, the Company has paid remuneration /sitting fees to Directors of the Company, details of which are as under:

(₹ in Lakh)

Name of Directors	Designation	Salary	Sitting Fees	Commission	Stock Option	Total
Mr. Jayantibhai Kumbhani	Managing Director	75.00	-	-	-	75.00
Mr. Ghanshyambhai Kumbhani	Chairman & Whole-time Director	59.25	-	-	-	59.25
Mrs. Alpaben Kumbhani	Executive Director	48.00	-	-	-	48.00
Mr. Hasmukhbhai Vavaiya	Independent Director	-	0.30	-	-	0.30
Mrs. Mamtaben Thumbar	Independent Director	-	0.30	-	-	0.30
Mr. Rupen Patel	Independent Director	-	0.30	-	-	0.30

The remuneration of the Directors is decided by the Nomination and Remuneration Committee based on the performance of the Company in accordance with the Nomination and Remuneration Policy within the limit approved by the Board or Members.

#### C. Stakeholders Relationship Committee:

The Company has constituted Stakeholders Relationship Committee responsible for the Redressal of Shareholders grievances including non-receipt of Annual reports, Demat / Remat of Securities etc. The Committee also oversees the performance of the Registrar & Transfer agents of the Company relating to the investors' services and recommends measures for improvement.

#### Role of Stakeholders Relationship Committee:

The role of the committee shall inter-alia include the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable



**Composition, Meetings and Attendance of the Stakeholders' Relationship Committee:**

During the year under review, Stakeholder's Grievance & Relationship Committee met 4 (Four) times on May 28, 2022, August 12, 2022, October 20, 2022 and February 10, 2023.

The composition of the Committee during the year and the details of meetings attended by its members are given below:

Name of Member	Category	Designation in Committee	Number of meetings during the FY 2022-23		
			Held	Eligible to attend	Attended
Mrs. Mamtaben Thumbar	Independent Director	Chairperson	4	4	4
Mr. Hasmukhbhai Vavaiya	Independent Director	Member	4	4	4
Mr. Rupen Patel	Independent Director	Member	4	4	4
Mrs. Alpaben Kumbhani	Executive Director	Member	4	4	4

After the closure of the financial year, the Board has re-constituted the Committee by inducting Mr. Ashvinkumar Ramnikbhai Trapasiya (DIN: 10198672), Additional Non-Executive Independent Director as Member of the Committee w.e.f. June 13, 2023. Moreover, Mr. Rupen Patel, Non-Executive Independent Director ceased to be Member of the Committee due to his resignation from the directorship of the Company.

**Name and Designation of Compliance Officer:**

Mr. Dhruvitkumar Pareshbhai Mandliya, Company Secretary is acting as Compliance officer of the Company w.e.f. June 01, 2023.

**Investors' Complaints:**

Number of complaints outstanding as on April 1, 2022	Nil
Number of complaints received from the Investors from April 1, 2022 to March 31, 2023	Nil
Number of complaints solved to the satisfaction of the Investors from April 1, 2022 to March 31, 2023	Nil
Number of complaints pending as on March 31, 2023	Nil

**GENERAL BODY MEETINGS:**

**Annual General Meetings:**

Financial Year	Date	Location of Meeting	Time	No. of Special Resolutions passed
2021-22	Tuesday, September 27, 2022	Through Video Conferencing Deemed Venue: Registered Office - 508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad - 380051.	04:00 PM	---
2020-21	Tuesday, September 28, 2021	Through Video Conferencing Deemed Venue: Registered Office - 508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad - 380051.	04:00 PM	---
2019-20	Tuesday, September 29, 2020	Through Video Conferencing Deemed Venue: Registered Office - 508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad - 380051.	04:00 PM	---

**Passing of Special Resolution through Postal Ballot in F.Y. 2022-23:**

During the financial year 2022-23, the Company approached the shareholders through postal ballot. The details of the postal ballot are as follows:

<b>Date of Postal Ballot Notice:</b>	September 09, 2022	<b>Voting Period</b>	September 14, 2022 (09:00 a.m.) to October 13, 2022 (05:00 p.m.)
<b>Date of Declaration of Results</b>	October 14, 2022	<b>Date of Approval</b>	October 13, 2022

Resolution Description	Type of Resolution	No. of votes polled	Votes cast in favor		Votes cast against	
			No. of Votes	%	No. of Votes	%
To alter Main Object Clause of Memorandum of Association of the Company by way of addition of Objects related to Pharmaceutical Products and Agriculture Commodities	Special	92,34,109	92,34,084	99.9997	25	0.0003
To increase the Authorised Share Capital of the Company and make consequent alteration in Clause V of the Memorandum of Association	Special	92,34,120	92,34,095	99.9997	25	0.0003
To Consider and approve the issuance of Bonus Equity Shares	Special	92,34,120	92,34,095	99.9997	25	0.0003

**Scrutinizer:**

Mr. Anand Sureshbhai Lavingia, Practicing Company Secretary was appointed as the scrutinizer for carrying out the above postal ballots in a fair and transparent manner.

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<b>Date of Postal Ballot Notice:</b>	December 21, 2022	<b>Voting Period</b>	December 26, 2022 (09:00 a.m.) to January 24, 2023 (05:00 p.m.)
<b>Date of Declaration of Results</b>	January 27, 2023	<b>Date of Approval</b>	January 24, 2023

Resolution Description	Type of Resolution	No. of votes polled	Votes cast in favor		Votes cast against	
			No. of Votes	%	No. of Votes	%
Revision in Remuneration payable to Mr. Jayantibhai Mohanbhai Kumbhani (DIN: 00587807), Managing Director of the Company.	Special	1,22,31,029	1,22,31,029	100.00	0	0.00
Revision in Remuneration payable to Mr. Ghanshyam Mohanbhai Kumbhani (DIN: 00587855), Chairman and Whole-time Director of the Company.	Special	1,22,31,029	1,22,31,029	100.00	0	0.00
Revision in Remuneration payable to Mrs. Alpaben Jayantibhai Kumbhani (DIN: 00587848), Executive Director of the Company.	Special	1,22,31,029	1,22,31,029	100.00	0	0.00
To adopt new Memorandum of Association of the Company containing regulations in conformity with the Companies Act, 2013	Special	1,22,31,029	1,22,31,029	100.00	0	0.00

## Scrutinizer:

Mr. Anand Sureshbhai Lavingia, Practicing Company Secretary was appointed as the scrutinizer for carrying out the above postal ballots in a fair and transparent manner.

## Passing of Special Resolution through Postal Ballot in Current Financial Year:

Till the date of this report, the Company has not proposed passing of any Special Resolutions through Postal Ballot during the current financial year.

## MEANS OF COMMUNICATION:

### a. Financial Results:

The Company's Quarterly / Half-Yearly / Annual Financial Results are published in two newspapers namely, in Free Press Gujarat (English) and Lokmitra (Gujarati) and are displayed on the website of the Company [www.sikkoindia.com](http://www.sikkoindia.com).

### b. Website:

The Company's website [www.sikkoindia.com](http://www.sikkoindia.com) contains a separate dedicated section namely "Investors" where shareholder's information is available. The Annual Report of the Company is also available on the website of the Company [www.sikkoindia.com](http://www.sikkoindia.com) in a downloadable form.

During the year under review, the Company has not made any presentations to institutional investors or to the analysts. Further, the result of the Company has not been displayed any official news releases.

## GENERAL SHAREHOLDERS INFORMATION:

### Date, Time and Venue of 23<sup>rd</sup> Annual General Meeting:

Day and Date: Monday, September 11, 2023

Time: 04:00 PM IST

Venue: Through VC/OAVM

### Financial Year:

12 Months period starting from April 01 and ends on March 31 of subsequent year. This being financial year 2022-23 was started on April 1, 2022 and ended on March 31, 2023.

### Financial Calendar:

(Tentative and subject to change for the financial year 2023-24)

Quarter ending	Release of Results
June 30, 2023	Second week of August, 2023
September 30, 2023	Second week of November, 2023
December 31, 2023	Second week of February, 2024
March 31, 2024	End of May, 2024
Annual General Meeting for the year ending March 31, 2024	End of September, 2024

## Dividend Payment Date:

The Board of Directors, at their meeting, held on December 21, 2022, have declared and paid 1st interim dividend for the financial year 2022-23, at the rate of ₹ 0.15/- (1.5%) per equity share having face value of ₹ 10/- each fully paid-up, absorbing a sum of ₹ 25.20 Lakhs, to those shareholders whose names appear in the Register of Members and / or Depositories respectively, as at the close of working hours on Wednesday, December 28, 2022, being the Record Date fixed by the Company for this purpose (Previous Year - Nil).





**Book closure date:**

There being no physical shareholders in the Company, the Register of members and share transfer books of the Company will not be closed.

**Listing on Stock Exchanges:**

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai – 400051.

Listing fees for the financial year 2023-24 has been paid to NSE.

**Stock Code/Symbol:**

National Stock Exchange of India Limited (Symbol: SIKKO)

**Registrar and Transfer Agents:**

Purva Sharegistry (India) Private Limited

**Address:** Unit No. 9, Shiv Shakti Ind. Estt., J R Boricha Marg, Lower Parel (E), Mumbai- 400 011;

**Tel No.:** +91 – 22 – 2301 2517/8261; **E-mail:** support@purvashare.com; **Web:** www.purvashare.com

**Web link to raise queries:** <https://www.purvashare.com/contact/>

**Share Transfer System:**

In terms of Regulation 40(1) of SEBI LODR, as amended, securities can be transferred only in dematerialization form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Transfer of shares in electronic form is effected by the depositories with no involvement of the Company.

**Market Price Data:**

The Monthly high/low and the volume of the Company’s shares traded on stock exchanges and the Monthly high/ low of the said exchanges are as follows:

Month	Sikko Industries Limited		Closing Price	
	High Price	Low Price	Sikko Industries Limited	Nifty Midcap 50
April, 2022	68.60	50.50	60.15	8,168.85
May, 2022	61.35	43.65	47.30	7,783.40
June, 2022	73.00	42.20	50.05	7,297.65
July, 2022	62.30	42.35	57.05	8,170.80
August, 2022	118.00	51.30	111.05	8,556.00
September, 2022	172.95	93.10	140.50	8,332.70
October, 2022	156.90	100.40	105.40	8,690.35
November, 2022	138.40	102.30	107.45	8,855.60
December, 2022	119.45	92.75	101.80	8,751.75
January, 2023	105.00	95.00	96.95	8,638.00
February, 2023	101.75	80.70	81.45	8,456.70
March, 2023	95.20	48.35	78.90	8,373.50

**Distribution of shareholding (As on March 31, 2023):**

*On the basis of number of shares held*

No. of Shares	Shareholders		Number of Equity Shares held		
	Number	% of Total	Number	% of Total	
1	500	13874	95.70	1021274	6.08
501	1000	344	2.39	252840	1.50
1001	2000	143	0.99	199402	1.19
2001	3000	35	0.24	87088	0.52
3001	4000	24	0.17	83660	0.50
4001	5000	7	0.05	31798	0.19
5001	10000	25	0.17	185761	1.11
10001 and above		45	0.31	14938177	88.91
<b>Total</b>		<b>14497</b>	<b>100.00</b>	<b>16800000</b>	<b>100.00</b>

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On the Category of Shareholders:

No. of Shares	Shareholders		Number of Equity Shares held	
	Number	% of Total	Number	% of Total
Promoter	2	0.25	5663346	33.71
Promoters Relative	7	0.75	6338154	37.72
Clearing Member	12	0.08	4644	0.03
Corporate Bodies	16	0.11	242410	1.44
Resident Individuals	14316	98.75	4488639	26.72
Hindu Undivided Family	80	0.55	45449	0.27
Non-Resident Indian	64	0.44	17358	0.10
<b>Total</b>	<b>14497</b>	<b>100.00</b>	<b>11200000</b>	<b>100.00</b>

Dematerialization of Shares and Liquidity (as on March 31, 2023):

Mode	No. of Equity Shares	Percentage
<b>Demat</b>	<b>16800000</b>	<b>100.00</b>
NSDL	8246605	49.09
CDSL	8553395	50.91
<b>Physical</b>	<b>0</b>	<b>0.00</b>

The equity shares are traded on National Stock Exchange of India Limited.

