



# **SANGINITA CHEMICALS LIMITED**

(CIN: L24100GJ2005PLC047292)

**SEVENTEENTH  
ANNUAL REPORT  
2021-22**

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

**SEVENTEENTH ANNUAL REPORT 2021 -22**

<b>BOARD OF DIRECTORS</b>	:	Mr. Dineshsinh B. Chavada (DIN: 01497977)	Chairperson & Managing Director
		Mr. Vijaysinh D. Chavda (DIN: 00479413)	Whole Time Director
		Mrs. Hansaben D. Chavada (DIN: 00479509)	Director
		Mr. Faiyazkhan Y. Pathan (DIN: 07702208)	Independent Director
		Mr. Jagdishkumar V. Thakor (DIN: 07702521)	Independent Director
		Mr. Pramodsinh D. Dabhi (DIN: 08441361)	Independent Director
<b>CHIEF FINANCIAL OFFICER</b>	:	Ms. Sangitaben D. Chavda	
<b>COMPANY SECRETARY</b>	:	CS Saroj Jagetia	
<b>BANKERS</b>	:	AXIS Bank Gandhinagar	
<b>STATUTORY AUDITORS</b>	:	M/s. Devpura Navlakha & Co., Chartered Accountants Ahmedabad	
<b>SECRETARIAL AUDITORS</b>	:	M/s. Manoj Hurkat & Associates Practicing Company Secretaries Ahmedabad	
<b>REGISTERED OFFICE</b>	:	301, 3 <sup>rd</sup> Floor, Shalin Complex Sector 11, Gandhinagar – 382011 (Gujarat)	
<b>ISIN</b> (for demat purpose)	:	INE753W01010	

**NOTICE**

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

Date	: 30 <sup>th</sup> August, 2022
Day	: Tuesday
Time	: 12.00 Noon
Place	: At the Registered Office: 301, 3 <sup>rd</sup> Floor, Shalin Complex, Sector 11, Gandhinagar – 382011 (Gujarat)

to transact the following business:

**ORDINARY BUSINESS:**

1. To receive and adopt Audited Financial Statements of the Company for the financial year 2021-22 and to pass the following resolution, with or without modification, as an ORDINARY RESOLUTION:

“**RESOLVED THAT** the Audited Financial Statements of the Company for the financial year 2021-22 comprising of Balance Sheet as on 31<sup>st</sup> March, 2022 and Profit and Loss Statement for the Financial year ended on 31<sup>st</sup> March, 2022 together with all annexure and attachments thereto including Directors’ Report and Auditors’ Report thereon, which have already been circulated to the Members and as laid before this meeting, be and the same, are hereby approved and adopted.”

2. To appoint Director in place of Mr. Vijaysinh D. Chavda (DIN:00479413), who retires by rotation and being eligible, offers himself for re-appointment and to pass following resolution, with or without modification as an ORDINARY RESOLUTION:

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

3. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

**RE-APPOINTMENT OF MR. DINESHSINH B. CHAVADA (DIN: 01497977) AS MANAGING DIRECTOR OF THE COMPANY FOR 3 YEARS W.E.F. 23<sup>RD</sup> NOVEMBER, 2021:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder and as recommended by the Nomination and Remuneration Committee, consent of the Members be and is hereby accorded to the re-appointment of Mr. Dineshsinh B. Chavada (DIN: 01497977) as Managing Director of the Company for the period of three years w.e.f 23<sup>rd</sup> November, 2021.

**RESOLVED FURTHER THAT** the terms and conditions of such appointment including the remuneration and perquisite payable to Mr. Dineshsinh B. Chavada (DIN: 01497977) shall be as mentioned herein below:

**TERMS AND CONDITIONS**

- I. Subject to the superintendence, direction and control of the Board of Directors of the Company, Dineshsinh B. Chavada (DIN: 01497977), Managing Director of the Company shall be entrusted with day to day affairs of the Company and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.
- II. The Managing Director shall not be liable to retire by rotation.
- III. The Managing Director shall be entitled to receive the remuneration and perquisites as stated below even in the event of inadequacy or absence or profit by the Company in any year.
- IV. The Managing Director shall be paid remuneration and perquisites as under:
  - (A) **Salary:** A Salary of Rs. 50,000/- per month with liberty to the Board to increase or decrease the salary within the limits laid down in Schedule V of the Companies Act, 2013.
  - (B) **Bonus:** Discretionary bonus as may be decided by Remuneration Committee/ Board of Directors, depending upon the performance of the appointee, working of the Company and other relevant factors subject to the ceiling of 100% of the annual salary.
  - (C) **Perquisites:** The Managing Director may be paid perquisites including but not limited to the Medical reimbursement, Children education allowance, Leave travel concession, Contribution to P.F., Gratuity, Super Annuation fund, Use of Company’s car with Driver, Telephone/Mobile facility, Club Membership etc., as may be decided by the Board of Directors from time to time in line with the norms applicable to the employees of the Company.

Provided however that the overall remuneration including all the perquisites shall not exceed the limits laid down under Para A of Section II of Part II of the Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the extent and scope of salary and perquisites as specified in this resolution may be altered or varied by the Board of Directors in accordance with the relevant provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 for the payment of managerial remuneration in force during the tenure of the Managing Director without the matter being referred to the Company in General Meeting again.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby authorised to take all necessary action as may be required in this regard.”

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

**RE-APPOINTMENT OF MR. VIJAYSINH D. CHAVDA (DIN: 00479413) AS WHOLE TIME DIRECTOR OF THE COMPANY FOR 3 YEARS W.E.F. 23<sup>RD</sup> NOVEMBER, 2021:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder and as recommended by the Nomination and Remuneration Committee, consent of the Members be and is hereby accorded to the re-appointment of Mr. Vijaysinh B. Chavda (DIN: 00479413) as Whole Time Director of the Company for the period of three years w.e.f 23<sup>rd</sup> November, 2021.

**RESOLVED FURTHER THAT** the terms and conditions of such appointment including the remuneration and perquisite payable to Mr. Vijaysinh D. Chavda (DIN: 00479413) shall be as mentioned herein below:

**TERMS AND CONDITIONS**

- I. Subject to the superintendence, direction and control of the Board of Directors of the Company, Mr. Vijaysinh D. Chavda (DIN: 00479413), Whole Time Director of the Company shall be entrusted with day to day affairs of the Company and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time.
- II. Whole Time Director shall be liable to retire by rotation.
- III. The Whole Time Director shall be entitled to receive the remuneration and perquisites as stated below even in the event of inadequacy or absence or profit by the Company in any year.
- IV. Whole Time Director shall be paid remuneration and perquisites as under:
  - (A) **Salary:**A Salary of Rs. 45,000/- per month with liberty to the Board to increase or decrease the salary within the limits laid down in Schedule V of the Companies Act, 2013.
  - (B) **Bonus:** Discretionary bonus as may be decided by Remuneration Committee/ Board of Directors, depending upon the performance of the appointee, working of the Company and other relevant factors subject to the ceiling of 100% of the annual salary.
  - (C) **Perquisites:** The Whole Time Director may be paid perquisites including but not limited to the Medical reimbursement, Children education allowance, Leave travel concession, Contribution to P.F., Gratuity, Super Annuation fund, Use of Company’s car with Driver, Telephone/Mobile facility, Club Membership etc., as may be decided by the Board of Directors from time to time in line with the norms applicable to the employees of the Company.

Provided however that the overall remuneration including all the perquisites shall not exceed the limits laid down under Para A of Section II of Part II of the Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors are at liberty to alter and vary the terms and conditions of the Remuneration and Perquisites so as not to exceed the limit specified in Schedule V of the Companies Act, 2013 or any amendments of modification that may hereafter be made thereto by the Central Government and as may be agreed between the Board of Directors and Mr. Vijaysinh D. Chavda and without referring the matter to the members of the Company in general meeting once again.

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**Registered Office:**

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

**Date: 27<sup>th</sup> April, 2022**

**CIN:L24100GJ2005PLC047292**

**By Order of the Board**

sd/-

**Dineshsinh B Chavada**

**(DIN: 01497977)**

**Chairperson & Managing Director**

**NOTES:**

1. In view of Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide circular no. 20/2020 dated 5<sup>th</sup> May, 2020 read with circular No. 14/2020 dated 8<sup>th</sup> April, 2020, circular No. 17/2020 dated 13<sup>th</sup> April, 2020, circular No. 02/2021-22 dated 13<sup>th</sup> January, 2021 and circular No. 02/2022 dated 5<sup>th</sup> May, 2022 (collectively referred to as ‘MCA Circulars’) and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, SEBI/HO/CFD/CMD2/ CIR/P/2021/11 15<sup>th</sup> January, 2021 and SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 issued by the Securities and Exchange Board of India (collectively referred to as ‘SEBI Circulars’), inter alia, permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) without the physical presence of the Members at a common venue. Hence, the Company is providing VC option to the members of the company to attend the meeting through video conferencing. However, the members attending the meeting through VC shall not be entitled to attend proxy. The credentials of attending the meeting through VC are given elsewhere in this Notice.
2. Pursuant to the MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.
3. Pursuant to the provisions of SEBI (LODR) Regulations, 2015 and Section 91 of the Companies Act, 2013, Register of Members and Shares Transfer Books of the Company will remain closed from Tuesday, 23<sup>rd</sup> August, 2022 to Tuesday, 30<sup>th</sup> August, 2022 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Shareholders holding shares in dematerialized form should communicate the change of address, if any, to their Depository Participant and other who hold shares in physical form (if any) should communicate the change of address, to the Registrar and Share Transfer Agent of the Company at the following address:  
  
Purva Sharegistry (India) India Pvt. Ltd.  
Unit No. 9, Shiv Shakti Inds. Estate, J R Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400011.
6. The Notice of the 17<sup>th</sup> AGM along with the Financial Statements are being sent by electronic mode to all the members whose email addresses are registered with Company/Depository Participant(s) unless a member has requested for a hard copy of the same.
7. The members whose email ids are not registered in their Demat Account with their Depository Participant and who have not provided their email ids to the Company/RTA, are requested to provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company ([sanginitachemicals@yahoo.com](mailto:sanginitachemicals@yahoo.com)) / RTA ([support@purvashare.com](mailto:support@purvashare.com)).
8. REMOTE E-VOTING AND ALSO E-VOTING DURING THE AGM:  
  
Pursuant to provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 the Company is pleased to offer remote e-voting facility to the members to cast their votes electronically on all resolution set forth in the notice convening 17<sup>th</sup> Annual General Meeting. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility (both remote e-voting and e-voting during the AGM). The complete details of the instructions for e-voting are annexed to this notice.
9. The instructions for shareholders voting on the day of the AGM on e-voting system and instructions for attending the AGM through VC / OAVM are also annexed to this Notice separately.
10. Members, Directors, Auditors and other eligible persons to whom this notice is being circulated can attend this annual general meeting through video conferencing at least 15 minutes before the schedule time and shall be closed after expiry of 15 minutes from the scheduled time.
11. 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. Attendance of the members will be recorded on the CDSL platform at the time when the member login to attend the AGM through VC/OAVM.
12. Additional information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard on General Meeting (SS-2) notified under the Companies Act, 2013 in respect of the directors seeking appointment/reappointment at the AGM are furnished and annexed to the notice.

**EXPLANATORY STATEMENT:**

**ITEM NO. 3:**

At the Extra Ordinary General meeting held on 30<sup>th</sup> November, 2016, Mr. Dineshsinh B. Chavada was appointed as Managing Director of the Company for a period commencing from 23<sup>rd</sup> November, 2016 to 22<sup>nd</sup> November, 2021 on the terms and conditions as approved by the shareholders at the said General meeting. Moreover, the present term of appointment of Mr. Dineshsinh B. Chavada as Managing Director has expired on 22<sup>nd</sup> November, 2021. The Board of Directors at their meeting held on 13<sup>th</sup> October, 2021 have, subject to the approval of the members, re-appointed Mr. Dineshsinh B. Chavada as Managing Director of the Company with effect from 23<sup>rd</sup> November, 2021 for a period of 3 years on the remuneration, terms and conditions recommended by the Nomination and Remuneration Committee and as set out in the resolution mentioned at Item No. 3.

The Board is of the opinion that his services should continue to be available to the Company to achieve still greater heights, by re-appointing him as Managing Director as mentioned in the resolution, subject to the approval of shareholders. The Board at their meeting held on 13<sup>th</sup> October, 2021 approved the remuneration, terms and conditions of the reappointment of Mr. Dineshsinh B. Chavada as Managing Director of the Company, for a period of three (3) years from 23<sup>rd</sup> November, 2021 on the terms and conditions as set out in the resolution set out in the Notice of 17<sup>th</sup> AGM, subject to approval of the shareholders.