**Outstanding GDRs/ADRs/Warrants or any Convertible instruments conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments till date. Hence, there are no outstanding GDRs/ADRs/Warrants or any Convertible instruments.

**Plant Locations:**

The Company's plant is located at below mentioned address;

**Pesticide Unit:** 55 - A & B, Ambica Estate, At: Ivaya, Sanand Viramgam Highway, Taluka: Sanand, District: Ahmedabad - 382110.

**Fertilizer Unit:** 193/2 & 193/02/2, Ambica Estate, At: Ivaya, Sanand Viramgam Highway, Taluka: Sanand, District: Ahmedabad - 382110.

**Phone:** 079 - 66168950/51; **Website:** www.sikkoindia.com; **Email:** compliance@sikkoindia.com

**Address of Correspondence:**

i. **Sikko Industries Limited**

Mr. Dhruvitkumar Pareshbhai Mandliya - Company Secretary & Compliance Officer

**Address:** 508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad - 380051.

**E-mail:** compliance@sikkoindia.com; **Phone:** 079 - 66168950/51

ii. **For transfer/dematerialization of shares, change of address of members and other queries**

Purva Sharegistry (India) Private Limited

**Address:** Unit No. 9, Shiv Shakti Ind. Estt., J R Boricha Marg, Lower Parel (E), Mumbai- 400 011;

**Tel No.:** +91 - 22 - 2301 2517/8261; **E-mail:** support@purvashare.com; **Web:** www.purvashare.com

**Web link to raise queries:** <https://www.purvashare.com/contact/>

**Credit ratings and any revision thereto:**

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended March 31, 2023. The Company has not obtained any credit rating during the year.

**DISCLOSURE:**

**Subsidiary Companies:**

The Company does not have any subsidiary companies as at March 31, 2023.

**Disclosures on the website:**

Item	Compliance status (Yes/ No/ NA)	Web Address
Details of business	Yes	<a href="https://sikkoindia.com/about/">https://sikkoindia.com/about/</a>
Terms and conditions of appointment of independent directors	Yes	<a href="https://sikkoindia.com/wp-content/uploads/2022/04/Terms-and-conditions-of-Independent-Director.pdf">https://sikkoindia.com/wp-content/uploads/2022/04/Terms-and-conditions-of-Independent-Director.pdf</a>
Composition of various committees of board of directors	Yes	<a href="https://sikkoindia.com/wp-content/uploads/2022/04/Composition-of-Committees-1.pdf">https://sikkoindia.com/wp-content/uploads/2022/04/Composition-of-Committees-1.pdf</a>
Code of conduct of board of directors and senior management personnel	Yes	<a href="https://sikkoindia.com/wp-content/uploads/2022/04/Code-of-Conduct-for-Board-Members-and-Senior-Management-Personnel.pdf">https://sikkoindia.com/wp-content/uploads/2022/04/Code-of-Conduct-for-Board-Members-and-Senior-Management-Personnel.pdf</a>
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes	<a href="https://sikkoindia.com/wp-content/uploads/2022/04/Whistle-Blower-Policy.pdf">https://sikkoindia.com/wp-content/uploads/2022/04/Whistle-Blower-Policy.pdf</a>
Criteria of making payments to non-executive directors	Yes	<a href="https://sikkoindia.com/wp-content/uploads/2022/04/Nomination-and-Remuneration-Policy.pdf">https://sikkoindia.com/wp-content/uploads/2022/04/Nomination-and-Remuneration-Policy.pdf</a>
Policy on dealing with related party transactions	Yes	<a href="https://sikkoindia.com/wp-content/uploads/2022/04/Policy-on-Related-Party-Transactions.pdf">https://sikkoindia.com/wp-content/uploads/2022/04/Policy-on-Related-Party-Transactions.pdf</a>
Policy for determining 'material' subsidiaries	N.A.	Our company does not have any subsidiaries companies, hence such policy is not applicable on us.
Details of familiarization programmes imparted to independent directors	Yes	<a href="https://sikkoindia.com/wp-content/uploads/2022/04/Familiarisation-Programme-for-Independent-Directors.pdf">https://sikkoindia.com/wp-content/uploads/2022/04/Familiarisation-Programme-for-Independent-Directors.pdf</a>
Email address for grievance Redressal and other relevant details	Yes	<a href="https://sikkoindia.com/investors/investor-grievance-and-compliance-officer/">https://sikkoindia.com/investors/investor-grievance-and-compliance-officer/</a>
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes	<a href="https://sikkoindia.com/investors/investor-grievance-and-compliance-officer/">https://sikkoindia.com/investors/investor-grievance-and-compliance-officer/</a>
Financial results	Yes	<a href="https://sikkoindia.com/investors/financial-information/">https://sikkoindia.com/investors/financial-information/</a>
Shareholding pattern	Yes	<a href="https://sikkoindia.com/investors/shareholding-pattern/">https://sikkoindia.com/investors/shareholding-pattern/</a>
Details of agreements entered into with the media companies and/or their associates	N.A.	Our Company has not entered into any agreement with media companies and /or their associates.
Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange	N.A.	Our Company has not Scheduled any institutional investor meet and presentations till the date of this report
New name and the old name of the listed entity	N.A.	-
Advertisements as per regulation 47 (1)	Yes	<a href="https://sikkoindia.com/investors/announcement/">https://sikkoindia.com/investors/announcement/</a>
Credit rating or revision in credit rating obtained by the entity for all its outstanding instruments	N.A.	As on date, there is no outstanding instruments.
Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	N.A.	Our company does not have any subsidiaries companies.
Whether company has provided information under separate section on its website as per Regulation 46(2)	Yes	<a href="https://sikkoindia.com/investors/">https://sikkoindia.com/investors/</a>
Materiality Policy as per Regulation 30	Yes	<a href="https://sikkoindia.com/wp-content/uploads/2022/04/Policy-on-Determining-the-Material-Events.pdf">https://sikkoindia.com/wp-content/uploads/2022/04/Policy-on-Determining-the-Material-Events.pdf</a>
Dividend Distribution policy as per Regulation 43A (as applicable)	N.A.	
It is certified that these contents on the website of the listed entity are correct.	Yes	Yes it is certified that these contents on the website of the Company are correct.

# SIKKO INDUSTRIES LTD

## Regulation wise compliances:

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and / or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1), 17(1A) & 17(1B)	Yes
Meeting of board of directors	17(2)	Yes
Quorum of board meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of board	17(11)	Yes
Maximum number of directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
Meeting of Nomination & Remuneration Committee	19(3A)	Yes
Composition of Stakeholder Relationship Committee	20(1), 20(2) and 20(2A)	Yes
Meeting of Stakeholder Relationship Committee	20 (3A)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	N.A.
Meeting of Risk Management Committee	21(3A)	N.A.
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(1A),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	N.A.
Disclosure of related party transactions on consolidated basis	23(9)	N.A.
Composition of Board of Directors of unlisted material Subsidiary	24(1)	N.A.
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	N.A.
Annual Secretarial Compliance Report	24(A)	Yes
Alternate Director to Independent Director	25(1)	N.A.
Maximum Tenure	25(2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Declaration from Independent Director	25(8) & (9)	Yes
D & O Insurance for Independent Directors	25(10)	N.A.
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

**Material Related Party Transaction:**

During the year 2022-23, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. Attention of members is drawn to the disclosure of transactions with the related parties set out in Notes to Accounts - Note No. 39, forming part of the Annual Report.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The policy is uploaded on the website of the Company at <https://sikkoindia.com/wp-content/uploads/2022/04/Policy-on-Related-Party-Transactions.pdf>.

**Disclosure of Accounting Treatment:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 read with Section 133 of the Act.

**Disclosure by Senior Management:**

Senior Management has made affirmations to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

**CEO / CFO Certification:**

The Managing Director and Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) of the SEBI LODR pertaining to CEO/CFO certification for the financial year ended March 31, 2023, which is attached as an "Annexure D-2" to this Report.

**Compliances:**

There were neither any instances of non-compliance by the Company nor there were any penalties or strictures imposed on the Company by the Stock Exchange/(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years except the National Stock Exchange of India had imposed Penalty of ₹ 70,800/- (inclusive of GST) on the Company for failure to complete the Bonus Issue within two months from the date of the meeting of its board of directors wherein the decision to announce the bonus issue was taken subject to shareholders' approval. The said penalty was paid by the Company to the Stock Exchange.

**Risk Management:**

Business risk evaluation and management is an ongoing process within the Company. During the year under review, the Management reviewed the risk management and minimization procedure adopted by the Company covering the business operations of the Company.

**Proceeds from public issues, rights issues, preferential issues etc.:**

The Company has not raised any funds through preferential allotment or qualified institutions placement.

**Whistle Blower:**

The Company has established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethic policy. The said mechanism also provides for adequate safeguards against victimization of director(s)/Employee(s) who avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases. The details of establishment of such mechanism has been disclosed in the Board's Report. Further, the Policy on Vigil Mechanism is available on the website of the Company at <https://sikkoindia.com/wp-content/uploads/2022/04/Whistle-Blower-Policy.pdf>.

**Total fees paid to Statutory Auditors of the Company:**

Total fees of ₹ 1.30 Lakh for financial year 2022-23, for all services, was paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

**COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF LISTING REGULATIONS:**

During the period starting from April 01, 2022 to March 31, 2023, compliance status reported hereunder:

**Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace. The details relating to the number of complaints received and disposed of during the financial year 2022-23 are prescribed under Board's Report forming part of this Annual Report.

**Secretarial Compliance Report:**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR - 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

Accordingly, the Company has engaged the services of Mr. Anand Sureshbhai Lavingia (CP No. 11410), Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification. The Company is publishing the said Secretarial Compliance Report and the same has been annexed as "Annexure - E-2" to the Board's Report forming part of this Annual Report.

## DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS:

During the period starting from April 01, 2022 to March 31, 2023, the Company has complied with the applicable mandatory requirements as specified under Regulation 15 of SEBI LODR.

## ADOPTION OF NON-MANDATORY REQUIREMENTS:

The Company has adopted following non-mandatory requirements as prescribed under Regulation 27(1) read with Part E of Schedule II of the SEBI LODR.

- There is no modified opinion given in the Auditors' Report on Financial Statements.
- The internal auditor directly reports to audit committee.

## COMPLIANCE CERTIFICATE OF THE AUDITORS:

A Certificate from the Auditors of the Company Mr. Anand Sureshbhai Lavingia, Practicing Company Secretary, Ahmedabad confirming the compliance with the conditions of Corporate Governance as stipulated under Clause E of Schedule V of the SEBI LODR Regulations is attached as an "Annexure - D - 3" to this Report.

### Registered Office

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

Place: Ahmedabad

Date: August 11, 2023

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

**Ghanshyambhai M. Kumbhani**    **Jayantibhai M. Kumbhani**  
**Chairman & Whole-time Director**    **Managing Director**  
**DIN: 00587855**    **DIN: 00587807**

## DECLARATION

I, Jayantibhai M. Kumbhani, Managing Director of Sikko Industries Limited hereby declare that as of March 31, 2023, all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics for Directors and Senior Management Personnel laid down by the Company.

### Registered Office

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

Place: Ahmedabad

Date: August 11, 2023

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

**Jayantibhai M. Kumbhani**  
**Managing Director**  
**DIN: 00587807**





## Annexure D-1

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of,

#### SIKKO INDUSTRIES LIMITED

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sikko Industries Limited (CIN: L51909GJ2000PLC037329) and having registered office at 508, Iscon Elegance, Nr. Jain Temple, Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad - 380 051, Gujarat, India (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause (10)(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	Director Identification Number	Date of Appointment in the Company*
1.	Mr. Jayantibhai Mohanbhai Kumbhani	00587807	15/01/2003
2.	Mr. Ghanshyam Mohanbhai Kumbhani	00587855	01/01/2010
3.	Mrs. Alpaben Jayantibhai Kumbhani	00587848	04/06/2021
4.	Mrs. Mamtaben Hiteshbhai Thumbar	07732851	10/02/2017
5.	Mr. Hasmukh Veljibhai Vavaiya	07807509	04/05/2017
6.	Mr. Rupen Jayantibhai Patel	09247614	04/09/2021

\*As per website of Ministry of Corporate Affairs.

It shall be noted that ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad  
Date: August 11, 2023

Anand Lavingia  
Practicing Company Secretary  
ACS No.: 26458 C P No.: 11410  
Peer Review Certificate Number: 1589/2021  
UDIN: A026458E000785801

### CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION AS PER REGULATION 17 (8) OF THE SEBI LODR

To,  
The Board of Directors of,

**SIKKO INDUSTRIES LIMITED**

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

#### CERTIFICATION TO THE BOARD PURSUANT TO REGULATION 17 (8) OF SEBI LODR

We, Jayantibhai Kumbhani, Managing Director and Mukesh Shah, Chief Financial Officer, hereby certify that in respect of the Financial Year ended on March 31, 2023:

1. we have reviewed the financial statements and the cash flow statements for the year, and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
3. we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;
4. we have indicated to the auditors and the Audit Committee: -
  - a. significant changes, if any, in internal control over financial reporting during the year;
  - b. significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

**Registered Office**

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

**Place:** Ahmedabad

**Date:** August 11, 2023

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

**Mukesh Shah**  
Chief Financial Officer

**Jayantibhai M. Kumbhani**  
Managing Director  
DIN: 00587807



## Annexure D-3

### CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

(Refer Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Board of Directors of,  
**SIKKO INDUSTRIES LIMITED**

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

The Corporate Governance Report prepared by Sikko Industries Limited ("the Company"), contains details as stipulated in Regulations 17 to 27, Sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), with respect to Corporate Governance for the year ended on March 31, 2023. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

#### Management's Responsibility

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

#### Auditor's Responsibility

My responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulations.

The procedures selected depend on the auditor's judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, my scope of work under this report did not involve me performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### Opinion

Based on the procedures performed by me as referred above and according to the information and explanations given to me, I am of the opinion that

- The Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27, Sub-Regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period April 1, 2022 to March 31, 2023;
- As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has complied with items C and E.

#### Other Matters and Restriction on use

This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, I do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without my prior consent in writing. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

Place: Ahmedabad  
Date: August 11, 2023

**Anand Lavingia**  
Practicing Company Secretary  
ACS No.: 26458 C P No.: 11410  
Peer Review Certificate Number: 1589/2021  
UDIN: A026458E000785821

### SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended March 31, 2023

[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 of,

#### SIKKO INDUSTRIES LIMITED

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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion read with **Annexure I** forming part of this report, the Company has, during the audit period covering the financial year ended on March 31, 2023, 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made there under as applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. The Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment.
- v. 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 (Depositories and Participants) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered with National Stock Exchange of India Limited; and
- vi. The Revised Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules made there under, Regulations, Guidelines etc. mentioned above, to the extent applicable except *the Board of Directors of the Company had announced the Bonus Issue on September 9, 2022. Since, the Bonus Issue was required to be approved by the Shareholders of the Company, the Company should have completed the Bonus Issue by November 8, 2022 i.e. Trading Approval must have been issued by that date. However, the Trading Approval was issued on November 11, 2022. Accordingly, there was delay of three days for completions of Bonus Issue in violation of Regulation 295 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.*

Further company being engaged in the business of manufacturing of fertilizers, pesticides and other agro-chemical products, below are specific applicable laws to the Company, which require approvals or compliances under the respective laws;

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; and
6. The Seeds Act, 1966 and Rules framed thereunder.

I have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances of the aforesaid specific acts/rules/orders.

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

- i. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and circulars/guidelines/Amendments issued there under; - 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 as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and circulars/ guidelines/ Amendments issued there under;
- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and circulars/ guidelines/ Amendments issued there under;
- iv. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and circulars/ guidelines/ Amendments issued there under;



- v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and circulars/ guidelines/ Amendments issued there under; and
- vi. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings.

**I further report that -**

The Board of Directors of the Company is duly constituted with Executive Directors, Non-Executive Director, Independent Directors and Woman Director in accordance with the act. 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 Act.

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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**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.

**I further report that -**

During the audit period,

- Vide Special Resolutions passed by the Members through Postal Ballot on October 13, 2022, 1) the main object of the Company was suitable amended authorizing the Company to undertake the pharmaceuticals goods and agricultural commodities, 2) the authorized share capital of the Company has been increased from ₹ 12,00,00,000/- (Rupees Twelve Crores only) divided into 12000000 (One Crore Twenty Lakh) Equity Shares of ₹ 10/- (Rupees Ten Only) each to ₹ 17,50,00,000/- (Rupees Seventeen Crores Fifty Lakh Only) divided into 17500000 (One Crore Seventy Five Lakh) Equity Shares of ₹ 10/- (Rupees Ten Only) each and 3) Issued the Bonus Equity Shares in the ratio of 1:2 (i.e. One bonus fully paid up equity share of Rupees 10/- for every Two fully paid up equity shares of Rupees 10/- each held) to the shareholders as on the record date being October 28, 2022.
- Vide Special Resolutions passed by the Members through Postal Ballot on January 24, 2023, 1) Revised the Remuneration payable to Mr. Jayantibhai Mohanbhai Kumbhani (DIN: 00587807), Managing Director of the Company, Mr. Ghanshyam Mohanbhai Kumbhani (DIN: 00587855), Chairman and Whole-time Director of the Company and Mrs. Alpaben Jayantibhai Kumbhani (DIN: 00587848), Executive Director of the Company, and 2) adopted new Memorandum of Association of the Company containing regulations in conformity with the Companies Act, 2013.

Place: Ahmedabad

Date: August 11, 2023

**Anand Lavingia**  
Practicing Company Secretary  
ACS No.: 26458 C P No.: 11410  
Peer Review Certificate Number: 1589/2021  
UDIN: A026458E000785854

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

**Annexure I**

To,

The Members of,

**SIKKO INDUSTRIES LIMITED**

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. In respect of laws, rules and regulations other than those specifically mentioned in my report above, including the laws, rules and regulations mentioned in Annexure II, I have limited my review, analysis and reporting up to process and system adopted by the Company for compliance with the same and have not verified detailed compliance, submissions, reporting under such laws etc. nor verified correctness and appropriateness thereof including financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards and its proper and adequate presentation and submission in prescribed formats is the responsibility of management. My examination was limited to the verification of procedures on test basis and not its one to one contents.
6. The Secretarial Audit report is neither an assurance as to compliance in totality or the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad

Date: August 11, 2023

**Anand Lavingia**  
Practicing Company Secretary  
ACS No.: 26458 C P No.: 11410  
Peer Review Certificate Number: 1589/2021  
UDIN: A026458E000785854

## ANNEXURE E-2

### ANNUAL SECRETARIAL COMPLIANCE REPORT SECRETARIAL COMPLIANCE REPORT OF SIKKO INDUSTRIES LIMITED FOR THE YEAR ENDED ON MARCH 31, 2023

I, Anand Sureshbhai Lavingia, Practicing Company Secretary, have examined:

- (a) all the documents and records made available to us and explanation provided by Sikko Industries Limited ("the Company"),
- (b) the filings/ submissions made by the Company to the stock exchange,
- (c) website of the Company and
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended on March 31, 2023 ("Review Period") in respect of compliance with the provisions of;

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- (c) The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include;
  - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - ii. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iv. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - v. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - vi. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
  - vii. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - viii. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - ix. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - x. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period;

- I. (a) The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder to the extent applicable and in the manner prescribed, except in respect of matters specified below;

Sr. No	1
<b>Compliance (Regulations /guidelines specific clause)</b>	<b>Requirement / circulars including</b>
	An issuer, announcing a bonus issue requiring the shareholders' approval for capitalisation of profits or reserves for making the bonus issue, the bonus issue shall be implemented within two months from the date of the meeting of its board of directors wherein the decision to announce the bonus issue was taken subject to shareholders' approval.  For the purpose of a bonus issue to be considered as 'implemented' the date of commencement of trading shall be considered.
<b>Regulation/ Circular No.</b>	Regulation 295 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
<b>Deviations</b>	The Board of Directors of the Company had announced the Bonus Issue on September 9, 2022. Since, the Bonus Issue was required to be approved by the Shareholders of the Company, the Company should have completed the Bonus Issue by November 8, 2022 i.e. Trading Approval must have been issued by that date. However, the Trading Approval was issued on November 11, 2022. Accordingly, there was delay of three days for completions of Bonus Issue.
<b>Action Taken by</b>	National Stock Exchange of India Limited
<b>Type of Action</b>	Penalty



<b>Sr. No</b>	1
<b>Details of Violation</b>	The Board of Directors of the Company had announced the Bonus Issue on September 9, 2022. Since, the Bonus Issue was required to be approved by the Shareholders of the Company, the Company should have completed the Bonus Issue by November 8, 2022 i.e. Trading Approval must have been issued by that date. However, the Trading Approval was issued on November 11, 2022. Accordingly, there was delay of three days for completions of Bonus Issue and thereby violating Regulation 295 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
<b>Fine Amount</b>	₹ 70,800/- (including GST)
<b>Observations / Remarks of the Practicing Company Secretary</b>	The Board of Directors of the Company had announced the Bonus Issue on September 9, 2022. Since, the Bonus Issue was required to be approved by the Shareholders of the Company, the Company should have completed the Bonus Issue by November 8, 2022 i.e. Trading Approval must have been issued by that date. However, the Trading Approval was issued on November 11, 2022. Accordingly, there was delay of three days for completions of Bonus Issue and thereby violating Regulation 295 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
<b>Management Response</b>	The delay in Trading Approval occurred due to improper communication between the RTA and NSE regarding DNR for Corporate Action. Management is taking due care for such instances and ensures that no such miscommunication happens in future.
<b>Remarks</b>	N.A.

(a) The Company has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
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Not Applicable

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations / Remarks by PCS
1.	<b>Compliances with the following conditions while appointing/re-appointing an auditor</b>	As under	
i.	If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	No such instances took place.
ii.	If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	No such instances took place.
iii.	If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	No such instances took place.
2.	<b>Other conditions relating to resignation of statutory auditor</b>		
i.	Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:	As under	

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
a.	In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / noncooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	NA	No such instances took place.
b.	In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.	NA	No such instances took place.
c.	The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	No such instances took place.
ii.	Disclaimer in case of non-receipt of information:  The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	No such instances took place.
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	No such instances took place.

III. I hereby report that, during the review period the compliance status of the listed entity is appended as below;

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
1.	<b>Secretarial Standards:</b>  The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	Nil
2.	<b>Adoption and timely updation of the Policies:</b>		
	• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities	Yes	Nil
	• All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations / circulars / guidelines issued by SEBI	Yes	Nil
3.	<b>Maintenance and disclosures on Website:</b>		
	• The Listed entity is maintaining a functional website	Yes	Nil
	• Timely dissemination of the documents/ information under a separate section on the website	Yes	Nil

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
	<ul style="list-style-type: none"> <li>Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s) / section of the website</li> </ul>	Yes	Nil
4.	<b>Disqualification of Director:</b> None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	We have relied on the Declarations submitted by each of the Directors regarding non-disqualification under Section 164 of the Companies Act, 2013.
5.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b>		
	(a) Identification of material subsidiary companies	NA	The Company does not have any Material Subsidiary.
	(b) Disclosure requirement of material as well as other subsidiaries	Yes	The Company does not have any Material Subsidiary. The Company has complied with disclosures requirements in relations to other subsidiaries.
6.	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	Nil
7.	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations.	Yes	Nil
8.	<b>Related Party Transactions:</b>		
	(a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or	Yes	Nil
	(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	NA	The Company has obtained prior approval of Audit Committee for all related party transactions
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	Nil
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	Nil
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No action(s) has been taken against the listed entity/its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.	Yes	As informed to us, no action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges etc.
12.	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation / circular / guidance note etc.	Yes	No additional non-compliance observed for any SEBI regulation / circular / guidance note etc.
13.	<b>Compliance with the requirement of SDD by the listed entities</b>	Yes	The Company has complied with the maintenance of SDD.

## ASSUMPTIONS & LIMITATION OF SCOPE AND REVIEW:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.

This Report is solely for the intended purpose of compliance in terms of Regulation 24A(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**Place:** Ahmedabad  
**Date:** May 27, 2023

**Anand Sureshbhai Lavingia**  
**Practicing Company Secretary**  
**ACS No.: 26458; C P No.: 11410**  
**Peer Review Certificate Number: 1589/2021**  
**UDIN: A026458E000399347**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The discussion hereunder covers Company's performance and its business outlook for the future. This outlook is based on assessment of the current business environment and Government policies. The change in future economic and other developments are likely to cause variation in this outlook.