The Board recommends the adoption of the Special Resolution contained in Item no. 3 of the Notice. Mr. Dineshsinh B. Chavada, Managing Director, Mrs. Hansaben D. Chavada, Director and Mr. Vijaysinh D. Chavda, Whole Time Director are deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in passing of Special Resolution as set out at Item No. 3 of the Notice convening the 17<sup>th</sup> Annual General Meeting. The above proposal is in the interest of the Company and the Directors recommend the Resolution in Item No. 3 of the Notice for approval of the Members.

**ITEM NO. 4:**

At the Extra Ordinary General meeting held on 30<sup>th</sup> November, 2016, Mr. Vijaysinh D. Chavda was appointed as Whole Time Director of the Company for a period commencing from 23<sup>rd</sup> November, 2016 to 22<sup>nd</sup> November, 2021 on the terms and conditions as approved by the shareholders at the said General meeting. Moreover, the present term of appointment of Mr. Vijaysinh D. Chavda as Whole Time Director has expired on 22<sup>nd</sup> November, 2021. The Board of Directors at their meeting held on 13<sup>th</sup> October, 2021 have, subject to the approval of the members, re-appointed Mr. Vijaysinh D. Chavda as Whole Time Director of the Company with effect from 23<sup>rd</sup> November, 2021 for a period of 3 years on the remuneration, terms and conditions recommended by the Nomination and Remuneration Committee and as set out in the resolution mentioned at Item No. 4.

The Board is of the opinion that his services should continue to be available to the Company to achieve still greater heights, by re-appointing him as Whole Time Director as mentioned in the resolution, subject to the approval of shareholders. The Board at their meeting held on 13<sup>th</sup> October, 2021 approved the remuneration, terms and conditions of the reappointment of Mr. Vijaysinh D. Chavda as Whole Time Director of the Company, for a period of three (3) years from 23<sup>rd</sup> November, 2021 on the terms and conditions as set out in the resolution set out in the Notice of 17<sup>th</sup> AGM, subject to approval of the shareholders.

The Board recommends the adoption of the Special Resolution contained in Item no. 4 of the Notice.

Mr. Vijaysinh D. Chavda, Whole Time Director, Mr. Dineshsinh B. Chavada, Managing Director and Mrs. Hansaben D. Chavada, Director are deemed to be concerned or interested in the said resolution. Except this, no other Director, key managerial personnel or their relatives are concerned or interested in passing of Special Resolution as set out at Item No. 4 of the Notice convening the 17<sup>th</sup> Annual General Meeting.

The above proposal is in the interest of the Company and the Directors recommend the Resolution in Item No. 4 of the Notice for approval of the Members.

**Registered Office:**

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

**Date: 27<sup>th</sup> April, 2022**

**CIN:L24100GJ2005PLC047292**

**By Order of the Board**

sd/-

**Dineshsinh B Chavada**

**(DIN: 01497977)**

**Chairperson & Managing Director**

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

<b>Particulars</b>	<b>Mr. Vijaysinh D. Chavda (DIN: 00479413)</b>
Date of Birth	27/10/1980
Date of the first Appointment on the Board	15/12/2005
Qualification	Chemical Engineer
Expertise in Specific functional areas	Mr. Vijaysinh D. Chavda has rich experience in Chemical business
Directorships held in other Companies	1
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	The Company has been paying remuneration to Mr. Vijaysinh D. Chavda as Whole-time Director in accordance with the terms and conditions approved by the members at the Extra Ordinary General Meeting held on 30 <sup>th</sup> November, 2016. For financial year 2021-22, Mr. Vijaysinh Chavda was paid remuneration of Rs. 5,40,000/- p.a. as Whole-time Director.
Number of Board Meetings attended during the year	5
Memberships/ Chairmanships of committees of Board of Directors of Company	1
Memberships/ Chairmanships of committees of Board of Directors of other Companies in which he is director	Nil
Number of shares held in the Company	6,05,949
Disclosure of relationship between directors inter-se	None of the Directors are related inter-se except Mr. Dineshsinh B. Chavda, Managing Director and Mr. Vijaysinh D. Chavda, Whole-Time Director being father & son and Mrs. Hansaben D. Chavda, Director being mother and son.

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**Additional information required to be given alongwith a Notice calling Annual General Meeting as per sub Para (B) of Para 1 of Section II of Part II of Schedule V of the Companies Act, 2013 is given hereunder:**

I.	General Information:					
(1)	Nature of Industry:	The Company is engaged mainly in production of Cuprous Chloride, Cupric Chloride and Copper Sulphate				
(2)	Date or expected date of commencement of Commercial production:	The Company is already in operation.				
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable				
(4)	Financial performance based on given indicators	(In Lakhs)				
		2016-17	2017-18	2018-19	2019-20	2020-21
	Turnover	17205.92	22897.09	22263.70	15978.08	16466.06
	Net profit/ (loss) as per Statement of Profit & Loss	111.76	345.25	394.32	336.62	76.26
	Amount of Dividend paid	-	-	-	-	-
	Rate of Dividend declared	-	-	-	-	-
	Earnings before taxes	170.53	517.58	546.26	450.01	102.21
	% of EBT to turnover	0.99	2.26	2.45	2.82	0.62
(5)	Foreign investments or collaborations, if any.	NIL				
II.	Information about the appointee 1:					
(1)	Background details	Name: Mr. Dineshsinh B. Chavada Designation: Managing Director Father's name: Shri Bhimsinh Chavada Nationality: Indian Date of Birth: 04/11/1958 Qualifications: B. Sc. Experience: 15 Years				
(2)	Past remuneration	He is appointed as a Managing Director w.e.f. 23 <sup>rd</sup> November, 2016. Earlier, he was drawing Rs. 50,000 p.m. as MD				
(3)	Recognition or awards	NIL				
(4)	Job profile and his suitability	The Managing Director shall be entrusted with day to day affairs of the Company and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company.				
(5)	Remuneration proposed	A gross remuneration of Rs. 50,000/- per month with liberty to Board to increase or decrease the remuneration. Discretionary bonus as may be decided by Nomination and Remuneration Committee/ Board of Directors, depending upon the performance of the appointee, working of the Company and other relevant factors subject to Maximum of 100% of Annual Salary which may be increased/ decreased by the Board from time to time within the maximum permissible limits.				
(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to him is just adequate.				
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Dineshsinh B. Chavada is father of Mr. Vijaysinh D. Chavda, Whole Time Director and husband of Mrs. Hansaben D. Chavada, Director of the Company.				



III	Other information:		
	(1)	Reasons of loss or inadequate profits	NA
	(2)	Steps taken or proposed to be taken for improvement.	NA
	(3)	Expected increase in productivity and profits in measurable terms	NA
III.	Information about the appointee 2:		
	(1)	Background details	Name: Mr. Vijaysinh D. Chavda Designation: Whole Time Director Father's name: Shri Dineshsinh B. Chavada Nationality: Indian Date of Birth: 27/10/1980 Qualifications: Diploma in Chemical Engineering Experience: 17 Years
	(2)	Past remuneration	He is appointed as a Whole Time Director w.e.f. 23 <sup>rd</sup> November, 2016. Earlier, he was drawing Rs. 45,000 p.m. as WTD
	(3)	Recognition or awards	NIL
	(4)	Job profile and his suitability	The whole Time Director shall be entrusted with day to day affairs of the Company and also such other duties and responsibilities as may be entrusted to him by the Board of Directors from time to time. Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company.
	(5)	Remuneration proposed	A gross remuneration of Rs. 50,000/- per month with liberty to Board to increase or decrease the remuneration. Discretionary bonus as may be decided by Nomination and Remuneration Committee/ Board of Directors, depending upon the performance of the appointee, working of the Company and other relevant factors subject to Maximum of 100% of Annual Salary which may be increased/ decreased by the Board from time to time within the maximum permissible limits.
	(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to him is just adequate.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	Mr. Vijaysinh D. Chavda is son of Mr. Dineshsinh B. Chavada, Managing Director and Mrs. Hansaben D. Chavada, Director of the Company.	
III	Other information:		
	(1)	Reasons of loss or inadequate profits	NA
	(2)	Steps taken or proposed to be taken for improvement.	NA
	(3)	Expected increase in productivity and profits in measurable terms	NA

**INSTRUCTIONS FOR REMOTE E-VOTING:**

The instructions for members for voting electronically are as under:

- (i) The Remote E-voting period begins on 27<sup>th</sup> August, 2022 (Saturday) at 9.00 a.m. (IST) and ends on 29<sup>th</sup> August, 2022 (Monday) at 5.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> August, 2022 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on 29<sup>th</sup> August, 2022.
- (ii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) 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 URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the E voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers’ site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <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 provided links for the respective ESP where the E Voting is in progress.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is 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</li> </ol>

	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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their <b>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. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**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. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>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> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>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 toll free no.: 1800 1020 990 and 1800 22 44 30

(iv) Login method of e-Voting for **shareholders other than individual shareholders & physical shareholders.**

- 1) The shareholders should log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” Module.
- 3) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with Company
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form other than Individual and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Client ID /Folio number in the PAN field. · In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. · If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (viii) Click on the EVSN (for **SANGINITA CHEMICALS LIMITED**) on which you choose to vote.
- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions Details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) **Facility for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the registration form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [sanginitachemicals@yahoo.com](mailto:sanginitachemicals@yahoo.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

- (xvi) Any person who acquires the shares of the Company and becomes the Member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 23<sup>rd</sup> August, 2022 may obtain the login Id and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting, then person becoming member can use their existing user ID and password for casting their vote.
- (xvii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xviii) The Company shall be making arrangements for the members to cast their votes in respect to the businesses through poll/ballot, for members attending the meeting who have not cast their vote by remote voting.
- (xix) The Company has appointed Mr. Manoj Hurkat, a Practicing Company Secretary, Ahmedabad as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xx) The scrutinizer shall, immediately after the conclusion of voting at AGM, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in presence of at least two witnesses not in employment of the Company and make not later than two days of conclusion of the meeting a consolidated Scrutinizer’s Report of the total votes casted in favour or against, if any, to the Chairperson or a person authorized by him in writing who shall countersign the same and Chairperson shall declare the results of voting forthwith, which shall not be later than 5:00 p.m., 1<sup>st</sup> September, 2022.

- (xxi) The result declared, along with the Scrutinizer's Report shall be placed on the Company's website: [www.sanginitachemicals.co.in](http://www.sanginitachemicals.co.in) and on the website of CDSL after the result is declared by the Chairperson and also be communicated to the National Stock Exchange where the equity shares of the Company are listed.

**INSTRUCTIONS FOR E-VOTING DURING AGM:**

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) 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 available in the AGM.
- (iii) If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
- (iv) 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.

**INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/OAVM:**

- (i) Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (ii) Members are encouraged to join the Meeting through Laptops for better experience.
- (iii) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) 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.
- (v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id i.e. [sanginitachemicals@yahoo.com](mailto:sanginitachemicals@yahoo.com).
- (vi) Shareholders who would like to express their views/have questions may send their questions in advance 7 days prior to meeting mentioning their name demat account number/folio number, email id, mobile number at company email id i.e. [sanginitachemicals@yahoo.com](mailto:sanginitachemicals@yahoo.com). The same will be replied by the company suitably.

Those shareholders who have registered themselves as speaker will only be allowed to express their views/ask questions during AGM.

## DIRECTORS' REPORT

To  
The Members  
SANGINITA CHEMICALS LIMITED

Your Directors take pleasure in presenting the **SEVENTEENTH** Annual Report of the Company together with the Audited Accounts for the financial year ended on 31<sup>st</sup> March, 2022.

### FINANCIAL SUMMARY/HIGHLIGHTS:

The brief financial results are as under:

	(Rs. In lakhs)	
Particulars	2021-22	2020-21
Revenue from Operation	19806.82	16466.06
Add: Job work	-	-
Other income	36.98	35.97
<b>Total revenue</b>	<b>19843.80</b>	<b>16502.03</b>
Profit/(Loss) before Depreciation and Tax	104.37	168.36
Less: Depreciation	57.83	66.15
Profit/(Loss) Before Tax and Extra Ordinary Items	46.54	102.21
Less: Extra Ordinary Items	Nil	Nil
Less: Current Tax	11.35	26.56
Deferred Tax	0.39	(0.61)
<b>Profit/(Loss) After Tax</b>	<b>34.80</b>	<b>76.26</b>
Add: previous year Profit/(Loss)	1578.93	1502.67
<b>Balance Carried to Balance Sheet</b>	<b>1613.73</b>	<b>1578.93</b>

The Gross revenue from operations of the Company for the year 2021-22 has increased from Rs. 16466.06 Lakhs to Rs. 19806.82 Lakhs. However, profit before Depreciation and Tax stands decreased from Rs. 168.36 Lakhs to Rs.104.37 Lakhs. The COVID-19 pandemic had severe impact on the business globally. This resulted in the slowdown in the production and profitability of Company during 2021-22. Due to continued and prolonged effects of COVID-19, there has been economic effects resulting into volatility and uncertainty. However, if the impact of COVID 19 get stabilized and/or subsided, the same may be expected to result into normal business operations in from next year.