### GLOBAL ECONOMY:

Global economy continues to gradually recover from the pandemic and Russia's invasion of Ukraine. According to International Monetary Fund (IMF), Economic activity in the first quarter of the year proved resilient, despite the challenging environment, amid surprisingly strong labor markets. Energy and food prices have come down sharply from their war-induced peaks, allowing global inflation pressures to ease faster than expected. And financial instability following the March banking turmoil remains contained thanks to forceful action by the US and Swiss authorities. According to IMF, growth will slow from last year's 3.5 percent to 3 percent this year and next, a 0.2 percentage points upgrade for 2023 from our April projections. Global inflation is projected to decline from 8.7 percent last year to 6.8 percent this year, a 0.2 percentage point downward revision, and 5.2 percent in 2024.

The longer than expected conflict between Ukraine and Russia, which started in February 2022, is expected to weaken the economic recovery, apart from creating one of the largest humanitarian tragedies. The recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in US and Swiss banking reduced the immediate risks of financial sector turmoil. This moderated adverse risks to the outlook. However, the balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. This conflict has also pushed up the price of crude oil and commodities, disrupted the supply of agri-inputs and food, and aggravated the inflationary environment across the world. Food security has become a priority for national governments worldwide which is leading to higher demand for quality agri-inputs.

### INDIAN ECONOMY:

After contracting by 7.3% in a Covid impacted year of FY 2020-21, Indian economy quickly recovered lost ground and is projected to expand by 8.7% in FY 2021-22, as per the latest advance estimates released by Central Statistical Office (CSO). As per consensus forecasts, GDP growth in FY 2022-23 is expected to be in the range of 7.0% - 8.2%. The growth is expected to be driven primarily by infrastructure capex spending as reflected in Central Government's budgetary allocations.

India's large domestic economy coupled with the government's enormous public spending, both in the form of planned outlays and direct benefit transfers, led to liquidity infusion into the economy, and helped the country consistently grow. India's inflation trajectory is expected to be significantly impacted by extreme weather conditions like heat waves and the potential for an El Niño year, volatility in international commodity prices and the possibility of a pass-through of input costs to output prices.

The capital expenditure for FY 2022-23 stands at 2.9% of GDP, indicating the Government's commitment to investing in the country's growth. Moreover, the Government has announced an even larger allocation of ₹ 10 lakh crore for the next fiscal year, which demonstrates their long-term vision for the economy. Of this amount, a considerable sum of ₹ 1.78 lakh crore has been earmarked for the Ministry of Chemicals and Fertilisers, reflecting the Government's emphasis on promoting the chemical and agriculture sectors. Overall, these budgetary allocations signal the Government's determination to accelerate economic growth and create a more prosperous and resilient India. (Source: Budget 2023, RBI, Economic Survey 22-23, Ministry of Finance)

### OUTLOOK:

India's economy recovered quickly from the pandemic and further growth is expected to be supported by solid domestic demand and increase in capital investments. The International Monetary Fund (IMF) and Reserve Bank of India (RBI) estimate real GDP growth of 6.8% in 2022-23 and 6.1% in 2023-24. The agriculture sector has been growing at an average annual rate of 4.6% over the past six years, and the industrial sector is estimated to grow at 4.5% in FY 2022-23. The services sector saw quick recovery in FY 2021-22, growing 8.4% Y-o-Y, and continued to grow in FY 2022-23.

RBI's enterprise surveys point to some softening of input cost and output price pressures in manufacturing. Considering these factors, and assuming an average crude oil price (Indian basket) of US\$ 95 per barrel, inflation is projected at 6.5% in FY 2022-23, with Q4 at 5.7%. On the assumption of a normal monsoon, CPI inflation is projected at 5.3% for FY 2023-24, with Q1 at 5.0%, Q2 at 5.4%, Q3 at 5.4% and Q4 at 5.6%, and the risks evenly balanced.

Indian government has accelerated its reforms initiatives like Production Linked Incentives (PLI) schemes and increased infrastructure spending to support the industry. This will provide resilient demand in economy and its ripple effect on other aspects of the economy, such as employment and productivity, will bring India back on track in its medium- to long-term economic objective.

### INDIAN AGROCHEMICAL SECTOR:

The Indian chemical industry is the 6<sup>th</sup> largest producer of agrochemicals in the world globally and 3<sup>rd</sup> in Asia. India is the 4<sup>th</sup> largest producer of agrochemicals globally. India ranks 14<sup>th</sup> in chemical products' exports and 8<sup>th</sup> in imports. The Indian chemical industry stood at US\$ 232 billion in 2022, and is expected to reach US\$ 304 billion by 2025, registering a CAGR of 9.3%. The cumulative FDI equity inflow in the chemical industry (excluding fertilisers) was US\$ 20.96 billion from April 2000 to December 2022. This constituted 3.35% of the total FDI inflow across sectors. The Indian industry has two major advantages - relatively low manufacturing costs and the ability and expertise in efficient handling of toxic and hazardous products and processes.

Availability of technically trained manpower, seasonal domestic demand and production capacities for generics built to cater to overseas markets are the other reasons for strong exports. India has been attracting multinationals due to good domestic growth opportunities. Domestic segment has been witnessing a steady increase in market acceptance of new generation molecules.

The Indian chemical industry has numerous opportunities, considering the supply chain disruption in China and the trade conflict among the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments. The dedicated integrated manufacturing hubs under Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy is expected to attract an investment of ₹ 20 lakh crore (US\$ 276.46 billion) by 2035. Additionally, special incentives through PCPIRs or SEZs (Special Economic Zones) to encourage downstream units will enhance production and further boost the industry growth. (Source: Union Budget 2023, IBEF, Ministry of Commerce, Expert Market Research)

## INDUSTRY DRIVERS:

The key factors of driving the agrochemical industry are:

- ✓ With the growing population there is an increase in the need to fulfil the demand for food sufficiency and food security. This continues to drive the growth of agrochemicals industry.
- ✓ With fewer arable acres per capita, agrochemicals are becoming more important in maximizing farmer yields; arable land is projected to shrink from half an acre per person now to less than one-third of an acre per person by 2050.
- ✓ Plant diseases and pests have become more common as a result of changing environmental conditions. Also, climate fluctuations have a substantial impact on crop productivity

## COMPANY OVERVIEW:

Established in 2000, Sikko Industries Limited ("SIL" or the Company) is a leading Agrochemical Company in India. The Company's strength lies in manufacturing formulations. The Company has two manufacturing unit i.e. 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. 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. 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. 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.

## OPPORTUNITIES AND THREATS:

### Opportunities:

- Government initiative to promote agriculture industry will help our industry to grow
- Continues development in R&D work resulting into yielding of new product
- Abundant water, electricity and subsidies to farmer by government will help the agriculture industry to grow

### Threats:

- Change in Government policies
- New entrants in the market and intense competition by existing players
- Technology may become obsolete due to Innovation in Technology
- The generic threat of economic slowdown exists, which may subdue the domestic demand for the products
- Fluctuations in Raw Material prices
- Unfavourable weather conditions

## RISK AND CONCERNS:

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.

## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The Company's operation predominantly comprises of only one segment. In view of the same, separate segmental information is not required to be disclosed as per the requirement of Indian Accounting Standard 108 Operating Segment.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review, the Company has earned total income of ₹ 4,992.51 Lakhs as against the total income of ₹ 5,124.34 Lakhs of previous year which states 2.57% decrease in the total income as compared to previous year. The profit before tax in the financial year 2022-23 stood at ₹ 405.30 Lakhs as compared to profit of ₹ 261.01 Lakhs for last year and net profit after tax stood at ₹ 289.25 Lakhs as compared to profit of ₹ 187.70 Lakhs for the previous year which state 55.28% increase in profit of the Company.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a proper and adequate system of Internal Controls to commensurate with the size and nature of its operations to ensure that all assets are safeguarded against unauthorized use or disposal, safeguarding true and fair reporting and compliance with all applicable regulatory laws and company policies. Internal Audit Reports are reviewed by the Audit Committee of the Board.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company believes that human resource is the most important assets of the organization. It is not shown in the corporate balance sheet, but influences appreciably the growth, progress, profits and the shareholders' values. During the year your company continued its efforts aimed at improving the HR policies and processes to enhance its performance. The vision and mission of the company is to create culture and value system and behavioral skills to insure achievement of its short- and long-term objectives. As on March 31, 2022, the Company had total 32 full time employees. The industrial relations have remained harmonious throughout the year.



#### KEY FINANCIAL RATIO:

Details of key financial ratios of the Company, changes therein as compared to previous financial year along with explanations for those ratios where change is 25% or more are as under:

Key Ratios	Units	F.Y. 2022-23	F.Y. 2021-22	% of Change in Ratio	Explanations
Debtors Turnover	Times	2.26	8.68	(74%)	Due to Due to High Receivables outstanding at end of the year
Inventory Turnover	Times	4.47	9.40	(52%)	Due to high Freight & Forwarding Exp due current market condition
Interest Coverage Ratio	Times	14.70	7.22	104%	Due to increase in the cost of borrowing
Current Ratio	Times	2.01	2.23	(10%)	Due to more increased in current liabilities
Debt Equity Ratio	Times	0.36	0.08	368%	Due to Company has taken additional Debts during the year
Operating Profit Margin	%	0.07	0.04	83%	Due to increase in the Profit Margin of the Company
Net Profit Margin	%	0.06	0.04	58%	Due to decrease in the production cost
Return on Net Worth	%	0.12	0.09	37%	Due to increase in the production cost

#### CAUTIONARY STATEMENT:

Statement made in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be "Forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the markets in which the company operates changes in the government regulations, tax laws & other statutes and other incidental factors.

### INDEPENDENT AUDITOR'S REPORT

TO MEMBERS OF

SIKKO INDUSTRIES LIMITED

**Report on the Indian Accounting Standards (Ind AS) Financial Statements**

#### Opinion

We have audited the accompanying financial statements of **SIKKO INDUSTRIES LIMITED**, which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (Including Other Comprehensive Income) and Cash Flow Statement and the statement of Changes in Equity for the period ended, and a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity 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 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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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, 2020 ("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 including Other Comprehensive Income Statement of Cash Flow and Statement of Changes of Equity 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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its financial statements - Refer Note (vii) of **Annexure - A** to the financial statements.
  - b) The Company did not have any long-term and derivative contracts as at March 31, 2023.
  - 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, 2023.
  - d) The management has;
    - i. represented that, to the best of its knowledge and belief as disclosed in the Note No. 35 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
    - ii. represented, that, to the best of its knowledge and belief as disclosed in the Note No. 36 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
    - iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) (i) and (d) (ii) contain any material misstatement.
  - e) During the year under review, the company has declared and paid 1st interim dividend for the financial year 2022-23, at the rate of ₹ 0.15/- (1.5%) per equity share having face value of ₹ 10/- each fully paid-up, absorbing a sum of ₹ 25.20 Lakhs, to those shareholders whose names appear in the Register of Members and / or Depositories respectively, as at the close of working hours on Wednesday, December 28, 2022, being the Record Date fixed by the Company for this purpose.
  - f) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For D G M S & Co.,  
Chartered Accountants  
FRN: 0112187W

Place: Jamnagar  
Date: May 24, 2023

Shashank P. Doshi  
Partner  
M. No. 108456  
UDIN: 23108456BGUDOQ8018



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT OF SIKKO INDUSTRIES LIMITED FOR THE YEAR ENDED MARCH 31, 2023

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. Property, Plant & Equipment and Intangible Assets:**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- b) The Company has maintained proper records showing full particulars of intangible assets.
- c) Property, Plant and Equipment have been physically verified by the management at reasonable intervals; Any material discrepancies were noticed on such verification and if so, the same have been properly dealt with in the books of account.
- d) According to the information and explanation given to us the title deeds of all the immovable properties. (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- e) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

**ii. Inventory and working capital:**

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, that has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

**iii. Investments, any guarantee or security or advances or loans given:**

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year, hence reporting under clauses 3(iii)(1), (3), (4), (5), and (6) of the Orders are not applicable for the year under report.
- b) In our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

**iv. Loan to directors:**

According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

**v. Deposits:**

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. Maintenance of Cost Records:**

According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/ or services provided by it). We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the Maintenance of Cost Record under section 148(1) of the Companies Act, 2013 and are of the opinion that Prima Facie, the prescribed accounts have been made and maintained.

**vii. Statutory Dues:**

- a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, GST, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, customs duty, excise duty and cess were in arrears, as at March 31, 2023 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, GST, excise duty and cess which have not been deposited on account of any dispute except the following.

Name of the Status	Nature of Dues	Amount (₹ In Lakh)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	254.40	F.Y. 2011-12 to F.Y. 2014-15	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	4.79	April 2015 to January 2016	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	4.18	February 2016 to June 2017	Customs, Excise & Service Tax Appellate Tribunal
Income tax Act, 1961	Income tax & Interest	1.27	For A.Y. 2016-2017	Centralised Processing Center
Income tax Act, 1961	Income tax & Interest	4.82	For A.Y. 2020-2021	Centralised Processing Center
Income tax Act, 1961	Income tax & Interest	1.86	For A.Y. 2019-2020	Centralised Processing Center

**viii. Disclosure of Undisclosed Transactions:**

There According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

**ix. Loans or Other Borrowings:**

- a) Based on our audit procedures and according to the information and explanations given to us, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

**x. Money Raised by IPOs, FPOs:**

- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.



**xi. Fraud:**

- a) 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 no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

**xii. Nidhi Company:**

The Company is not a Nidhi Company and hence reporting under Para 3 of clause (xii) of the Order is not applicable.

**xiii. Related Party Transactions:**

In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind-AS.

**xiv. Internal Audit System:**

- a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

**xv. Non-cash Transactions:**

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. Registration under section 45-IA of RBI Act, 1934:**

- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

**xvii. Cash losses:**

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

**xviii. Resignation of statutory auditors:**

There has been no resignation of the statutory auditors of the Company during the year.

**xix. Material uncertainty on meeting liabilities:**

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

**xx. Compliance of CSR:**

According to the information and explanations given to us and based on our examination of the records of the company, the company has not required to spent amount towards Corporate Social Responsibility (CSR) as per the section 135 of companies' act, 2013, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

**xxi. Qualifications Reporting In Group Companies:**

In our opinion and according to the information and explanations given to us, company does not have any subsidiaries, associates or joint ventures, so reporting under clause 3(xxi) of the Order is not applicable for the year.

**For D G M S & Co.,  
Chartered Accountants  
FRN: 0112187W**

Place: Jamnagar  
Date: May 24, 2023

**Shashank P. Doshi  
Partner  
M. No. 108456  
UDIN: 23108456BGUDOQ8018**

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT OF SIKKO INDUSTRIES LIMITED FOR THE YEAR ENDED MARCH 31, 2023

### 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 March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the 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:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For D G M S & Co.,  
Chartered Accountants  
FRN: 0112187W

Place: Jamnagar  
Date: May 24, 2023

Shashank P. Doshi  
Partner  
M. No. 108456  
UDIN: 23108456BGUDOQ8018



**SIKKO INDUSTRIES LIMITED**  
CIN: L51909GJ2000PLC037329  
BALANCE SHEET AS AT MARCH 31, 2023

( In Lakh)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>A ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant & Equipment	2	473.55	325.94
(b) Other Intangible Assets	2	2.43	1.95
(c) Financial Assets			
i. Loan	3	11.12	11.01
(d) Deferred Tax Assets (Net)		1.10	-
<b>Total Non-Current Assets</b>		<b>488.20</b>	<b>338.91</b>
<b>2 Current Assets</b>			
(a) Inventories	4	846.02	730.08
(b) Financial Assets			
i. Trade Receivables	5	2,420.50	1,966.90
ii. Cash and cash Equivalents	6	48.65	20.29
iii. Loan	7	394.55	4.51
(c) Other Current Assets	8	351.59	608.89
<b>Total Current Assets</b>		<b>4,061.32</b>	<b>3,330.67</b>
<b>Total Assets (1+2)</b>		<b>4,549.51</b>	<b>3,669.58</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	9	1,680.00	1,120.00
(b) Other Equity	10	701.02	996.97
<b>Total Equity</b>		<b>2,381.02</b>	<b>2,116.97</b>
<b>2 Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	11	144.11	58.77
(b) Deferred tax liabilities (Net)		-	0.70
<b>Total Non-Current Liabilities</b>		<b>144.11</b>	<b>59.47</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
i. Borrowings	12	717.32	104.89
ii. Trade Payables	13	579.10	573.35
(b) Provisions	14	9.92	5.17
(c) Income/Current tax liabilities (Net)	15	51.42	40.44
(d) Other current liabilities	16	666.64	769.29
<b>Total Current Liabilities</b>		<b>2,024.39</b>	<b>1,493.14</b>
<b>Total Liabilities</b>		<b>2,168.50</b>	<b>1,552.61</b>
<b>Total</b>		<b>4,549.52</b>	<b>3,669.58</b>

Significant Accounting Policies

1

See accompanying Notes to Financial Statements

As per our report on even date attached  
For, D G M S & Co.  
Chartered Accountants  
FRN No. 0112187W

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

Shashank P. Doshi  
Partner  
M. No. 108456  
UDIN: 23108456BGUDOQ8018

Jayantibhai M. Kumbhani  
Managing Director  
DIN: 00587807

Ghanshyambhai M. Kumbhani  
Whole-time Director  
DIN: 00587855

Date: May 24, 2023  
Place: Jamnagar

Dhruvitkumar P. Mandliya  
Company Secretary

Mukesh Shah  
Chief Financial Officer

Date: May 24, 2023

Place: Ahmedabad

# SIKKO INDUSTRIES LTD

SIKKO INDUSTRIES LIMITED  
CIN: L51909GJ2000PLC037329  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

( In Lakh)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
I Revenue from Operations	17	4,967.03	5,102.64
II Other Income	18	25.48	21.69
<b>III Total Revenue (I + II)</b>		<b>4,992.51</b>	<b>5,124.34</b>
<b>IV Expenses:</b>			
Cost of materials consumed	19	3,948.57	3,857.70
Purchase of Stock-in-Trade		154.91	-
Changes in inventories of finished goods, Work-in-Progress and Stock-in-Trade	20	(130.58)	(13.33)
Employee benefits expenses	21	453.98	294.92
Finance Costs	22	44.24	54.26
Depreciation and Amortization expense	23	58.99	62.51
Other Expenses	24	507.10	607.27
<b>Total Expenses</b>		<b>4,587.21</b>	<b>4,863.33</b>
<b>V Profit/(Loss) before Exceptional items &amp; Tax (III-V)</b>		<b>405.30</b>	<b>261.01</b>
<b>VII Exceptional Items</b>		-	-
<b>VIII Profit/(Loss) before Tax</b>		<b>405.30</b>	<b>261.01</b>
<b>IX Tax Expenses:</b>			
(1) Current tax		117.86	77.95
(2) Deferred tax		(1.81)	(4.65)
(3) MAT Credit		-	-
<b>X Profit/(Loss) for the year</b>		<b>289.25</b>	<b>187.70</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will not reclassified to Profit or Loss		-	-
(ii) Income Tax relating to items that will not be reclassified to profit or Loss		-	-
B. (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income Tax relating to items that will be reclassified to profit or Loss		-	-
<b>Total of Comprehensive Income</b>		-	-
<b>XI Profit/(Loss) after other Comprehensive Income</b>		<b>289.25</b>	<b>187.70</b>
<b>VIII Earnings per Equity Share: (Continuing Operation)</b>			
(1) Basic		1.72	1.12
(2) Diluted		1.72	1.12
Significant Accounting Policies	1		
<i>See accompanying Notes to Financial Statements</i>			

As per our report on even date attached  
For, D G M S & Co.  
Chartered Accountants  
FRN No. 0112187W

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

Shashank P. Doshi  
Partner  
M. No. 108456  
UDIN: 23108456BGUDOQ8018

Jayantibhai M. Kumbhani  
Managing Director  
DIN: 00587807

Dhruvitkumar P. Mandliya  
Company Secretary

Shashank P. Doshi  
Partner  
M. No. 108456  
UDIN: 23108456BGUDOQ8018

Date: May 24, 2023  
Place: Jamnagar

Date: May 24, 2023

Date: May 24, 2023  
Place: Jamnagar



**SIKKO INDUSTRIES LIMITED**  
CIN: L51909GJ2000PLC037329  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

( In Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A Cash Flow from Operating Activities</b>		
Net Profit before tax as per Statement of Profit & Loss	405.30	261.01
Adjustments for:		
Depreciation & Amortization Expense	58.99	62.51
Stamp duty for Increase in Capital	-	-
Interest Income	(0.84)	(0.35)
Finance Cost	44.24	54.26
	<b>102.38</b>	<b>116.42</b>
<b>Operating Profit before working capital changes</b>	<b>507.68</b>	<b>377.43</b>
Changes in Working Capital:		
Trade Receivables	(453.60)	180.39
Other Loans and advances receivables	(390.04)	163.90
Inventories	(115.95)	336.50
Trade Payables	5.75	(374.73)
Other Current Liabilities and other assets	154.64	33.23
Short term Provisions	4.75	(2.37)
	<b>(794.45)</b>	<b>336.92</b>
<b>Net Cash Flow from Operation</b>	<b>(286.76)</b>	<b>714.35</b>
Tax Paid	117.86	77.95
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(404.62)</b>	<b>636.40</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(210.12)	(60.51)
Sale of Fixed Assets	14.04	-
Movement in Loan & Advances	(0.10)	(0.92)
Interest Income	0.84	0.35
	<b>(195.38)</b>	<b>(61.08)</b>
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(195.38)</b>	<b>(61.08)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Issue of shares capital	-	-
Proceeds from Long Term Borrowing (Net)	85.34	45.63
Short Term Borrowing (Net)	612.43	(560.00)
Interest paid	(44.24)	(54.26)
Dividend paid (including DDT)	(25.20)	-
	<b>628.33</b>	<b>(568.63)</b>
<b>Net Cash Flow from Financing Activities (C)</b>	<b>628.33</b>	<b>(568.63)</b>
<b>D Net (Decrease)/Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>28.36</b>	<b>6.69</b>
E Opening Cash & Cash Equivalents	20.29	13.60
<b>F Cash and cash equivalents at the end of the period</b>	<b>48.65</b>	<b>20.29</b>
<b>G Cash And Cash Equivalents Comprise:</b>		
Cash	5.91	0.86
<b>Bank Balance:</b>		
Current Account	7.25	17.14
Deposit Account	35.50	2.29
<b>Total</b>	<b>48.65</b>	<b>20.29</b>

As per our report on even date attached  
For, D G M S & Co.  
Chartered Accountants  
FRN No. 0112187W

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

**Shashank P. Doshi**  
Partner  
M. No. 108456  
UDIN: 23108456BGUDOQ8018

**Jayantibhai M. Kumbhani**  
Managing Director  
DIN: 00587807

**Shashank P. Doshi**  
Partner  
M. No. 108456  
UDIN: 23108456BGUDOQ8018

**Dhruvitkumar P. Mandliya**  
Company Secretary

Date: May 24, 2023  
Place: Jamnagar

Date: May 24, 2023

Date: May 24, 2023  
Place: Jamnagar

# SIKKO INDUSTRIES LTD

SIKKO INDUSTRIES LIMITED  
CIN: L51909GJ2000PLC037329  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Equity Share Capital ( in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding at the Beginning of the year	1,120.00	1,120.00
Issued during the year	560.00	-
<b>Total</b>	<b>1,680.00</b>	<b>1,120.00</b>

Other Equity ( in Lakh)

Particulars	Securities Premium	Retained Earnings	Other Comprehensive Income
Balance at the beginning of reporting Period i.e. April 1, 2021	-	809.26	-
Add: Profit of the year	-	187.70	-
Less: Issue of Bonus Equity Shares	-	-	-
Less: Bonus Issue Expenses	-	-	-
Less: Other Written off	-	-	-
<b>Balance at the closing of reporting Period i.e. March 31, 2022</b>	<b>-</b>	<b>996.97</b>	<b>-</b>

( in Lakh)

Particulars	Securities Premium	Retained Earnings	Other Comprehensive Income
Balance at the beginning of reporting Period i.e. April 1, 2022	-	996.97	-
Add: Profit of the year	-	289.25	-
Less: Issue of Bonus Equity Shares	-	560.00	-
Less: Utilized for Interim Dividend	-	25.20	-
<b>Balance at the closing of reporting Period i.e. March 31, 2023</b>	<b>-</b>	<b>701.02</b>	<b>-</b>

As per our report on even date attached  
For, D G M S & Co.  
Chartered Accountants  
FRN No. 0112187W

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

Shashank P. Doshi  
Partner  
M. No. 108456  
UDIN: 23108456BGUDOQ8018

Jayantibhai M. Kumbhani  
Managing Director  
DIN: 00587807

Dhruvitkumar P. Mandliya  
Company Secretary

Shashank P. Doshi  
Partner  
M. No. 108456  
UDIN: 23108456BGUDOQ8018

Date: May 24, 2023  
Place: Jamnagar

Date: May 24, 2023

Date: May 24, 2023  
Place: Jamnagar



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR YEAR ENDED ON MARCH 31, 2023**

**Note 1: SIGNIFICANT ACCOUNTING POLICIES**

**1.0 Corporate Information**

Sikko Industries Limited is a Limited Company, incorporated under the provisions of Companies Act, 1956 and having CIN: L51909GJ2000PLC037329. The Company is 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 at 508, Iscon Eligance, Nr. Jain Temple Nr. Prahladnagar Pick up Stand, Vejalpur, Ahmedabad - 380051.