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

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

### MATERIAL CHANGES AND COMMITMENT:

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and the date of the report.

### REASONS FOR REVISION OF FINANCIAL STATEMENT OR REPORT:

During the year, the financial statement or report was not revised. Hence further details are not applicable.

### DIVIDEND:

In order to conserve resources, your Directors express their inability to declare any dividend.

### TRANSFER TO RESERVE:

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

### DIRECTORS & KEY MANAGERIAL PERSONNEL:

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

There was no change in Director or Key Managerial Personnel during the year.

### UTILISATION OF ISSUE PROCEEDS:

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Directors had prepared the annual accounts on a going concern basis; and
5. that the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
6. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS:**

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

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

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

**NUMBER OF MEETINGS OF BOARD:**

The Board of Directors duly met 5 (Five) times on 13<sup>th</sup> May, 2021, 16<sup>th</sup> July, 2021, 13<sup>th</sup> October, 2021, 11<sup>th</sup> January, 2022 and 3<sup>rd</sup> February, 2022.

**INDEPENDENT DIRECTORS:**

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

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended vide Notification No. GSR.774(E), dated 18.12.2020, since majority of the Independent Directors of the Company have served as Directors for a period of not less than three (3) years on the Board of Listed Company as on the date of inclusion of their names in the database except Mr. Pramodsinh Dabhi, they are not required to undertake online proficiency self-assessment test. Mr. Pramodsinh D. Dabhi has informed the Company that he will undertake the online assessment test before the due date.

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

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

**AUDITORS:**

M/s. Devpura Navlakha & Co, Chartered Accountants, the existing auditors of the Company were appointed as Auditors of the Company at the 14<sup>th</sup> AGM for holding the office from the conclusion of that 14<sup>th</sup> AGM till the conclusion of 19<sup>th</sup> AGM. At the same AGM, any one of the Directors of the Company was authorized to fix the remuneration of the Statutory auditors.

In view of the Companies (Amendment) Act, 2017, the first proviso in sub-section (1) in section 139 of the Companies Act, 2013 has been omitted with effect from 7<sup>th</sup> May, 2018. In view of this, the said appointment of auditor is no longer required to be ratified by the members at every annual general meeting.

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

**COST AUDITORS AND COST AUDIT REPORT:**

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors on the recommendation of the Audit Committee appointed M/s. A G Tulsian & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2020-21. M/s. AG Tulsian & Co. have confirmed that their appointment is within the limits of the section 139 of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under Section 141 of the Companies Act, 2013.

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The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company. The Cost Audit Report for the financial year 2020-21 was filed with the Ministry of Corporate Affairs on 9<sup>th</sup> September, 2021.

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

### **SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Company has appointed M/s. Manoj Hurkat & Associates, firm of Company Secretaries in Practice to undertake Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure- 1**".

### **AUDIT COMMITTEE:**

The Audit Committee consists of the following Directors:

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

### **NOMINATION & REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee consists of the following Directors:

1. Mr. Faiyazkhan Pathan                      Chairperson
2. Mr. Jagdishkumar Thakor                      Member
3. Mr. Pramodsinh D. Dabhi                      Member

### **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee consists of the following Directors:

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

### **RISK MANAGEMENT POLICY/PLAN:**

It may please be noted that as per the applicable requirement of Companies Act, 2013 a risk management policy/plan of the Company is developed and implemented for creating and protecting the Shareholder's value by minimizing threats or losses and to identify and provide a framework that enables future activities of a Company to take place in a consistent and controlled manner.

### **VIGIL MECHANISM:**

The Company has a vigilmechanism for its directors and employees, to deal with instance of fraud/mismanagement, if any and to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The details of the policy are posted on the website of the Company.

### **CODE OF BUSINESS CONDUCT AND ETHICS:**

The Company has laiddown a Code of Conduct (COC) which is applicable to all the Board members and Senior Management of the Company. The COC is available on the website of the Company [www.sanginitachemicals.co.in](http://www.sanginitachemicals.co.in). All the members of the Board and Senior Management have affirmed compliance with the Code.

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

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

### **REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

The Company's shareholders may refer the Company's website for the detailed Nomination & Remuneration Policy of the Company on the appointment and remuneration of Directors including criteria for determining qualifications, positive attributes, independence of a Director; and other matters provided under sub-section(3) of section 178.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is inconsonance with the existing industry practice.

### **ANALYSIS OF REMUNERATION:**

The details of remuneration paid to Directors and Key Managerial Personnel is given in extract of Annual Return attached with this report placed on the website of the Company.



Disclosure/details pursuant to provisions of Section 197(12) of the Companies Act 2013 read with Companies (appointment and Remuneration of managerial personnel) Rules, 2014 are given as follows:

<b>Names and Positions</b>	<b>[A] Ratio of Directors' Remuneration to the median Remuneration of Employees</b>	<b>[B] Percentage (%) increase in Remuneration</b>
Mr. Dineshsinh B. Chavada (Chairperson & Managing Director)	5.07	Nil
Mr. Vijaysinh D. Chavda (Whole Time Director)	4.56	Nil
Mrs. Hansaben D. Chavada (Director)	1.52	Nil
Mr. Faiyazkhan Y. Pathan (Independent Director)	Nil	Nil
Mr. Jagdishkumar V. Thakor (Independent Director)	Nil	Nil
Mr. Pramodisnh D. Dabhi (Independent Director)	Nil	Nil
The median remuneration of employees of the Company during the financial year was Rs. 118441/- p.a.		
<b>[C] Percentage increase/(decrease) in the median Remuneration of Employees</b>	9.67%	
<b>[D] Number of permanent Employees on the rolls of Company</b>	32 (Thirty - Two)	
<b>[E] Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof</b>	There was increase of 9.67% in the average salaries of employees other than managerial personnel in the year 2021-22. There was no increase/decrease in the Managerial Remuneration in the year 2021-22 as compared to 2020-21. There was no change in the remuneration to the CFO and CS in the year 2021-22.	

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

**PARTICULARS OF EMPLOYEES:**

The statement showing the names of the top ten employees in terms of remuneration drawn is given as “**Annexure – 2.**”

There are no employees of the Company drawing remuneration requiring disclosure of information under Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

**DETAILS OF THE REMUNERATION TO MD/WTD (AS PER CLAUSE-IV OF SECTION-II OF PART-II OF SCHEDULE V):**

- (i) All elements of the remuneration package such as salary, benefits, bonuses, stock options and pension: The details are given in Annual Return placed on the website of the Company.
- (ii) Details of fixed component and performance-linked incentives, alongwith the performance criteria:  
The details are given in Annual Return placed on the website of the Company and performance criteria is linked with net profit of the Company.
- (iii) Service contracts, notice period and severance fees:  
The term of Managing Director and Whole Time Director ended on 22<sup>nd</sup> November, 2021. The Board of Directors at their meeting held on 13<sup>th</sup> October, 2021 have re-appointed them and approval of members will be obtained at the 17<sup>th</sup> AGM to be held on 30<sup>th</sup> August, 2022. Notice period is 6 months on either side or the Company paying 6 months remuneration in lieu of such notice and no severance fees.
- (iv) Stock option details, if any, and whether these have been issued at a discount, as well as the period over which they accrued and how they are exercisable:  
The Company has not granted any stock option.

**REGULATORY ORDERS:**

During the year, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**CSR COMMITTEE:**

As the requirement of CSR Committee is not applicable to the Company, no further details/disclosure required to be given in this regard.

**DETAILS ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

<b>(A)</b>	<b>Conservation of energy</b>	
	(i) the steps taken or impact on conservation of energy	The Company accords high priority to conservation of energy. However, there are no specific steps taken in this regard.
	(ii) the steps taken by the company for utilizing alternate sources of energy	The Company is not utilizing alternate sources of energy.
	(iii) the capital investment on energy conservation equipments	NIL
<b>(B)</b>	<b>Technology absorption</b>	
	(i) the efforts made towards technology absorption	NIL
	(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	NIL
	(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	The Company has not imported any technology during the year. Hence, there are no details to be furnished under each of the sub clauses in this clause.
	(iv) the expenditure incurred on Research and Development	There are no expenditure incurred on Research and Development by the Company.
<b>(C)</b>	<b>Foreign exchange earnings and Outgo</b>	
	The Foreign Exchange earned in terms of actual inflows during the year and	Rs. 1107.84 Lakhs
	The Foreign Exchange outgo during the year in terms of actual outflows	Nil

**INTERNAL FINANCIAL CONTROL:**

The Directors has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating effectively.

**DEPOSITS:**

During the year under report, your Company has not accepted any deposits pursuant to Section 73 of the Companies Act, 2013. Hence further details are not given.

Details of money accepted (if any during the year) by the Company from the Directors and/or the relatives of Directors of the Company are given in the notes to the Financial Statements and the same are not deposit as per the applicable provisions of Companies Act, 2013 and rules made thereunder.

**CORPORATE GOVERNANCE:**

The Corporate Governance Report forms an integral part of this Report and annexed hereto as “**Annexure 3**”, together with the Certificate from the Practicing Company Secretary regarding compliance with the requirements of Corporate Governance as stipulated in Part C of Schedule V to the SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015.

**EXTRACT OF ANNUAL RETURN:**

In Compliance to the provisions of Section 92 and Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of the Annual Return of the Company for the financial year ended 31<sup>st</sup> March, 2022 will be available on the Company's website at [www.sanginitachemicals.co.in](http://www.sanginitachemicals.co.in).

**PARTICULARS OF LOANS, INVESTMENTS OR GUARANTEES UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

There are no Loans, Investments or Guarantees /Security given by the Company during the year, under section 186 of the Companies Act, 2013; hence no particulars are required to be given.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Necessary Management Discussion and Analysis Report, pursuant to Regulation 34(2)(e) of The SEBI (LODR) Regulations, 2015 is appended as “**Annexure-4**” to Director's Report.

**RELATED PARTY TRANSACTION:**

There are no particulars of contacts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 which are required to be reported in the prescribed form AOC-2. The details of related party transactions as per IND AS-24 are otherwise reported in the financial statements. The related party transactions are otherwise carried out in the ordinary course of business and on arm's length basis and the same are in the best interest of the Company. The related party transactions are due to business exigencies.

**APPRECIATION:**

Your Directors wish to place on record their sincere appreciation for significant contribution made by the employees at all the levels through their dedication, hardwork and commitment, thereby enabling the Company to boost its performance during the year under report.

Your Directors also take this opportunity to place on record the valuable co-operation and continuous support extended by its valued business associates, Practicing Company Secretary, Auditors, Supplier, Customers, Banks / Financial Institutions, Government authorities and the shareholders for their continuously reposed confidence in the Company and look forward to having the same support in all its future endeavors.

**Place : Gandhinagar**  
**Date : 27<sup>th</sup> April, 2022**

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

**SECRETARIAL AUDIT REPORT**

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**‘SEBI Act’**) to the extent applicable to the Company:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (upto 12<sup>th</sup> August, 2021); The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equities) Regulations, 2021 (w.e.f. 13<sup>th</sup> August, 2021);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto 15<sup>th</sup> August, 2021); The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (w.e.f. 16<sup>th</sup> August, 2021);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (upto 9<sup>th</sup> June, 2021); The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (w.e.f. 10<sup>th</sup> June, 2021); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

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

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

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

We further report that:

- a) The Board of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors took place during the period underreview.
- b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For, MANOJ HURKAT AND ASSOCIATES**  
Practicing Company Secretaries  
FRN:P2011GJ25800

Sd/-  
**MANOJ R HURKAT**  
Partner  
FCS No. 4287, C P No.: 2574  
UDIN: F004287D000222001

**Place : Ahmedabad**  
**Date : 27<sup>th</sup> April, 2022**

**'Annexure A'**

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

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and cost records of the Company.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. The Secretarial audit was conducted in accordance with Auditing Standards issued by the Institute of Company Secretaries of India and in a manner which evolved such examinations and verifications as considered necessary and adequate for the said purpose.