**1.1 Basis of preparation of financial statements**

**a. Accounting Convention:**

The financial statements have been prepared in accordance with Section 133 of Companies Act, 2013, i.e. Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules 2015. The Ind AS Financial Statements are prepared on historical cost convention, except in case of certain financial instruments which are recognized at fair value.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Part I of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

**b. Functional and Presentation Currency:**

All amounts disclosed in the financial statements and notes are rounded off to lakhs the nearest INR rupee in compliance with Schedule III of the Act, unless otherwise stated.

The functional and presentation currency of the company is Indian rupees. This financial statement is presented in Indian rupees. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

**c. Compliance with Ind AS**

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.

**d. Use of Estimates and Judgments**

The preparation of the Ind AS financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities and contingent assets as of the date of Balance Sheet. The estimates and assumptions used in these Ind AS financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the Ind AS financial statements. The actual amounts may differ from the estimates used in the preparation of the Ind AS financial statements and the difference between actual results and the estimates are recognized in the period in which the results are known/materialize.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods affected.

Particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial Statement are as below:

1. Evaluation of recoverability of deferred tax assets/Liabilities;
2. Useful lives of property, plant and equipment and intangible assets;
3. Provisions and Contingencies;
4. Provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions;
5. Recognition of Deferred Tax Assets/Liabilities
6. Valuation of Financial Instruments;

**e. Current versus Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset / liability is treated as current when it is: -

- i. Expected to be realised or intended to be sold or consumed or settled in normal operating cycle.
- ii. Held primarily for the purpose of trading.
- iii. Expected to be realised / settled within twelve months after the reporting period, or.
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- v. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

## 1.2 Accounting Policies:

### (A) Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is provided on the Written Down Value method (W.D.V.) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. The Company provides pro-rata depreciation from the day the asset is put to use and for any asset sold, till the date of sale.

Projects under commissioning and other Capital work-in-progress are carried at cost comprising of direct and indirect costs, related incidental expenses and attributable interest. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

An item of property, plant and equipment is derecognized on disposal. Any gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss.

### (B) Intangible Assets

Intangible assets are stated at cost of acquisition net of recoverable taxes, accumulated amortization, and impairment losses, if any. Such costs include purchase price, borrowing cost, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost can be measured reliably.

The amortisation period for intangible assets with finite useful lives is reviewed at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Internally generated intangible asset Research costs are charged to the statement of Profit and Loss in the year in which they are incurred.

The cost of an internally generated intangible asset is the sum of directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria to the completion of its development.

Product development expenditure is measured at cost less accumulated amortisation and impairment, if any. Amortisation is not recorded on product in progress until development is complete.

Gains or losses arising from derecognition of an Intangible Asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

### (C) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### (D) Leases

#### As a lessee:

The Company has applied IND AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

## Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### As Lessor:

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on contractual terms & substance of the lease arrangement. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## (E) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Company has identified its Managing Director as CODM who is responsible for allocating resources and assessing performance of the operating segments and makes strategic decisions.

The Company is operating in single business segments. Hence, reporting requirement of Segment reporting is not arise.

## (F) Statement of Cash flow

Cash Flows of the Group are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a noncash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing Cash Flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## (G) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and highly liquid investments with an original maturity of up to three month that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

## (H) Inventories

Inventories includes raw material, semi-finished goods, stock -in -trade, finished goods, stores & spares, consumables, packing materials, goods for resale and material in transit are valued at lower of cost and net

**Raw Material and Components** - Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. value Cost is determined on First-In-First-Out basis.

**Finished/Semi-Finished Goods** - Cost includes cost of direct material, labor, other direct cost (Including variable costs) and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on First-In-First-Out basis.

**Stock-in-trade** - Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and conditions. Cost is determined on First-In-First-Out basis.

**Stores, Spare Parts, Consumables, Packing Materials etc.** - Cost is determined on on First-In-First-Out basis.

**Goods for Resale** - valuation Cost is determined on First-In-First-Out basis.

Realizable Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Adequate allowance is made for obsolete and slow-moving items.

## (I) Foreign Currency Transactions

### 1. Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

### 2. Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

Any subsequent events occurring after the Balance Sheet date up to the date of the approval of the financial statement of the Company by the board of directors on May 24, 2023 have been considered, disclosed and adjusted, if changes or event are material in nature wherever applicable, as per the requirement of Ind AS.

## (J) Income Taxes

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized in Other Comprehensive Income or Equity.

### Current tax: -

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

### Deferred tax:-

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred tax asset is recognized to the extent that it is probable that taxable profit will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

## (K) Provisions and Contingencies

### Provisions:

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are discounted to its present value as appropriate.

### Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

## (L) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation:

The Company applies the five-step approach for recognition of revenue:

- i. Identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;
- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied.

## (M) Other income:

**Interest:** Interest income is calculated on effective interest rate, but recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividend:** Dividend income is recognised when the right to receive dividend is established.

## (N) Finance Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

## (O) Earnings per share (EPS):

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of additional equity shares that would have been outstanding are considered assuming the conversion of all dilutive potential equity shares. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

**(P) Employee benefits**

**Provident Fund**

Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense when an employee renders the related service.

**Gratuity**

The Management has decided that gratuity will be accounted in profit & loss A/c in each financial year when the claim is recognized by the company which is against the prescribed treatment of AS -15. The Quantum of provision required to be made for the said retirements benefits can be decided on actuarial basis and the said information could not be gathered. To the extent of such amount, the reserve would be lesser.

**(Q) Fair Value Measurement:**

The Company measures financial instruments such as investments in quoted share, certain other investments etc. at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole..

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(R) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets:**

**Initial recognition**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables and other specific assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

**Subsequent measurement**

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- i. The entity's business model for managing the financial assets and
- ii. The contractual cash flow characteristics of the financial asset.

**De-recognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Financial Liabilities:**

**Initial Recognition and Subsequent Measurement**

All financial liabilities are recognised initially at fair value and in case of borrowings and payables, net of directly attributable cost. Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

**De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## Note 2: Property, Plant & Equipment

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April 1, 2022	Additions	Disposal/ Adjustment	Balance as at March 31, 2023	Balance as at April 1, 2022	Amount charged to reserves	Depreciation charge for the year	Deductions/ Adjustments	Balance as at March 31, 2023	Balance as at March 31, 2022
<b>Tangible Assets</b>										
Land	0.50	-	-	0.50	-	-	-	-	-	0.50
Factory Land	70.69	-	-	70.69	-	-	-	-	-	70.69
Factory Building	136.81	-	-	136.81	79.63	-	3.65	-	83.28	57.18
Office Building	-	160.73	-	160.73	-	-	1.18	-	1.18	-
Office Equipments	22.61	4.04	1.39	25.26	17.01	-	3.32	1.32	19.01	5.60
Computer & Software	16.53	0.65	0.30	17.48	15.31	-	0.80	0.30	16.41	1.22
Furniture & Fixtures	133.76	3.14	-	136.90	108.85	-	5.85	-	114.70	24.91
Plant & Machinery	528.02	4.76	0.15	532.64	420.50	-	21.00	0.13	441.36	107.52
Laboratory Equipments	10.91	1.56	-	12.47	8.42	-	0.86	-	9.27	2.50
Motor Vehicle	202.97	34.38	53.68	183.67	147.14	-	21.95	50.71	118.39	55.83
Software	8.98	-	2.50	6.48	8.98	-	-	2.50	6.48	-
<b>Sub Total</b>	<b>1,131.77</b>	<b>209.27</b>	<b>58.02</b>	<b>1,283.62</b>	<b>805.83</b>	<b>-</b>	<b>58.60</b>	<b>54.96</b>	<b>810.07</b>	<b>325.94</b>
<b>Intangible Assets</b>										
Trademark	4.60	0.86	-	5.46	2.65	-	0.38	-	3.03	1.95
<b>Sub Total</b>	<b>4.60</b>	<b>0.86</b>	<b>-</b>	<b>5.46</b>	<b>2.65</b>	<b>-</b>	<b>0.38</b>	<b>-</b>	<b>3.03</b>	<b>1.95</b>
<b>Total</b>	<b>1,136.38</b>	<b>210.12</b>	<b>58.02</b>	<b>1,289.08</b>	<b>808.48</b>	<b>-</b>	<b>58.99</b>	<b>54.96</b>	<b>813.10</b>	<b>327.90</b>





### Note 3: Non-current Loans

(` In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured, Considered good</b>		
a) Security Deposits	-	-
b) Loan to Promoter/Directors/ Associate Company/Subsidiary Company/Group Company	-	-
c) Other	-	-
<b>Unsecured, Considered good</b>		
a) Security Deposits	11.12	11.01
b) Loan to Promoter/Directors/ Associate Company/Subsidiary Company/Group Company	-	-
c) Other	-	-
<b>Total</b>	<b>11.12</b>	<b>11.01</b>

### Note 4: Inventories

(` In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Raw Material and components <i>(valued at lower of cost or NRV as per FIFO Method)</i>	288.82	293.08
b. Work-in-Progress <i>(valued at estimated cost)</i>	-	-
c. Finished goods <i>(valued at lower of cost or NRV)</i>	469.89	339.31
d. Packing Material <i>(valued at lower of cost or NRV as per FIFO Method)</i>	87.32	97.69
<b>Total</b>	<b>846.02</b>	<b>730.08</b>

### Note 5: Current Trade Receivables

(` In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Secured, Considered good	-	-
b) Unsecured, Considered good		
Undisputed Trade Receivable - Considered good		
Less than 6 Months	1,139.17	302.99
6 Months - 1 Year	326.84	327.25
01 - 02 Year	89.96	147.22
02 - 03 Year	88.41	390.01
More than 3 Years	776.12	799.43
c) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
	<b>2,420.50</b>	<b>1,966.90</b>
<b>Further classified</b>		
a) Allowance for doubtful debts	-	-
b) Debts Due by Directors or other officers or group	-	-
<b>Total</b>	<b>2,420.50</b>	<b>1,966.90</b>

### Note 6: Cash and Cash Equivalents

(` In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>a) Balances with Banks</b>		
Bank of India	2.95	2.86
ICICI Bank	4.30	14.28
<b>b) Cheques, drafts on hand</b>	-	-
<b>c) Cash on hand</b>	5.91	0.86
<b>d) Other bank balance:</b>		
Fixed Deposits	35.50	2.29
<b>Total</b>	<b>48.65</b>	<b>20.29</b>

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## Note 7: Current Loans

(` In Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
<b>Secured, Considered good</b>				
a) Security Deposits	-	-	-	-
b) Loan to Promoter/Directors/Associate Company/Subsidiary Company/Group Company	-	-	-	-
c) Other advances	-	-	-	-
<b>Unsecured, Considered good</b>				
a) Security Deposits	1.30	1.05		
b) Loan to Promoter/Directors/Associate Company/Subsidiary Company/Group Company	-	-	-	-
c) Other advances:				
Advance to Creditors	390.15	-		
Advance to Employees	3.10	3.46		
<b>Total</b>	<b>394.55</b>	<b>4.51</b>		