**For, MANOJ HURKAT AND ASSOCIATES**  
Practicing Company Secretaries  
FRN:P2011GJ25800

Sd/-  
**MANOJ R HURKAT**  
Partner  
FCS No. 4287, C P No.: 2574  
UDIN: F004287D000222001

**Place : Ahmedabad**  
**Date : 27<sup>th</sup> April, 2022**

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

Name	Designation/ Nature of duties	Nature of employment whether contractual or otherwise	Relation with Director or Manager of the Company	Remune- ration (In ₹) p.a.	Qualifi- cation	Experience (Years)	Date of joining	Age (Years)	Last employment	% Equity shares held
1	2	3	4	5	6	7	8	9	10	11
Dineshsinh Bhimsinh Chavada	Managing Director	Otherwise	Husband of Mrs. Hansaben D. Chavada and Father of Mr. Vijaysinh D. Chavada	600000	B.Sc.	37	10.01.2007	62	Environmental Officer in Narmada Project of the Gujarat State	17.03%
Vijaysinh Dineshsinh Chavada	Whole time Director	Otherwise	Son of Mr. Dineshsinh B. Chavada and Mrs. Hansaben D. Chavada	540000	Diploma in Chemical Engineering	15	15.12.2005	41	Nil	3.51%
Hitendrakumar Govindbhai Prajapati	Production Manager	Otherwise	N.A.	265200	B.A.	8	01.05.2020	36	Unity Organics Pvt. Ltd.	NIL
Sangitaben Dineshsinh Chavada	CFO	Otherwise	Daughter of Dineshsinh B. Chavada and Mrs. Hansaben D. Chavada	259200	BBA	8	01.01.2017	37	ICICI Bank	NIL
Saroj G. Jagetia	Company Secretary	Otherwise	N.A.	258000	C.S.	2	01.09.2020	32	Nil	NIL
Parag Nareshkumar Nayak	Marketing Manager	Otherwise	N.A.	243100	B. Com	10	01.05.2021	32	Unity Organics Pvt. Ltd.	NIL
Sanjaykumar Kantilal Patel	General Manager	Otherwise	N.A.	236000	B. Sc.	30	01.06.2021	51	Jay Agro	NIL
Hansaben D. Chavada	Director	Otherwise	Wife of Dineshsinh B. Chavada and Mother of Mr. Vijaysinh D. Chavada	180000	Higher Secondary	15	08.12.2005	63	Nil	4.05%
Vasangiri Hardevgiri Gosai	A/O (Audit)	Otherwise	N.A.	149569	ITI	15	12.04.2021	49	Lakshmi Chemicals	NIL
Mukeshbhai Javanji	Pateliya Operator	Otherwise	N.A.	143357	ITI	6	11.04.2021	28	Lakshmi Chemicals	NIL

**CORPORATE GOVERNANCE REPORT****1. Company's Philosophy on Corporate Governance**

Sanginita Chemicals Limited ("Sanginita") is committed to do business in an efficient, responsible, honest and ethical manner. The Company's philosophy on Corporate Governance envisages attainment of highest level of transparency, integrity, fairness and accountability in all facets of its functioning. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedication to increase long-term stakeholder's value.

**2. Board of Directors****A. Composition of the Board:**

As per the requirement of SEBI (LODR) Regulations, 2015, the Structure of Board of the Company maintains an optimum combination of Executive, Non-Executive Directors and Independent Directors. The Composition of the Board is in conformity with the Listing requirements. The detailed composition of the Board of Directors as on 31<sup>st</sup> March, 2022, their category and their Directorship in the companies and Membership/Chairmanship in the Committees of the Board are given below:

Sr. No.	Name of the Director	Position/Category++	* Number of Directorship as on 31.03.2022 including Sanginita	Number of Directorship in Listed Company including Sanginita	** Number of Membership/ Chairmanship in Board Committee as on 31.03.2022 including Sanginita	
					Membership+	Chairmanship
1	Mr. Dineshsinh B. Chavada	Chairperson & Managing Director	1	1	-	-
2	Mr. Vijaysinh D. Chavda	Whole Time Director	1	1	2	-
3	Mrs. Hansaben D. Chavada	Director	1	1	-	-
4	Mr. Faiyazkhan Y. Pathan	Independent Director	1	1	2	1
5	Mr. Jagdishkumar V. Thakor	Independent Director	1	1	2	1
6	Mr. Pramodsinh D. Dabhi	Independent Director	1	1	-	-

+ Membership excludes Chairmanship.

\*Excluding Directorship held in Foreign Companies.

\*\* Indicates Membership/Chairmanship in the Audit Committee and Stakeholders Relationship Committee (excluding Private Limited Companies, Foreign Companies and Section 8 Companies).

++ Mr. Dineshsinh B. Chavada is father of Mr. Vijaysinh D. Chavda and husband of Mrs. Hansaben D. Chavada. Barring this none of the Directors are related interse.

The Board of Directors have identified the below mentioned skills / expertise / competencies in the context of the business and the sector in which the Company is operating, for the Company to function effectively:

Sr. No.	skills / expertise / competencies	Name of Directors
1.	Knowledge of legal, taxation, IT, marketing, etc. (specialized professional skill)	1. Dineshsinh B. Chavada 2. Vijaysinh D. Chavda 3. Faiyazkhan Y. Pathan 4. Jagdishkumar V. Thakor 5. Pramodsinh D. Dabhi
2.	Knowledge of accounts and finance (ability to read and understand financial statement),	1. Dineshsinh B. Chavada 2. Vijaysinh D. Chavda 3. Faiyazkhan Y. Pathan 4. Jagdishkumar V. Thakor 5. Pramodsinh D. Dabhi
3.	Knowledge of Chemicals business	1. Dineshsinh B. Chavada 2. Vijaysinh D. Chavda
4.	Knowledge of HR, general administration and management	1. Dineshsinh B. Chavada 2. Vijaysinh D. Chavda 3. Hansaben D. Chavada 4. Faiyazkhan Y. Pathan 5. Jagdishkumar V. Thakor 6. Pramodsinh D. Dabhi

**B. Board Meetings held during the year 2021– 22:**

The Board of Directors meets at regular intervals to discuss and decide on various issues including strategy related matters pertaining to the business/ company. The tentative calendar of Board Meetings is circulated to the Directors in advance to facilitate them and to ensure their active participation in the Meetings of the Company. Apart from this, the Meetings of the Board are also convened or the approval of the Board is obtained through circulation of resolution to all the Directors in case some urgent/special situation arises. Such circular resolution is also confirmed in the next Board Meeting. Further when it is not possible to attend meeting physically, the Directors may use video conferencing facility to enable their participation. Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to take informed decisions and to discharge its functions effectively.

During the year 2021 - 2022, the Board met 5 (Five) times. Details of these Meetings are as follows:

Sr. No.	Date of Meeting
1	13 <sup>th</sup> May, 2021
2	16 <sup>th</sup> July, 2021
3	13 <sup>th</sup> October, 2021
4	11 <sup>th</sup> January, 2022
5	3 <sup>rd</sup> February, 2022

**C. Attendance of each Director at the Board Meeting during the year 2021– 2022 and at last AGM was as follows:**

Sr. No.	Name of the Director	Number of Board Meetings held during their tenure as Director	Number of Board Meetings attended	Attendance at last AGM held on 31 <sup>st</sup> August, 2021
1	Mr. Dineshsinh B. Chavada	5	5	Yes
2	Mr. Vijaysinh D. Chavda	5	5	Yes
3	Mrs. Hansaben D. Chavada	5	5	Yes
4	Mr. Faiyazkhan Y. Pathan	5	5	Yes
5	Mr. Jagdishkumar V. Thakor	5	5	Yes
6	Mr. Pramodsinh D. Dabhi	5	5	Yes

**3. Audit Committee:**

The composition of the Audit Committee as on 31<sup>st</sup> March, 2022 is as follows:

1. Mr. Jagdishkumar V. Thakor - Chairperson
2. Mr. Faiyazkhan Y. Pathan – Member
3. Mr. Vijaysinh D. Chavda - Member

Ms. Saroj Jagetia, Company Secretary acted as a Secretary to the Audit Committee.

*Note:*

At least two third members of the Audit Committee are Independent Directors including the Chairperson of the Audit Committee being an Independent Director and having financial and accounting knowledge.

The role, term of reference, authority and powers of the Audit Committee are in conformity with the requirements of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 as applicable to the Company.

During the year 2021 - 2022, the Audit Committee met 4 (Four) times. Details of these Meetings are as follows:

Sr. No.	Date of Meeting
1	13 <sup>th</sup> May, 2021
2	16 <sup>th</sup> July, 2021
3	13 <sup>th</sup> October, 2021
4	11 <sup>th</sup> January, 2022

The attendance of the Members at the Audit Committee Meetings during the year 2021 - 2022 was as follows:

Sr No.	Name of the Audit Committee Members	Number of Audit Committee Meetings held while holding the office	Number of Audit Committee Meetings attended
1	Mr. Jagdishkumar V. Thakor	4	4
2	Mr. Faiyazkhan Y. Pathan	4	4
3	Mr. Vijaysinh D. Chavda	4	4

The Chairman of the Audit Committee remained present at the Annual General Meeting of the Company held on 31<sup>st</sup> August, 2021 to answer shareholders queries.



**4. Nomination and Remuneration Committee**

The composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2022 is as follows:

1. Mr. Faiyazkhan Y. Pathan - Chairperson
2. Mr. Jagdishkumar V. Thakor - Member
3. Mr. Pramodsinh D. Dabhi - Member

The role, term of reference, authority and powers of Nomination and Remuneration Committee are in conformity with the requirements of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 as applicable to the Company.

During the year 2021- 2022, the Nomination and Remuneration Committee met twice on 13<sup>th</sup> May, 2021 and 13<sup>th</sup> October, 2021. All the members of the Committee remained present in that meeting.

The details on performance evaluation criteria for Directors including Independent Directors are already provided under the head “Board Evaluation” in the Director’s Report.

**5. Remuneration/Sitting Fees to Directors**

**i) Remuneration to Directors:**

During the Financial Year 2021-22, the Company has paid remuneration of Rs. 11.40 Lakhs to Executive Directors of the Company pursuant to approval of Members at the Extra Ordinary General Meeting held on 30<sup>th</sup> November, 2016 for payment of remuneration.

**ii) Sitting Fees to Directors:**

The Board of Directors are not paying any amount of Sitting Fees to the Directors for attending the meetings of Board and Committee.

**iii) Terms of appointment of Managing Director:**

Mr. Dineshsinh B. Chavada has been appointed as Managing Director of the Company w.e.f. 23<sup>rd</sup> November, 2016 and Mr. Vijaysinh D. Chavda has been appointed as Whole Time Director of the Company w.e.f. 23<sup>rd</sup> November, 2016.

Mrs. Hansaben D. Chavada holds 7,00,000 equity shares of the Company. Apart from this no other non-executive Director holds any shares in the Company.

**6. Stakeholders Relationship Committee:**

The composition of the Stakeholders Relationship Committee as on 31<sup>st</sup> March, 2022 is as follows:

1. Mr. Faiyazkhan Y. Pathan - Chairperson
2. Mr. Jagdishkumar V. Thakor - Member
3. Mr. Vijaysinh D. Chavda - Member

During the year 2021-2022, the Stakeholders Relationship Committee met twice on 13<sup>th</sup> October, 2021 and 11<sup>th</sup> January, 2022. All three members of the Committee were present in both the meetings.

The status of shareholders complaint as on 31<sup>st</sup> March, 2022 is as follows:

Particulars	Opening as on 01.04.2021	Received* during the year	Disposed during the year	Balance as on 31.03.2022
No. of complaints	NIL	NIL	NIL	NIL

Ms. SarojJagetia, Company Secretary acted as Compliance Officer of the Company.

**7. General Body Meetings**

**A. Schedule of the last three Annual General Meetings of the Company is presented below:**

Year	Date & Time of AGM	Venue	Special Resolutions passed
2020-21	31 <sup>st</sup> August, 2021 12.00 Noon	301, 3rd Floor, Shalin Complex, Sector – 11, Gandhinagar - 382011	No
2019-20	29 <sup>th</sup> September, 2020 2.30 P.M.	301, 3rd Floor, Shalin Complex, Sector – 11, Gandhinagar - 382011	No
2018-19	28 <sup>th</sup> September, 2019 2.30 P.M.	301, 3rd Floor, Shalin Complex, Sector – 11, Gandhinagar - 382011	No

**B. Postal Ballot:**

During the year under review, the Company sought approval from the shareholders by Postal Ballot for the following proposals:

Date of Notice	Proposal	No. & % of votes casts in favour	No. & % of votes casts against	Date of passing of resolutions
17 <sup>th</sup> January, 2022	Special Resolution for Re-appointment of Mr. Faiyazkhan Pathan (DIN: 07702208) as an Independent Director for second term of 5 consecutive years.	11608687 (100%)	177 (Negligible)	23-02-2022
	Special Resolution for Re-appointment of Mr. Jagdishkumar Thakor (DIN: 07702521) as an Independent Director for second term of 5 consecutive years.	11608687 (100%)	177 (Negligible)	23-02-2022

Mr. Manoj Hurkat, Practising Company Secretary, was appointed as Scrutinizer and has conducted the Postal Ballot for the aforesaid proposals.

The procedures prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 were duly followed for conducting the postal ballot process during the year for approving the resolutions mentioned above.

All of the aforesaid resolutions were passed by the shareholders by requisite majority.

**8. Disclosures**

There are certain transactions with related parties which have been disclosed at the relevant place in the Notes to the Annual Accounts. No such related party transactions may have potential conflict with the interests of the Company at large.

There is no non-compliance on any capital market related matter since the listing of Company's security on Stock Exchanges. Further, no penalty has been imposed either by SEBI or Stock Exchanges or any Statutory Authority on any capital market related matter during the last three years.

**A. Means of Communication**

The Financial Results of the Company are normally published in one National newspaper in English in Free Press Gujarat and one Regional newspaper in Lokmitra (Gujarati language). These results can also be viewed from the Company's website [www.sanginitachemicals.co.in](http://www.sanginitachemicals.co.in). Further, the Financial Results and other required filings of the Company can also be viewed on the website of The National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)).

**B. Code of Conduct****Code of Conduct for Directors and Senior Management:**

The Board of Directors of the Company has adopted a Code of Conduct and made it applicable to the Board Members and Senior Management of the Company. The same has also been posted on the website of the Company.

The Board and Senior Management of the Company have affirmed compliance with the Code. The declaration by MD & CFO to this effect has been made elsewhere in this Annual Report.

**Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders:**

Pursuant to the requirements of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. Company Secretary acts as the Compliance Officer. This Code of Conduct is applicable to the Designated Person(s), employees and the Immediate Relative(s) of such Designated Persons and employees of the Company who can have access to Unpublished Price Sensitive Information relating to the Company.

**C. Ethical Behavior and Vigil Mechanism**

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has an Ethical Behaviour and Vigil Mechanism for Directors and employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Code of Conduct of the Company. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Management affirms that no employee of the Company was denied access to the Audit Committee.

**D. Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions**

As required under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Related Party Transactions Policy. The Policy is available on the website of the Company [www.sanginitachemicals.co.in](http://www.sanginitachemicals.co.in).

**E. Appointment of Independent Directors**

The Company has issued formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the applicable Corporate Governance requirements. The terms and conditions of appointment have also been disclosed on the website of the Company. The Board of Directors confirms that all the Independent Directors of the Company fulfills the criteria of Independence as per requirements.

**F. Familiarization Programme for Independent Directors**

Pursuant to provisions of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Familiarization Programme for Independent Directors. The Programme aims to familiarize Independent Directors with activities of the Company so as to enable them to make effective contribution and to assist them in discharging their functions as a Board Member. The Company's Policy on Familiarization Programme for Independent Directors has been disclosed on the website of the Company [www.sanginitachemicals.co.in](http://www.sanginitachemicals.co.in).

**G. Credit Rating**

The Company has not obtained any credit rating during the year for any debt instruments or fixed deposit programme.

**H. Utilization of funds**

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified in the Listing Regulations.

**I. Certificate from a Practicing Company Secretary**

The Company has obtained a certificate from Manoj Hurkat & Associates, Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

**J. Fees paid to the Statutory Auditors**

During the financial year 2021–2022, M/s Devpura Navlakha & Co., the Statutory Auditors of the Company were paid fees for audit and providing other services as per below details:

Name of the Company	Fees paid (Rs.)		Total (in Rs.)
	For Statutory Audit	For providing other services	
Sanginita Chemicals Limited	70000	Nil	70000

**K. Disclosure of Sexual Harrasment of Women at Workplace:**

The Company has formed a Committee headed by Mrs. Hansaben D. Chavada to look after the matters of Sexual Harassment of women in the Company; during the year, Committee has not received any complaint from any woman employee of the Company. The Company has complied with all the requirement and provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**L. General Shareholders Information**

**1. Schedule & Venue of the 17<sup>th</sup> Annual General Meeting of the Company:**

Date & Day : 30<sup>th</sup> August, 2022, Tuesday  
 Time : 12.00 Noon  
 Venue : 301, 3rd Floor, Shalin Complex, Sector – 11, Gandhinagar - 382011

**2. Financial Year and Calendar:**

The Financial Year of the Company starts on 1<sup>st</sup> April and ends on 31<sup>st</sup> March every year.  
 Financial Calendar for 2022 - 2023 (Tentative Schedule) for adoption of quarterly results for:

Quarter ending 30 <sup>th</sup> June, 2022	Before 14 <sup>th</sup> August, 2022
Quarter ending 30 <sup>th</sup> September, 2022	Before 14 <sup>th</sup> November, 2022
Quarter ending 31 <sup>st</sup> December, 2022	Before 14 <sup>th</sup> February, 2023
Quarter & Year ending 31 <sup>st</sup> March , 2023 (Audited)	Before 30 <sup>th</sup> May, 2023

**3. Book Closure Date:**

Tuesday, 23<sup>rd</sup> August, 2022 to Tuesday, 30<sup>th</sup> August, 2022 (both days inclusive)

**4. Listing on Stock Exchanges and Scrip Codes:**

Name of Stock Exchanges	Scrip Code
1. National Stock Exchange of India Limited (NSE)	SANGINITA

*Note: The necessary listing fees has already been paid to the Stock Exchanges.*

**M. Stock Market Data:**

Market Price Data in NSE is as follows:

Month	NSE Nifty		Company's Share price on NSE	
	High	Low	High	Low
April 2021	15044.35	14151.40	25.50	18.00
May 2021	15606.35	14416.25	24.55	22.05
June 2021	15915.65	15450.90	25.70	20.80
July 2021	15962.25	15513.45	34.55	22.20
August 2021	17153.50	15834.65	31.60	22.70
September 2021	17947.65	17055.05	30.90	25.45
October 2021	18604.45	17452.90	47.20	25.60
November 2021	18210.15	16782.40	29.90	25.20
December 2021	17639.50	16410.20	27.00	24.00
January 2022	18350.95	16836.80	30.65	24.65
February 2022	17794.60	16203.25	27.30	21.00
March 2022	17559.80	15671.45	25.00	18.75

**N. Registrar and Share Transfer Agent and Share Transfer System:**

The Company has appointed Purva Sharegistry (India) Private Limited as the Registrar and Share Transfer Agent of the Company for both Physical as well as Demat mode.

The Company has entrusted Purva Sharegistry (India) Private Limited with the responsibility of ensuring effective resolution and disposal of all kinds of investor grievances such as Demat, Remat, non-receipt of Dividend, etc.

Investors may contact our Registrar and Share Transfer Agent at the following address for their queries:

M/s Purva Sharegistry (India) Private Limited

9, Shiv Shakti Industrial Estate, J R Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai - 400011

Tel: +91-22-23016761 Fax: +91-22-23012517 Email: [support@purvashare.com](mailto:support@purvashare.com) Website: [www.purvashare.com](http://www.purvashare.com)

**O. Distribution of Shareholding:**

Distribution of shareholding as on 31<sup>st</sup> March, 2022 is given below:

Category (Amount of Share)	No. of Shareholders	% of No. of Shareholders	No. of Shares held	% of Shareholding
1-5000	6469	76.80	8864140	5.13
5001-10000	880	10.45	7267380	4.21
10001-20000	520	6.17	8045360	4.66
20001-30000	195	2.32	5023150	2.91
30001-40000	78	0.93	2799340	1.62
40001-50000	92	1.09	4312580	2.50
50001-100000	123	1.46	8871990	5.14
100001 & above	66	0.78	127493060	73.83
<b>Total</b>	<b>8423</b>	<b>100</b>	<b>172677000</b>	<b>100</b>

**P. Dematerialization of Shares and its liquidity:**

17267700 Equity Shares representing 100% of the total Equity Shares of the Company are held in Dematerialized Form as on 31<sup>st</sup> March, 2022.

**Q. Address for correspondence with the Company:**

The address for correspondence with the Company is given below:

Sanginita Chemicals Limited

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

Ph.: 079-23240270

Web-site: [www.sanginitachemicals.co.in](http://www.sanginitachemicals.co.in)

Email: [dbchavada@yahoo.co.in](mailto:dbchavada@yahoo.co.in)

**R. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversions date and likely impact on equity:**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

Place : Gandhinagar  
Date : 27<sup>th</sup> April, 2022

**For and on behalf of the Board**  
**Dineshsinh B. Chavada**  
(DIN:01497977)  
Chairperson & Managing Director

**Annexure to the Corporate Governance Report**

To  
The Shareholders,  
Affirmation of Compliance with Code of Conduct

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Board of Directors of the Company has received affirmation on compliance with the Code of Conduct from all the Directors and the Senior Management Personnel of the Company, as applicable to them, for the financial year ended on 31<sup>st</sup> March, 2022.

**Place : Gandhinagar**  
**Date : 27<sup>th</sup> April, 2022**

**For Sanginita Chemicals Limited**  
**Dineshsinh B. Chavada**  
**(DIN:01497977)**  
**Chairperson & Managing Director**

**CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) read with Clause 10(i) of Part C OF Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SANGINITA CHEMICALS LIMITED ("Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In our opinion and to the best of our information and according to the verifications (including Director Identification Number [DIN] status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or such other statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in the Company</b>
1.	Dineshsinh B. Chavada	01497977	10/01/2007
2.	Vijaysinh D. Chavda	00479413	15/12/2005
3.	Hansaben D. Chavada	00479509	15/12/2005
4.	Faiyazkhan Y. Pathan	07702208	10/01/2017
5.	Jagdishkumar V. Thakor	07702521	10/01/2017
6.	Pramodsinh D. Dabhi	0844361	11/05/2019

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the same based on our 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.

**For, MANOJ HURKAT AND ASSOCIATES**  
Practicing Company Secretaries  
FRN:P2011GJ25800

**Place : Ahmedabad**  
**Date : 27<sup>th</sup> April 2022**

Sd/-  
**MANOJ R HURKAT**  
Partner  
FCS No. 4287, C P No.: 2574  
UDIN: F004287D000222054

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,

The Members

**SANGINITA CHEMICALS LIMITED**

(CIN: L24100GJ2005PLC047292)

301, 3<sup>rd</sup> Floor, Shalin Complex, Sector 11,

Ganhinagar - 382 011, Gujarat

We have examined all relevant records of SANGINITA CHEMICALS LIMITED ("Company") for the purpose of certifying compliance of the conditions of Corporate Governance as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the financial year ended on 31<sup>st</sup> March, 2022. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions of the Corporate Governance, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and Paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended on 31<sup>st</sup> March, 2022.

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

**For, MANOJ HURKAT AND ASSOCIATES**

Practicing Company Secretaries

FRN:P2011GJ25800

Sd/-

**MANOJ R HURKAT**

Partner

FCS No. 4287, C P No.: 2574

UDIN: F004287D000222087

**Place : Ahmedabad**

**Date : 27<sup>th</sup> April, 2022**

## MANAGEMENT DISCUSSION AND ANALYSIS

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

### Overall Review

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

The Company installed manufacturing capacity of following three major products viz. Cuprous Chloride, Copper Sulphate and Cupric Chloride & Other Products as 6,000 MT / P.A., 5,400 MT / P.A. and 800 MT / P.A. respectively. These products are widely used in dyes and pigment industries, paint industries, pharmaceuticals industries, electroplating industries, metal extraction industries and ink, Carbon paper, PVC pipe coating industries etc.

The Company is currently located and supplying the products in India including supply to Merchant Exporter. However, since last year the Company on low key basis started export its products.

### Industry Structure and developments

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

### Financial Performance with respect to Operational Performance

The net revenue from operations of the Company for the year 2021-22 has increased from Rs. 16466.06 Lakhs to Rs. 19806.32 Lakhs. The Profitability of the Company was decrease by 54.37% and reached to 34.80 Lakhs (PAT) from 76.26 Lakhs due to higher prices and COVID-19 pandemic impact.