## Note 8: Other Current Assets

(` In Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
<b>Secured, Considered good</b>				
a) Security Deposits	-	-	-	-
b) Loan to Promoter/Directors/Associate Company/Subsidiary Company/Group Company	-	-	-	-
c) Other advances	-	-	-	-
<b>Unsecured, Considered good</b>				
a) Security Deposits	-	-	-	-
b) Loan to Promoter/Directors/Associate Company/Subsidiary Company/Group Company	-	-	-	-
c) Balance with Government Authorities	348.45	604.21		
d) Other advances:				
Prepaid Expenses	3.15	4.68		
<b>Total</b>	<b>351.59</b>	<b>608.89</b>		

## Note 9: Equity Share Capital

(` In Lakh)

Share Capital	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
<b>Authorised:</b>				
Equity Shares of ` 10/- each	17500000	1,750.00	12000000	1,200.00
<b>Issued:</b>				
Equity Shares of ` 10/- each	16800000	1,680.00	11200000	1,120.00
<b>Subscribed &amp; Paid-up</b>				
Equity Shares of ` 10/- each fully paid	16800000	1,680.00	11200000	1,120.00
<b>Total</b>	<b>16800000</b>	<b>1,680.00</b>	<b>11200000</b>	<b>1,120.00</b>

## Note 9.1: Reconciliation of Number of Shares

(` In Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	11200000	1,120.00	11200000	1,120.00
Bonus Shares issued during the year	5600000	560.00	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>16800000</b>	<b>1,680.00</b>	<b>11200000</b>	<b>1,120.00</b>



**Note 9.2: Details of shares held by Shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Jayantibhai M. Kumbhani	4581126	27.27	3054084	27.27
Mr. Pravinbhai M. Kumbhani	1812000	10.79	1118640	9.99
Mrs. Alpaben J. Kumbhani	1677960	9.99	721480	6.44
Mr. Ghanshyambhai M. Kumbhani	1082220	6.44	212300	1.90
Mrs. Nandaben G. Kumbhani	1020000	6.07	661480	5.91
Mr. Mohanbhai N. Kumbhani	992220	5.91	680000	6.07

**Note:** Changes in Promoter Holding is shown in Note No. 49 of Significant Accounting Policy.

**Note 10: Other Equity**

(` In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Securities Premium Reserve</b>		
As per last Balance Sheet	-	-
Add: Securities Premium credited on Shares issue	-	-
Less: Premium utilized for various reasons:		
For Bonus issue during the year	-	-
<b>Closing Balance</b>	-	-
<b>B. Retained Earnings</b>		
As per last Balance Sheet	996.97	809.26
Add: Net Profit/(Net Loss) for the Current year	289.25	187.70
Less: Income Tax Expenses write off	-	-
Adjustment in F.A. as per the Companies Act, 2013	-	-
Other written off	-	-
Dividend Paid	25.20	-
Bonus Issue Expense	-	-
Bonus Issue during the year	560.00	-
<b>Closing Balance</b>	<b>701.02</b>	<b>996.97</b>
<b>Other Comprehensive Income (OCI)</b>		
As per Last Balance Sheet	-	-
Add: Movement in OCI (Net) during the year	-	-
<b>Closing Balance</b>	-	-
<b>Total</b>	<b>701.02</b>	<b>996.67</b>

**Note 11: Non-Current Borrowings**

(` In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured:</b>		
<b>Term Loans</b>		
<b>From Banks:</b>		
Term Loan	4.83	37.13
Car Loans	139.28	21.64
<b>Sub-total (a)</b>	<b>144.11</b>	<b>58.77</b>
<b>Unsecured:</b>		
Loans and advances from related parties	-	-
<b>Sub-total (b)</b>	-	-
<b>Total</b>	<b>144.11</b>	<b>58.77</b>

**Note 11.1:**

Term Loan facility from ICICI Bank is secured by Hypothecation of present and future stock & Book Debts.

Car loans from bank referred above are secured by Hypothecation of Cars.

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## Note 12: Current Borrowings

(` In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured:</b>		
<b>Loan payable on demand</b>		
<b>From Banks:</b>		
Cash Credit	591.77	-
<b>Current Maturities of Long-Term Loans</b>		
<b>From Banks:</b>		
ICICI Term Loan	32.31	29.71
Car Loans	39.25	21.19
<b>Sub-total (a)+(b)</b>	<b>663.32</b>	<b>50.89</b>
<b>Unsecured:</b>		
<b>Loans and advances from related parties</b>	54.00	54.00
<b>Sub-total (c)</b>	<b>54.00</b>	<b>54.00</b>
<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (c)</b>		
Period of default	-	-
Amount	-	-
<b>Total</b>	<b>717.32</b>	<b>104.89</b>

### Note 12.1:

Working Capital loan from bank referred above to the extent of Cash Credit from ICICI Bank is secured by Hypothecation of present and future stock & Book Debts.

Term Loan facility from ICICI Bank is secured by Hypothecation of present and future stock & Book Debts.

Car loans from bank referred above are secured by Hypothecation of Cars.

## Note 13: Current Trade Payables

(` In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Due From:</b>		
a) Micro, Small and Medium Enterprise		
Less than 01 year	-	-
01 - 02 Year	-	-
02 - 03 Year	-	-
More than 3 Years	-	-
b) Others		
Less than 01 year	434.32	265.07
01 - 02 Year	69.49	186.27
02 - 03 Year	34.96	68.80
More than 3 Years	40.33	53.20
<b>Total</b>	<b>579.10</b>	<b>573.53</b>

## Note 14: Current Provisions

(` In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for:		
a) <b>Employee Benefits</b>		
Bonus Payable	5.60	3.05
b) <b>Others</b>		
Electricity burning Expense	0.18	0.02
C & F Charges	1.95	-
Security Charges	0.12	0.12
Telephone Charges	0.01	0.08
Director Sitting Fees	0.90	0.90
Audit Fees	1.15	1.00
Income Tax	-	-
<b>Total</b>	<b>9.92</b>	<b>5.17</b>


**Note 15: Income/Current Tax Liabilities (Net)**

(₹ In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	40.44	38.41
Add: Provision for the year	117.86	77.95
Less: Tax Paid	66.44	75.92
<b>Total</b>	<b>51.42</b>	<b>40.44</b>

**Note 16: Other Current Liabilities**

(₹ In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Statutory Remittance		
TDS Payable	5.14	4.63
TCS Payable	0.28	0.31
GST Payable	-	265.65
EPF Payable	0.53	0.52
ESIC Payable	0.03	0.04
Professional Tax Payable	0.18	0.14
b) Advanced from Customer	89.34	214.79
c) Dealer Deposits	338.37	283.22
d) Late Payment Charges	232.76	111.04
<b>Total</b>	<b>666.64</b>	<b>769.29</b>

**Note 17: Revenue from Operations**

(₹ In Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
Sale of Products	4,946.19	5,079.81
Other Operating Revenue	20.84	22.84
<b>Total</b>	<b>4,967.03</b>	<b>5,102.64</b>

**Note 17.1: Particulars of Sale of Products**

(₹ In Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
<b>Manufactured Goods:</b>		
Fertilisers	77.71	410.92
Pesticides	4,488.28	4,377.79
Seeds	380.20	291.10
<b>Total</b>	<b>4,946.19</b>	<b>5,079.81</b>

\*Branch wise Sales bifurcation is given in Note No. 51 of Notes Forming part of Financial Statements.

**Note 17.2: Other Operating Revenue**

(₹ In Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
Reimbursement of C & F Charges	1.89	2.08
Reimbursement of Marketing Charges	18.95	20.76
<b>Total</b>	<b>20.84</b>	<b>22.84</b>

**Note 18: Other Income**

(₹ In Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
<b>Interest Income</b>		
From Bank FD Deposits	0.21	0.35
From other Deposits	0.63	0.29
<b>Other Non-operating Revenues</b>		
Kasar Income	0.00	0.67
Duty Drawback Income	2.18	0.12
Rate Difference Income	-	8.70
Foreign Exchange Gain or Loss	5.21	0.47
Bed Debts Recovery	17.25	9.98
Shortage Material	-	1.10
<b>Total</b>	<b>25.48</b>	<b>21.69</b>

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## Note 19: Cost of Material Consumed

(` In Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
Opening Stock of Raw Materials	293.08	677.40
Add: Purchase of Raw Materials	3,343.63	3,507.85
Closing Stock of Raw Materials	288.82	293.08
<b>Total (A)</b>	<b>3,347.89</b>	<b>3,892.17</b>
Opening Stock of Packing Material Consumed	97.69	63.20
Add: Purchase of Packing Material Consumed	140.31	0.01
Closing Stock of Packing Material Consumed	87.32	97.69
<b>Total (B)</b>	<b>150.68</b>	<b>(34.47)</b>
<b>Total</b>	<b>3,498.57</b>	<b>3,857.70</b>

## Note 19.1: Particulars of Cost of Material Consumed

(` In Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
<b>Breakup of Raw Material Consumed:</b>		
Fertilisers	36.27	174.08
Pesticides	3,013.79	3,463.18
Seeds	293.56	254.92
Others	-	-
<b>Total (A)</b>	<b>3,343.63</b>	<b>3,892.17</b>
<b>Breakup of Packing Material Consumed:</b>		
Fertilisers	-	7.88
Pesticides	132.37	(42.35)
Seeds	7.95	-
Others	-	-
<b>Total (B)</b>	<b>140.31</b>	<b>(34.47)</b>
<b>Total</b>	<b>3,483.94</b>	<b>3,857.70</b>

## Note 19.2: Purchase of Traded Goods

(` In Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
<b>Breakup of Purchase of Traded Goods</b>		
Seeds	154.91	-
Others	-	-
<b>Total</b>	<b>154.91</b>	<b>-</b>

## Note 20: Changes in Inventories of Finished Goods, Stock in Process and WIP

(` In Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
<b>Inventories at the end of the year</b>		
Finished Goods	469.89	339.31
Work in Progress	-	-
<b>Inventories at the beginning of the year</b>		
Finished Goods	339.31	325.98
Work in Progress	-	-
<b>Net (Increase)/Decrease</b>	<b>(130.58)</b>	<b>(13.33)</b>

## Note 21: Employee Benefits Expenses

(` In Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
(a) Salaries and Wages	452.82	291.13
(b) Contributions to Provident Fund & Other Fund:		
Provident Fund	-	3.26
ESIC	0.42	0.36
(c) Staff welfare Expenses	0.73	0.17
(d) Provision for Gratuity	-	-
(e) Termination Benefits	-	-
<b>Total</b>	<b>453.98</b>	<b>294.92</b>




**Note 22: Finance Cost**

(₹ In Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
(a) Interest Expense		
(i) Borrowings	33.90	52.01
(ii) Interest on TDS	0.00	0.31
(iii) Interest on Professional Tax	0.13	0.02
(iv) Interest on dealer Deposits	-	0.20
(v) Interest on Provident Fund	3.36	-
(b) Other Borrowing costs	6.85	1.72
<b>Total</b>	<b>44.24</b>	<b>54.26</b>

**Note 23: Depreciation and Amortization**

(₹ In Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
Depreciation of Property, Plant and Equipment	58.60	62.21
Amortization of Intangible Assets	0.38	0.30
Depreciation on Investment Property	-	-
<b>Total</b>	<b>58.99</b>	<b>62.51</b>

**Note 24: Other Expenses**

(₹ In Lakh)

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
<b>Manufacturing Expenses:</b>		
Loading & Unloading Charges	1.87	2.41
Electric Power & Fuel	2.53	2.24
Electric Burning Expense	11.19	11.94
Factory Expense	2.11	1.29
Factory Rent Expense	4.95	3.81
C & F Charges	5.14	13.71
C & F commission Expense	8.45	9.95
Farming & Nursing Expense	-	-
Field Assistant Expense	2.70	2.21
Leakage Material	0.27	1.25
Freight & Forwarding Expense	91.98	52.04
<b>Selling &amp; Distribution Expenses</b>		
Sales Promotion Expense	-	35.42
Sales Commission Expense	2.77	2.19
Dealer Meeting Expense	0.44	-
Discounts	46.24	51.93
Export Clearing & Forwarding Charges	24.84	1.46
Marketing Expense	41.03	-
Exhibition Expense	11.40	-
<b>Establishment Expenses:</b>		
Advertisement Expenses	37.95	15.61
Rent Expense	13.52	11.27
Rates & Taxes	15.03	5.22
Payment To auditor	1.30	1.00
Assets Written off	0.99	-
Donation	2.20	-
Insurance Expense	7.52	7.97
Legal & Professional Fees	27.44	13.28
Travelling Conveyance Expense	89.49	53.81
Repairs & Maintenance	26.80	18.41
Communication Expense	2.32	4.23
Research and Development Cost	0.33	9.85
Godown Expense	3.92	3.40
Bad Debts Expense	-	229.74
Late Payment Reverse Charges	11.34	34.17
Other Charges	-	-
Miscellaneous Expense	6.40	7.47
<b>Total</b>	<b>640.00</b>	<b>511.61</b>

**Note 24.1: Payment to Auditor as:**

(` In Lakh)

Particulars	For the year ended on March 31, 2022	For the year ended on March 31, 2021
a) For Auditor	1.30	1.00
b) For taxation matters	-	-
c) For Company Law matters	-	-
d) For Management Services	-	-
e) For other Services	-	-
f) For reimbursement of expenses	-	-
<b>Total</b>	<b>1.30</b>	<b>1.00</b>

**Note 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.

**Note 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.

**Note 27:** The Company has not revalued its Property, Plant and Equipment for the current year.

**Note 28:** There has been no Capital work in progress for the current year of the company.

**Note 29:** There is no Intangible assets under development in the current year.

**Note 30:** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**Note 31:** Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

**Note 32:** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**Note 33:** No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.