### Financial Performance:

(Rs. In Lakhs)

Particulars	Current Year Ended 31.03.2022	Previous Year Ended 31.03.2021
Revenue from Operations(Gross)	19806.82	16466.06
Add: Other Operating Income	-	-
Less: Total Expenditure	19532.85	16333.68
<b>Profit before other income, interest, depreciation &amp; tax</b>	<b>273.97</b>	<b>388.63</b>
Add: Other Income	36.98	35.97
<b>Profit before Interest Depreciation &amp; Tax [PBIDT]</b>	<b>310.95</b>	<b>424.61</b>
Add: Interest Income	-	-
<b>Earnings before Interest, Tax and Depreciation (EBITDA)</b>	<b>310.95</b>	<b>424.61</b>
Less: Interest Expense	206.58	256.25
Less: Depreciation	57.83	66.15
<b>Profit before tax</b>	<b>46.54</b>	<b>102.21</b>
Less: Tax Expenses	11.74	25.95
<b>Profit for the year</b>	<b>34.80</b>	<b>76.26</b>

**Details of significant changes in key financial ratios are as given below:**

Sr. No.	PARTICULARS	UOM	F.Y. 2020-21	F.Y.2021-22	GrowthYOY
1	Contribution to Exchequer	Lakhs	2857.17	3588.73	(1.38%)
2	Revenue Growth	%	3.05%	20.29%	17.24%
3	EBITDA	Lakhs	424.60	310.95	(26.77%)
4	EBITDA MARGIN	%	2.58%	1.57%	-
5	PBT	Lakhs	102.21	46.54	(54.47%)
6	PAT	Lakhs	76.26	34.80	(54.37%)
7	Net Worth	Lakhs	3937.29	3972.07	0.88%
8	ROE %	%	1.94%	0.88%	-
9	NET DEBT	Lakhs	2895.11	3451.37	(19.21%)
10	Debt	Weight	1.68	2.00	-
	Equity		1.00	1.00	-
11	Working Capital Ratio	Times	2.16	2.09	(3.24%)
12	Fixed Assets Turnover Ratio	Times	46.20	54.15	17.21%
13	Debt Service Coverage Ratio	Times	0.3	0.2	(33.3%)
14	Inventory Turnover Ratio	Times	7.79	8.66	11.17%
15	Debtors Turnover Ratio	Times	4.82	7.30	51.45%
16	Interest Coverage Ratio	Times	1.66	1.51	(9.04%)

There has been significant reduction in the profitability of the Company during the financial year 2021-22 due to adverse effect of COVID-19 which has resulted into significant reduction in EBITDA, PBT, PAT and Interest coverage ratio. The Company has been little successful in achieving operational efficiency in utilization of fixed assets, debtors turnover, however, the overall debt level of the Company has increased since last year.

**Internal Control Systems and their adequacy**

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

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

**Opportunities and threats**

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

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

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

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



**Outlook and Opportunities**

Indian chemical industry is expected to register a growth of 8-9% in the next decade and is expected to double its share in global chemical industry to 5-6% by 2022. Indian Chemical industry has the potential to grow significantly provided some of the key growth imperatives are taken care of. Securing Feedstock, Right Product Mix, M&A opportunities are currently the key imperatives for chemical industry in India. Few investment opportunities can be highlighted as:

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

**Risks and Concerns**

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

**Environment and Safety**

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

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

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

**Cautionary Statement**

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

**By Order of the Board**

**Sd/-  
Dineshsinh B Chavada  
(DIN: 01497977)**

**Chairperson & Managing Director**

**Place : Gandhinagar  
Date : 27<sup>th</sup> April,2022**

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Sanginita Chemicals Ltd.

### Report on the audit of the Standalone Ind AS financial statements

#### Opinion

We have audited the accompanying Standalone Ind AS financial statements of Sanginita Chemicals Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the (Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the 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, 2022, 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 of the standalone Ind AS Financial Statements in accordance with the standards on auditing (SAs) as 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 Standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the 'code of ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, 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 on standalone Ind AS Financial Statements.

#### Emphasis of Matter

We draw your attention to Note 42 to the Standalone Financial Statements which explains the company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amount of financial and non financial assets. In developing the assumption relating to the possible future uncertainties in the global economic condition because of this pandemic, the company has at the date of approval of these financial statements, used internal and external sources of information and economic forecast and expect that the carrying amount of these assets will be recovered. The impact of COVID-19 on the company's financial statements may differ from that estimate as at the date of approval of these standalone financial statements. Our opinion is not modified in respect of this matter.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Principal Audit Procedures/ Auditor's Response
1	<b>Appropriateness of Current / Non-current classification</b>	For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents. The classification of assets and liabilities has been done on the basis of documentary evidences. Where conclusive evidences are not available, the classification has been done on the basis of management's best estimate of the period in which the assets would be realized or the liabilities would be settled. We have evaluated the reasonability of the management's estimates.

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

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

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

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

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

#### **Management Responsibilities for Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards (Ind AS) specified under section 133 of the Act read with the companies (Indian Accounting standards Rules, 2015, as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - 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 period is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i) As explained, the Company does not have any pending litigations which would impact its financial position;
    - ii) As explained, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii) As explained to us, no such amount is required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the companies act, 2013 and the rules made there under.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 of the Order.

For & behalf of  
**Devpura Navlakha & Co.**  
**FRN-121975W**  
Chartered Accountants

Sd/-  
**CA Ashwini Devpura**  
(Partner)

Membership No. : 047390  
UDIN-22047390AHWMUO2958

Place : Ahmedabad  
Date : 27/04/2022

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

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

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Sanginita Chemicals Ltd.** (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The company’s management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence of the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the companies act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these Standalone Ind AS Financial statements 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 in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial control system over financial reporting with reference to these Standalone Ind AS Financial statements.

**Meaning of Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS Financial Statements.**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements.**

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

**Opinion**

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting

were operating effectively as at March, 31 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For & behalf of  
**Devpura Navlakha & Co.**  
**FRN-121975W**  
Chartered Accountants

Sd/-  
**CA Ashwini Devpura**  
(Partner)

Membership No. : 047390  
UDIN-22047390AHWMUO2958

Place : Gandhinagar  
Date : 27/04/2022

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

This is an annexure on the accounts of **Sanginita Chemicals Ltd.** as referred above in paragraph 2 under the heading ‘Report on other Legal & Regulatory Requirement’ of our report of even date to the standalone Ind AS financial statement for the year ended **31<sup>st</sup> March,2022**:

**I. In respect of Property, Plant and Equipment:**

- (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The company is not having any intangible assets as on 31/03/2022, therefore paragraph 3(i) (a) (B) of the order is not applicable.
- (b) As explained to us, the company has a regular program of physical verification of its Property, Plant and Equipment by which Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this program certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) On the basis of information and explanation given to us and records examined, the title deeds of immovable properties are held in name of the company.
- (d) On the basis of information and explanation given to us and records examined, the company has not revalued its Property, Plant and Equipment during the year.
- (e) On the basis of information and explanation given to us, there is no any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

**II. In respect of Inventories :**

- (a) The management has conducted physical verification of inventory at reasonable intervals. In our opinion, the procedure followed by the management for such physical verification is reasonable and adequate in relation to the size of the Company and nature of his business. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on verification between physical inventories and the book records .
- (b) The company has been sanctioned working capital limits of Rs. 32.50 Crores from bank on the basis of security of current assets and the quarterly returns or statements filed by the company with such bank is in agreement with the books of account of the company.

**III.** The Company has not made any investment or provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act., therefore , paragraph 3 (iii) (a) to (f) of the Order are not applicable .

**IV.** In our opinion and according to the information and explanations given to us, the Company has not advanced loans, given guarantees and provided securities to its directors and/or persons or firm or companies in which directors are interested. Accordingly, therefore paragraph 3 (iv) of the order is not applicable .

**V.** In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and therefore paragraph 3 (v) of the order is not applicable.

**VI.** We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records u/s. 148 (1) of the

Companies Act. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

- VII. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess, Goods & Service Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.
- (b) There is no any statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute as at March 31, 2022.
- VIII. According to the information and explanations given to us, there is no any scrutiny tax assessments, search and survey , under the Income Tax Act, 1961 has held during the year and therefore paragraph 3 (viii) of the order is not applicable.
- IX. (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to lender therefore paragraph 3 (ix) (a) of the order is not applicable .
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or any other lender, therefore paragraph 3 (ix) (b) of the order is not applicable ..
- (c) The company has not taken any term during the year therefore paragraph 3 (ix) (c) of the order is not applicable .
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that during the year the company has not raised loans on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- X. (a) Based upon the audit procedures performed and the information and explanations given by the management, during the year, the company has not raised moneys by way of initial public offer or further public offer including debt instruments.
- (b) During the year ,the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and accordingly paragraph 3 (x) (b) of the order is not applicable.
- XI. (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company has been noticed or reported during the period.
- (b) There is no any report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (e) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- XII. In our opinion and according to the information and explanations given to us the company is not a Nidhi Company. Therefore, the paragraph 3 (xii) (a to c) of the order is not applicable.
- XIII. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in notes to Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- XIV. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business
- (b) We have considered the internal audit reports of the company, for the period under audit.
- XV. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him, therefore paragraph 3 (xv) of the order is not applicable.

- XVI. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph (xvi) (a to d) of the order is not applicable.
- XVII. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- XVIII. During the year, there has been no resignation of the statutory auditors, therefore, paragraph 3 (xviii) of the order is not applicable.
- XIX. According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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. The provision of section 135 of the companies Act, 2013 is not applicable to the company, therefore. paragraph 3 (xx) (a & b) of the order is not applicable.
- XXI. This report deals with standalone financial statement, therefore paragraph 3 (xxi) of the order is not applicable.

For & behalf of  
**Devpura Navlakha & Co.**  
**FRN-121975W**  
Chartered Accountants

Sd/-

**CA Ashwini Devpura**  
(Partner)

**Membership No. : 047390**  
**UDIN-22047390AHWMUO2958**

**Place :** Gandhinagar  
**Date :** 27/04/2022



## BALANCE SHEET AS AT 31/03/2022

(Amount in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>I. Non-current assets</b>			
(a) Property, Plant and Equipment	5	365.77	356.39
(b) Capital work-in-progress		-	-
(c) Investment Properties	6	46.95	49.56
(d) Intangible Assets		-	-
(e) Financial Assets		-	-
(i) Investments		-	-
(ii) Loans		-	-
(iii) Other		-	-
(f) Other Non Current Assets	7	21.22	22.65
<b>II. Current assets</b>			
(a) Inventories	8	2388.54	2188.26
(b) Financial Assets			
(i) Trade receivables	9	2510.21	2919.28
(ii) Cash and cash equivalents	10	1.49	0.84
(c) Other current assets	11	2586.24	1475.22
Assets held-for-sale / Assets included in disposal group(s) held-for-sale		-	-
<b>TOTAL ASSETS</b>		<b>7920.42</b>	<b>7012.20</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	12	1726.77	1726.77
(b) Other Equity	13	2245.31	2210.50
<b>Liabilities</b>			
<b>I. Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	355.50	17.75
(b) Deferred tax liabilities (Net)	15	3.45	3.07
<b>II. Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	3095.87	2877.36
(ii) Trade payables	17		
(A) Total outstanding dues of creditors micro enterprises and small enterprises		285.07	16.68
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		129.80	65.23
(iii) Other financial liabilities		-	-
(b) Other current liabilities	18	67.31	68.28
(c) Provisions	19	11.35	26.56
Liabilities classified as held for sale / Liabilities included in disposal group held-for-sale		-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7920.42</b>	<b>7012.20</b>
Summary of significant accounting policies	2		
<b>The accompanying notes from 1 to 44 are an integral part of the financial statements .</b>			

AS PER OUR REPORT OF EVEN DATE  
For Devpura Navlakha & Co.  
Chartered Accountants  
FRN No: 121975W  
Sd/-  
(CA Ashwini Devpura)  
Partner

Mem. No: 047390  
UDIN:22047390AHWMUO2958

Place : Ahmedabad  
Date : 27/04/2022

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

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

sd/-  
(Ms. Sangita D Chavda)  
Chief Financial Officer  
sd/-

(Ms. Saroj Ghanshyam Jagetia)  
Company Secretary

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

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

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022**

(Amount in Lakhs)

Sr. No.	PARTICULARS	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I.	Revenue from operations	21	19,806.82	16,466.06
	<b>Revenue from operations</b>		<b>19,806.82</b>	<b>16,466.06</b>
II.	Other Income	22	36.98	35.97
III.	<b>Total Income (I+II)</b>		<b>19,843.80</b>	<b>16,502.03</b>
IV.	<b>Expenses</b>			
	Cost of material consumed	23	17,898.78	14,405.91
	Purchases of Stock-in-trade		1,176.13	1,342.27
	changes in inventories of finished goods work			
	in-progress and stock-in-trade	24	67.97	(19.92)
	Employees Benefit expense	25	63.28	47.92
	Finance cost	26	206.59	256.25
	Depreciation and amortisation expense	27	57.83	66.15
	Other expenses	28	326.68	301.24
	<b>Total expense (IV)</b>		<b>19,797.26</b>	<b>16,399.82</b>
V.	<b>Profit before exceptional items and tax (III-IV)</b>		<b>46.54</b>	<b>102.21</b>
VI.	Exceptional item		-	-
VII.	<b>Profit before tax (V-VI)</b>		<b>46.54</b>	<b>102.21</b>
VIII.	<b>Tax expense</b>			
	(1) Current tax	29	11.35	26.56
	(2) Short/ (Excess) provision of IT earlier year written back		-	-
	(3) Deferred Tax Asset	29	0.39	(0.61)
IX.	<b>Total Tax Expense</b>		<b>11.74</b>	<b>25.95</b>
X.	<b>Profit for the year after tax from Continuing Operations (VIII-IX)</b>		<b>34.80</b>	<b>76.26</b>
XI.	<b>Other comprehensive income</b>		-	-
	<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>		-	-
XII.	<b>Total other comprehensive income for the year, net of tax</b>		-	-
XIII.	<b>Total comprehensive income for the year (X+ XII)</b>		<b>34.80</b>	<b>76.26</b>
XIV.	Earning per equity share			
	[nominal value Rs 10 per share Rs 10/-			
	(1) Basic	30	0.20	0.44
	(2) Diluted	30	0.20	0.44
	Summary of significant accounting policies	2		

The accompanying notes from 1 to 44 are an integral part of the financial statements .

AS PER OUR REPORT OF EVEN DATE  
For Devpura Navlakha & Co.  
Chartered Accountants  
FRN No: 121975W  
Sd/-  
(CA Ashwini Devpura)  
Partner

Mem. No: 047390  
UDIN:22047390AHWMUO2958

Place : Ahmedabad  
Date : 27/04/2022

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

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

sd/-  
(Ms. Sangita D Chavda)  
Chief Financial Officer

sd/-  
(Ms. Saroj Ghanshyam Jagetia)  
Company Secretary

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

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022**

(Amount in Lakhs)

Sr.no.	Particulars	As At 31.03.2022	As At 31.03.2021
<b>1</b>	<b>Cash Flow From Operating Activities</b>		
	Net Profit before taxation and extra ordinary items	46.54	102.21
	<b>Adjustment for :</b>		
	Depreciation & Amortisation cost	57.83	66.15
	Finance Cost	206.58	256.25
	Less: Non Operating Income	(15.00)	(14.29)
	<b>Operating Profit before working capital changes</b>	<b>249.41</b>	<b>308.11</b>
	(Increase)/Decrease in Debtors	409.08	295.95
	(Increase) /Decrease in inventories	(200.28)	(150.60)
	(Increase)/Decrease in Other Non Current Assets	1.44	(1.44)
	(Increase)/Decrease in Other current Assets	(1,111.02)	(60.60)
	Increase/(Decrease) in Trade Payables	332.95	(220.44)
	Increase/(Decrease) in Other current Liabilities	(0.98)	6.99
	Increase/(Decrease) in Other Financial Liabilities	-	(16.33)
	Increase/(Decrease) in Short Term Provision- Other	-	(0.20)
	<b>Cash Generated from operations</b>	<b>(568.80)</b>	<b>555.46</b>
	Less: Income tax paid	(25.95)	(114.66)
	<b>Net Cash flow from operating activities (1)</b>	<b>(298.79)</b>	<b>851.12</b>
<b>2</b>	<b>Cash Flow From Investing Activities</b>		
	Purchase of Fixed Assets	(64.60)	(27.95)
	Rent income	15.00	14.29
	<b>Net Cash From Investing Activities (2)</b>	<b>(49.60)</b>	<b>(13.66)</b>
<b>3</b>	<b>Cash Flow From Financing Activities</b>		
	Proceeds/(Repayment) of Current- Financial Borrowings	218.52	(574.91)
	Proceeds/(Repayment) of Non Current- Financial Borrowing	337.75	(8.10)
	Interest Paid	(207.23)	(256.25)
	<b>Net Cash Issued in financing activities (3)</b>	<b>349.04</b>	<b>(839.26)</b>
	<b>Net Increase in cash and cash equivalents (1+2+3)</b>	<b>0.65</b>	<b>(1.80)</b>
	Cash & cash equivalents at the beginning of the period	0.84	2.64
	<b>Cash &amp; cash equivalents at the end of the period</b>	<b>1.49</b>	<b>0.84</b>

**Notes:**

- The above cash flow Statement has been Prepared under the " Indirect Method" as set out in IND AS-7, "Statement of Cash Flow"
- Components of Cash & Cash Equivalents as under:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash and cash equivalents comprise of (Note-10)</b>		
Cash on Hand	1.49	0.84
<b>Cash and cash equivalent restated</b>	<b>1.49</b>	<b>0.84</b>

**AS PER OUR REPORT OF EVEN DATE**

**For Devpura Navlakha & Co.**

**Chartered Accountants**

**FRN No: 121975W**

Sd/-

**(CA Ashwini Devpura)**

**Partner**

**Mem. No: 047390**

**UDIN:22047390AHWMUO2958**

**Place : Ahmedabad**

**Date : 27/04/2022**

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

**Sanginita Chemicals Limited**

sd/-

**(Mr. Dineshsinh Chavada)**

Chairman & Manging Director

(DIN : 01497977)

sd/-

**(Ms. Sangita D Chavda)**

Chief Financial Officer

sd/-

**(Ms. Saroj Ghanshyam Jagetia)**

Company Secretary

sd/-

**(Mrs. Hansaben Chavada)**

Non-Executive Director

(DIN : 00479509)

sd/-

**(Mr. Vijaysinh Chavda)**

Whole Time Director

(DIN : 00479413)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

## A. Equity Share Capital

## (1) Current reporting period (FY 2021-2022) (Rs. In Lacs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1726.77	-	1726.77	-	1726.77

## (1) Previous reporting period (FY 2020-2021) (Rs. In Lacs)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1726.77	-	1726.77	-	1726.77

## B. Other Equity (Note-13)

## (1) Current reporting period (FY 2021-22)

Amt in Lakhs

Particulars	Reserves & Surplus		Total
	Retained Earnings	Share Premium	
<b>Balance as at March 31, 2021</b>	<b>1,166.05</b>	<b>631.57</b>	<b>1,797.62</b>
Balance at the beginning of the current reporting period	1578.93	631.57	2210.50
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the current reporting period	1578.93	631.57	2210.50
Total Comprehensive Income for the current	-	-	-
Dividends	-	-	-
Transfer to retained earnings	34.80	-	34.80
Any other change	-	-	-
<b>Balance at the end of the current reporting period</b>	<b>1613.73</b>	<b>631.57</b>	<b>2245.30</b>

## (1) Previous reporting period (FY 2020-21)

Amt in Lakhs

Particulars	Reserves & Surplus		Total
	Retained Earnings	Share Premium	
<b>Balance as at March 31, 2020</b>	<b>1,166.05</b>	<b>631.57</b>	<b>1,797.62</b>
Balance at the beginning of the Previous reporting period	1502.67	631.57	2134.24
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the Previous reporting period	1502.67	631.57	2134.24
Total Comprehensive Income for the current	-	-	-
Dividends	-	-	-
Transfer to retained earnings	76.26	-	76.26
Any other change	-	-	-
<b>Balance at the end of the Previous reporting period</b>	<b>1578.93</b>	<b>631.57</b>	<b>2210.50</b>

The accompanying notes from 1 to 44 are an integral part of the financial statements.

AS PER OUR REPORT OF EVEN DATE

For Devpura Navlakha &amp; Co.

Chartered Accountants

FRN No: 121975W

Sd/-

(CA Ashwini Devpura)

Partner

Mem. No: 047390

UDIN:22047390AHWMUO2958

Place : Ahmedabad

Date : 27/04/2022

For &amp; On behalf of the Board of Directors

Sanginita Chemicals Limited

sd/-

(Mr. Dineshsinh Chavada)

Chairman &amp; Managing Director

(DIN : 01497977)

sd/-

(Ms. Sangita D Chavda)

Chief Financial Officer

sd/-

(Ms. Saroj Ghanshyam Jagetia)

Company Secretary

sd/-

(Mrs. Hansaben Chavada)

Non-Executive Director

(DIN : 00479509)

sd/-

(Mr. Vijaysinh Chavda)

Whole Time Director

(DIN : 00479413)

**NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2022****1. Corporate Information:**

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

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

The financial statements were authorized for issue in accordance with a resolution of the Board of directors on April 27, 2022.

**2. Significant Accounting Policies****2.1 Basis of Preparation :**

The financial statements have been prepared with all material aspect with Indian Accounting Standards (Ind AS) notified under section 133 of the companies Act, 2013 (the Act) read with the Companies (Indian Accounting standards ) Rules, 2015 and other relevant provisions of the Act. The Accounting Policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2.2 Historical Cost Convention**

The financial statements have been prepared on a historical cost basis.

**2.3 Rounding of amounts**

The financial statements are presented in INR and all values are rounded to the nearest Lakhs & decimal thereof.

**2.4. Summary of Significant Accounting Policies**

The following are the significant accounting policies applied by the company in preparing its financial statements consistently to all the periods.

**2.5. Current Versus Non-Current Classification :**

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

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

**Operating cycle**

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve month as its operating cycle.

**2.6. Use of estimates and judgments**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

**Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amount of financial and non-financial assets. In developing the assumption relating to the possible future uncertainties in the global economic condition because of this pandemic, the company has at the date of approval of these financial statements, used internal and external sources of information and economic forecast and expect that the carrying amount of these assets will be recovered. The impact of COVID-19 on the company's financial statements may differ from that estimate as at the date of approval of these standalone financial statements.

**2.7. Foreign Currencies :**

The company's financial statements are presented in INR, which is also the Company's functional currency.

**Transactions and balances**

Transactions in foreign currencies are initially recorded in the company's functional currency at the exchange rates prevailing on the date of the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are restated in the functional currency at the exchange rates prevailing on the reporting date of financial statements. Exchange differences arising on settlement of such transactions and on translation of monetary items are recognized in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

**2.8. Impairment of assets**

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amounts of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

**2.9. Property, Plant And Equipment (PPE):**

PPE are stated at cost, net of GST and depreciation. No specific borrowing is incurred to increase the PPE so no interest on borrowing is capitalized in PPE during the current financial year. Building includes road, staff quarters, security room, gate, compound wall etc.

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

**De-recognition**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

**Depreciation:**

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

**2.10. Investment Property**

Property which is held for long-term rental yields or for capital appreciation or both, is classified as Investment Property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciates investment properties over their estimated useful lives, as specified in Schedule II to the Companies Act, 2013.

Investment properties are derecognized either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in Statement of Profit and Loss in the period in which the property is derecognized.

### **2.11. Financial assets**

#### **Initial recognition and measurement:**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

#### **Subsequent measurement:**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### **Classification of financial assets:**

Financial assets that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest.

All other financial asset is subsequently measured at fair value.

#### **Financial assets at cost:**

Investments in subsidiaries, associates and joint ventures are accounted for at cost.

#### **De recognition of financial assets:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received / receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

### **2.12. Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

#### **Trade and other payables**

Trade and other payables are recognized at the transaction cost, which is its fair value, and subsequently measured at amortized cost.

#### **De recognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### **2.13. Leases:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The company has not entered into any such transaction.

### **2.14. Inventories:**

Inventories are valued at the lower of cost or net realizable value after providing for obsolescence and other losses, wherever considered necessary.

Cost comprises of Following:

- 1) Raw Material cost includes cost of purchase;
- 2) Finished Goods cost is raw material and cost of conversion;
- 3) Stores & Spares cost is includes cost of purchase

Cost is determined on First-in-First-out (FIFO) basis or specific identification basis as applicable.

**2.15. Cash And Cash Equivalent**

Cash and cash equivalent in the balance sheet comprise cash on hand.

**2.16. Provisions And Contingent Liabilities**

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

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

**2.17. Revenue Recognition**

Revenue from operations is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

- a) Sales are shown at net of sales returns, GST but discount and incentives are separately booked as expenditure.
- b) Export Sales are booked at the rate on the date of transaction and the resultant gain or loss on realization on transaction is accounted as Exchange rate difference and is dealt with Statement of Profit and Loss.