**Note 34:** The company has not been declared as willful defaulter by any bank or financial institution or government or government authority.

**Note 35:** The Company has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**Note 36:** The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

- directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note 37:** The company does not have transaction with the struck off under section 248 of companies act, 2013 or section 560 of Companies act 1956.

**Note 38:** The company is in compliance with the number of layers prescribed under clause (87) of section 2 of company's act read with companies (restriction on number of layers) Rules, 2017.



**Note 39: Related Party Disclosures:**

The Disclosures of Transaction with the related parties as defined in the related parties as defined in the Indian AS are given below:

**List of related parties with whom transactions have taken place and relationships: -**

Sr. No.	Nature of Relationships	Name of Parties	
1.	<b>Key Managerial personnel (KMP)</b>	Jayantibhai M. Kumbhani	CS Ishita N Shah
		Ghanshyambhai M. Kumbhani	Mamtaben H. Thumbar
		Alpaben J. Kumbhani	Hasmukhbhai Vavaiya
		Mukesh V. Shah	Rupen J Patel
		CS Ankita Lunagariya	
2.	<b>Associate Concern</b>	Sikkon Crop Technology (Jayantibhai M. Kumbhani)	
		Sikkon Crop Technology (Pravinbhai M. Kumbhani)	
3.	<b>Relative of KMP</b>	Pravinbhai M. Kumbhani	
		Bhav nabn P. Kumbhani	

**Transaction during the current financial year with related parties: -**

(` In Lakh)

Sr. No.	Name of Related Parties	Nature of Relation	Nature of Transaction	O/s at the beginning Receivable/ (Payable)	Amount Debited	Amount Created	O/s at the End Receivable/ (Payable)
1	Jayantibhai M. Kumbhani	Key Managerial Person	Director Remuneration	8.40	69.63	75.00	13.77
2	Ghanshyambhai M. Kumbhani	Key Managerial Person	Director Remuneration	25.73	71.46	59.25	13.52
3	Jayantibhai M. Kumbhani	Key Managerial Person	Loan Repayment	(36.00)	-	-	(36.00)
4	Alpaben J. Kumbhani	Key Managerial Person	Director Remuneration	(1.32)	3.99	48.00	6.75
5	Sikkon Crop Technology (Prop. Jayantibhai Kumbhani)	Enterprise in which relative of KMP is having significant interest	Purchase	-	126.32	-	-
			C & F Income	-	1.89	-	-
			Marketing Income	-	18.95	-	-
6	Sikkon Crop Technology (Prop. Pravinbhai Kumbhani)	Enterprise in which relative of KMP is having significant interest	Purchase	-	-	-	-
			C & F Income	-	-	-	-
			Marketing Income	-	-	-	-
7	Bhav nabn Kumbhani	Relative of KMP	Godown Rent	0.27	1.47	1.20	-
8	Pravinbhai Kumbhani	Relative of KMP	Factory Rent Expense	0.34	4.92	4.95	0.38
9	Mukesh V. Shah	Chief Officer	Financial Salary Expense	0.59	7.85	7.82	0.56
10	Ankita Lunagariya	Company Secretary	Salary Expense	0.26	2.88	2.62	-
11	Ishita N Shah	Company Secretary	Salary Expense	-	0.83	1.22	0.40
11	Mamtaben H. Thumbar	Independent Director	Sitting Fees	0.30	0.30	0.30	0.30
12	Hasmukhbhai Vavaiya	Independent Director	Sitting Fees	0.30	0.30	0.30	0.30
13	Rupen J Patel	Independent Director	Sitting Fees	0.30	0.30	0.30	0.30

# SIKKO INDUSTRIES LTD

**Note 40: Deferred tax Assets and Liabilities are as under:**

**Components of which are as under:**

(` In Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
<i>Deferred Tax</i>		
Block of assets (Depreciation)	3.96	2.53
Net Differed Tax Liability/(Asset)	(1.10)	(0.70)

**Note 41: Earnings Per Share**

Particulars	For the year ended on March 31, 2023	For the year ended on March 31, 2022
Profit / (Loss) after tax attributable to Equity Shareholders (A)	289.25	187.70
Weighted Number of Equity Share outstanding During the year (B) (In Nos.)	16800000	11200000
Basic Earnings Per Share for each Share of ` 10/- (A) / (B)	1.72	1.68

**Note 42: Corporate Social Responsibility (CSR):**

The section 135 (Corporate social responsibility) of Companies Act, 2013 is not applicable to the company.

**Note 43: 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:

Particulars	For the year ended on March 31, 2023		For the year ended on March 31, 2022	
	Principal	Interest	Principal	Interest
Amount due as at the date of Balance sheet	Nil	Nil	Nil	Nil
Amount paid beyond the appointed date during the year	Nil	Nil	Nil	Nil
Amount of interest due and payable for the period of delay in making payments of principal during the year beyond the appointed date	Nil	Nil	Nil	Nil
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.

**Note 44: Title deeds of immovable Property**

Title deeds of immovable property has not been held in the name of promoter, director, or relative of promoter/ director or employee of promoters / director of the company, hence same are held in the name of the company.

**Note 45: Loans or Advances in the nature of loans to promoters, directors, KMPs and the related parties**

No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

**Note 46: Compliance with approved Scheme(s) of Arrangements**

The Company does not have made any arrangements in terms of section 230 to 237 of companies act 2013, and hence there is no deviation to be disclosed.

**Note 47: Utilization of Borrowed funds and share premium: -**

As on March 31, 2023 there is no unutilized amount in respect of any issue of securities and long term borrowings from bank and financial institutions. The borrowed funds have been utilized for the specific purpose for which the funds were raised.



**Note 48: Ratio Analysis:**

Ratio	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% of Change in Ratio	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	2.01	2.23	(10.06%)	-
Debt Equity Ratio	Debt capital	Shareholder's Equity	0.36	0.08	367.97%	Due to Company has taken additional Debts during the year.
Debt Service Coverage Ratio	EBITDA-CAPEX	Debt Service (Int.+ Principal)	5.88	5.57	5.61%	-
Return on Equity Ratio	Profit for the year	Average Shareholder's Equity	0.26	0.31	(18.11%)	-
Inventory Turnover Ratio	COGS	Average Inventory	4.47	9.40	(52.44%)	The company has high Freight & Forwarding Exp due current market condition.
Trade Receivables turnover ratio	Net sales	Average trade receivables	2.26	8.68	73.92%	Due to High Receivables outstanding at end of the year
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses + Closing Inventory-Opening Inventory)	Closing Trade Payables	6.28	8.91	(29.51%)	Due to increase in credit period offered by suppliers, the ratio decreased.
Net capital turnover ratio	Sales	Working capital (CA-CL)	2.44	2.78	(12.19%)	-
Net profit ratio	Net Profit	Sales	0.06	0.04	58.31%	Due to Company has achieved high profit during the year.
Return on Capital employed	Earnings before interest and tax	Capital Employed	0.17	0.14	20.94%	-
Return on investment	Net Profit	Investment	-	-	-	-

**Note 49: Shares held by Promoters at the end of the year:**

Sr. No.	Promoter Name	As at March 31, 2023		As at March 31, 2022		% Changes During the Year
		No. of Shares	%	No. of Shares	%	
1	Jayantibhai M. Kumbhani	4581126	27.27%	3054084	27.27%	0.00%
2	Pravinbhai M. Kumbhani	1812000	10.79%	1208000	10.79%	0.00%
3	Alpaben J. Kumbhani	1677960	9.99%	1118640	9.99%	0.00%
4	Ghanshyambhai M. Kumbhani	1082220	6.44%	721480	6.44%	0.00%
5	Nandaben G. Kumbhani	1020000	6.07%	680000	6.07%	0.00%
6	Mohanbhai N. Kumbhani	992220	5.91%	661480	5.91%	0.00%
7	Rudiben M. Kumbhani	516024	3.07%	344016	3.07%	0.00%
8	Bhavnaben P. Kumbhani	318450	1.90%	212300	1.90%	0.00%
9	Rasilaben R. Savaliya	1500	0.01%	-	-	100.00%

\* During the year Company has issue bonus share at 2:1.

# SIKKO INDUSTRIES LTD

## Note 50: Shares Allotted other than Cash:

Shares Allotted other than Cash for the period of five years immediately preceding the date at which the Balance Sheet is prepared;

Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash	Nil
Aggregate number and class of shares allotted as fully paid up by way of bonus shares; and	1,12,00,000 Equity Shares
Aggregate number and class of shares bought back;	Nil

## Note 51: Branch wise Sales bifurcation:

(` in Lakh)

Details	Gujarat	Rajasthan	Madhya Pradesh	Maharashtra	Uttar Pradesh	West Bengal	Chandigarh	Bihar	All Branch Sales
Sales Account	4,039.65	196.26	177.63	190.66	281.27	103.10	0.00	2.73	4,991.30
Inter Branch Sales	1,198.68	0.00	0.00	20.17	0.00	85.62	0.00	0.00	1,304.46
<b>Total Sales</b>	<b>5,238.32</b>	<b>196.26</b>	<b>177.63</b>	<b>210.82</b>	<b>281.27</b>	<b>188.72</b>	<b>0.00</b>	<b>2.73</b>	<b>6,295.76</b>
Less: Sales Return	-	-	-	-	-	-	-	-	-
<b>Total Sales Return</b>	<b>25.06</b>	<b>0.00</b>	<b>0.85</b>	<b>0.53</b>	<b>0.00</b>	<b>18.66</b>	<b>0.00</b>	<b>0.00</b>	<b>45.11</b>
Less: Credit Note	25.06	0.00	0.85	0.53	0.00	18.66	0.00	0.00	45.11
Sales Return Credit Note	-	-	-	-	-	-	-	-	-
Rate Diff.	-	-	-	-	-	-	-	-	-
<b>Total Credit Note</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sales as per Balance Sheet</b>	<b>5,213.26</b>	<b>196.26</b>	<b>176.78</b>	<b>210.29</b>	<b>281.27</b>	<b>170.05</b>	<b>0.00</b>	<b>2.73</b>	<b>6,250.65</b>
									<b>Less Inter Branch Sales</b>
									<b>1,304.46</b>
									<b>As per Audit Report Sales</b>
									<b>4,946.19</b>

As per our report on even date attached  
For, D G M S & Co.  
Chartered Accountants  
FRN No. 0112187W

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

Shashank P. Doshi  
Partner  
M. No. 108456  
UDIN: 23108456BGUDOQ8018

Date: May 24, 2023  
Place: Jamnagar

Jayantibhai M. Kumbhani  
Managing Director  
DIN: 00587807

Dhruvitkumar P. Mandliya  
Company Secretary

Date: May 24, 2023

Shashank P. Doshi  
Partner  
M. No. 108456  
UDIN: 23108456BGUDOQ8018

Date: May 24, 2023  
Place: Jamnagar