**Export Incentive**

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

**2.18. Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

No borrowings are created for acquiring Property, Plant & Equipment during the year.

**2.19. Employee Benefits:**

- Short-term employee benefits are recognized as expenses at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.
- Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services.

**2.20. Taxes:**

Tax expense comprises of current income tax and deferred tax.

**Current income tax:**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**Deferred Tax:**

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

**2.21. Earnings Per Share:**

Basic earnings per share are calculated by dividing the net profit 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 earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

**3. Significant accounting judgments, estimates and assumptions**

The application of the company's accounting policies as described in Note 2, in the preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Actual results may differ from these estimates which could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.



**Key Sources of estimation uncertainty:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

**3.1. Useful lives of property, plant and equipment**

Useful lives of Property, Plant & Equipments are taken as per useful lives given in Part-C of Schedule II to the Companies Act, 2013.

**3.2. Investments**

In case of investments, the Management assesses whether there is any indication of impairment in the value of investments. However, there is no investment as on 31/03/2022.

**4. Regrouped, Recast, Reclassified**

Figures of the earlier year have been regrouped or reclassified to conform to Ind AS presentation requirements.

## Note 5 : Property, plant and equipment

(Amount in Lakhs)

Fixed Assets	Furniture & fixture	Land & Buildings	Vehicles	Office equipment	Plant & Machinery	Laboratory	Total
<b>Gross Carrying Value</b>							
as at April 1, 2020	3.60	264.85	63.17	6.45	626.32	17.38	981.77
Additions	-	-	-	0.08	27.87	-	27.95
Deductions	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>3.60</b>	<b>264.85</b>	<b>63.17</b>	<b>6.53</b>	<b>654.19</b>	<b>17.38</b>	<b>1,009.72</b>
Additions	-	-	-	-	64.60	-	64.60
Deductions	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>3.60</b>	<b>264.85</b>	<b>63.17</b>	<b>6.53</b>	<b>718.79</b>	<b>17.38</b>	<b>1,074.32</b>
<b>Depreciation and Impairment</b>							
As at April 1, 2020	3.02	171.55	38.29	5.48	363.65	13.23	595.21
Depreciation for the year	0.13	8.73	8.08	0.36	40.26	0.56	58.12
Deductions	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>3.15</b>	<b>180.28</b>	<b>46.37</b>	<b>5.84</b>	<b>403.91</b>	<b>13.79</b>	<b>653.33</b>
Depreciation for the year	0.10	7.84	5.45	0.14	41.21	0.48	55.22
Deductions	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>3.25</b>	<b>188.12</b>	<b>51.82</b>	<b>5.98</b>	<b>445.12</b>	<b>14.27</b>	<b>708.55</b>
<b>Net Block</b>							
As at March 31, 2022	0.35	76.73	11.35	0.55	273.67	3.11	365.77
As at March 31, 2021	0.45	84.57	16.80	0.69	250.28	3.59	356.39
As at March 31, 2020	0.58	93.30	24.88	0.97	262.67	4.16	386.56

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Note 6 : Investment Property</b>		
<b>Building</b>		
<b>Gross Carrying Amount</b>		
Opening	80.95	80.95
Addition	-	-
Disposal	-	-
<b>Balance as at end of the year</b>	<b>80.95</b>	<b>80.95</b>
<b>Accumulated Depreciation</b>		
Opening	31.39	28.63
Depreciation	2.61	2.76
Disposals	-	-
<b>Balance as at end of the year</b>	<b>34.00</b>	<b>31.393</b>
<b>Net Carrying Amount</b>	<b>46.95</b>	<b>49.56</b>

## a) Fair value of investment Properties

The fair value of the Company's investment properties at the end of the year have been determined on the basis of estimation of valuation carried out by the management and on basis of Management assessment, fair value of asset is more than carrying amount of the Investment Property

b) During the year, the Company carried out a review of the recoverable amount of investment properties. As a result there were no allowances for impairment required for these properties.

c) The Company has earned a rental income of Rs. 15.00 Lacs (31st March 2021 : Rs. 14.29 Lacs)

**SANGINITA CHEMICALS LIMITED**

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Note 7 : Other Non-current assets</b>		
<b>Unsecured, considered good</b>		
Capital Advances	-	1.44
<b>Other Advances other than Capital Advances</b>		
Security Deposit	21.22	21.21
<b>Total</b>	<b>21.22</b>	<b>22.65</b>
<b>Note 8 : Inventories</b>		
(Inventories Valued & Certified by Management)		
Raw Materials	2192.06	1924.90
Finished Goods	187.22	255.19
Stores and Spares	9.26	8.17
<b>Total</b>	<b>2388.54</b>	<b>2188.26</b>
<b>Note 9: Trade receivables</b>		
Trade Receivables considered good – Secured	-	-
Trade Receivables considered good – Unsecured	2510.21	2919.28
Trade Receivables that have an increase in Credit Risk that is significant.	-	-
Trade Receivables – Credit Impaired	-	-
<b>Total Trade and other receivables</b>	<b>2510.21</b>	<b>2919.28</b>

**Trade Receivable Ageing schedule**

(Amount in Lacs)

Particulars	Outstanding for following periods from due date					Total
	Less than 6 Months	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	2510.21	-	-	-	-	2510.21
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2510.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2510.21</b>

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Note 10: Cash and cash equivalent</b>		
<b>Cash on hand</b>	1.49	0.84
<b>Total cash and cash equivalents</b>	<b>1.49</b>	<b>0.84</b>
<b>Note 11 : Other Current assets</b>		
<b>Unsecured, considered good</b>		
(i) <b>Other than Capital Advances</b>		
Advance to suppliers	2504.71	1332.59
(ii) Prepaid Expenses	0.69	0.66
(iii) Other	80.84	141.97
<b>Total</b>	<b>2586.24</b>	<b>1475.22</b>

Note 12 : Equity share capital

Particulars	(In Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	No. of shares	In Lacs	No. of shares	In Lacs
<b>Authorised share capital</b>				
Equity shares of '10/- each	18000000	1800.00	18000000	1800.00
Preference shares of '10/- each	-	-	-	-
<b>Issued and subscribed share capital</b>				
Equity shares of '10/- each	17267700	1726.77	17267700	1726.77
<b>Subscribed and fully paid up</b>				
Equity shares of '10/- each	17267700	1726.77	17267700	1726.77
<b>Total</b>	<b>17267700</b>	<b>1,726.77</b>	<b>17267700</b>	<b>1,726.77</b>

12.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	(In Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	No. of shares	In Lacs	No. of shares	In Lacs
At the beginning of the year	17267700	1726.77	17267700	1726.77
Add : Shares allotted during the year	-	-	-	-
Outstanding at the end of the year	17267700	1726.77	17267700	1726.77

12.2. Terms/ Rights attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs.10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

12.3. Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of the Shareholder	( In Actual)			
	As at March 31, 2022		As at March 31, 2021	
	% of shareholding	No. of shares	% of shareholding	No. of shares
Dineshsinh B Chavada	17.03%	2940900	17.03%	2940900
Hansaben D Chavada	-	-	5.70%	985000
Vijaysinh D Chavda	-	-	5.31%	916500
Anitaben R. Aswar (Earliar name Anita D Chavda) (changed due to marriage)	-	-	5.29%	912632
Sanginita Industries LLP (Converted from Sanginita Industries Pvt. Ltd. W.e.f 26/08/2021)	36.13%	6238740	-	-
Sanginita Industries Pvt. Ltd.	-	-	40.17%	6935916

12.4. Disclosure of Shareholding of Promoters

Sr. No.	Promoter name	Shares held by promoters at the end of the year		Beginning of the year		% Change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Dineshsinh Bhmisinh Chavada	2940900	17.03%	2940900	17.03%	0.00%
2	Vijaysinh D. Chavda	605949	3.51%	916500	5.31%	-1.80%
3	Hansaben D. Chavada *	700000	4.05%	985000	5.70%	-1.65%
4	Anita Ravindrasinh Aswar *	808530	4.68%	912632	5.29%	-0.61%
5	Sanginita Industries LLP (Converted from Sanginita Industries Pvt. Ltd. W.e.f 26/08/2021)	6238740	36.13%	6935916	40.17%	-4.04%
	<b>Total</b>	<b>11294119</b>	<b>65.40%</b>	<b>12690948</b>	<b>73.50%</b>	<b>-8.10%</b>

\* Promoter Group

**SANGINITA CHEMICALS LIMITED**

(Amount in Lakhs)

Particulars	Reserves & Surplus		
	Retained Earnings	Share Premium	Total
<b>Note 13 : Other Equity</b>			
<b>Balance as at April 1, 2020</b>	<b>1,502.67</b>	<b>631.57</b>	<b>2,134.24</b>
Profit/ Loss for the Period	76.26	-	76.26
Other comprehensive income for the year	-	-	-
Total Comprehensive income for the year	-	-	-
Issue of Share Capital	-	-	-
<b>Balance as at March 31, 2021</b>	<b>1,578.93</b>	<b>631.57</b>	<b>2,210.50</b>
<b>Balance as at April 1, 2021</b>	<b>1,578.93</b>	<b>631.57</b>	<b>2,210.50</b>
Profit/ Loss for the Period	34.80	-	34.80
Other comprehensive income for the year	-	-	-
Total Comprehensive income for the year	-	-	-
Issue of Share Capital	-	-	-
<b>Balance as at March 31, 2022</b>	<b>1,613.73</b>	<b>631.57</b>	<b>2,245.31</b>
Particulars		As at 31st March, 2022	As at 31st March, 2021
<b>Note 14: Long-term Borrowings</b>			
<b>Long-term Borrowings</b>			
<b>Non-current portion</b>			
<b>Secured</b>			
<b>Unsecured</b>			
From Related Parties		355.50	17.75
<b>Total Long term borrowings</b>		<b>355.50</b>	<b>17.75</b>
<b>Total</b>		<b>355.50</b>	<b>17.75</b>
<b>Note 15: Deferred Tax Liabilities (Net)</b>			
<b>(a) Deferred Tax Liabilities (Net)</b>			
Property, Plant & Equipment		3.45	3.07
<b>Gross Deferred Tax Liabilities</b>	<b>Total (A)</b>	<b>3.45</b>	<b>3.07</b>
<b>Deferred Tax Assets (B)</b>			
<b>Gross Deferred Tax Assets</b>	<b>Total (B)</b>	-	-
<b>Net Deferred Tax Liabilities</b>	<b>Total (A-B)</b>	<b>3.45</b>	<b>3.07</b>
<b>(b) Movement in deferred tax liabilities (net) for the year ended 31st March, 2022</b>			
Particulars	Opening Balance as at 1st April, 2021	Recognized in Profit & loss account	Closing Balance as at 31st March, 2022
<b>Tax effect of items constituting deferred tax liabilities</b>			
Property, plant and Equipment	3.07	0.38	3.45
<b>Total</b>	<b>3.07</b>	<b>0.38</b>	<b>3.45</b>
<b>Tax effect of items constituting deferred tax assets</b>			
<b>Net Deferred Tax Liabilities</b>	<b>3.07</b>	<b>0.38</b>	<b>3.45</b>
<b>(c) Movement in deferred tax liabilities (net) for the year ended 31st March, 2021</b>			
Particulars	Opening Balance as at 1st April, 2020	Recognized in Profit & loss account	Closing Balance as at 31st March, 2021
<b>Tax effect of items constituting deferred tax liabilities</b>			
Property, plant and Equipment	3.68	-0.61	3.07
<b>Total</b>	<b>3.68</b>	<b>-0.61</b>	<b>3.07</b>
<b>Tax effect of items constituting deferred tax assets</b>			
<b>Net Deferred Tax Liabilities</b>	<b>3.68</b>	<b>-0.61</b>	<b>3.07</b>

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Note 16: Short-term Borrowings</b>		
<b>Secured</b>		
<b>Working Capital Loans repayable on demand from Banks</b>		
Cash Credit	395.87	2185.45
Packing credit	-	691.91
Working Capital term loan (WCDL)	2700.00	-
<b>Total short-term borrowings</b>	<b>3095.87</b>	<b>2877.36</b>

Working capital Loan from bank is secured by way of hypothecation of all existing and future current assets/ Movable fixed assets as well as mortgage of Immovable Properties of the company & Personal Guarantee of Directors.

**Note 17: Trade payable****Trade Payables**

- For Micro and Small Enterprise	285.07	16.68
- Other than Micro and Small Enterprise	129.80	65.23
<b>Total</b>	<b>414.87</b>	<b>81.91</b>

**Trade Payables aging schedule**

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	285.07	-	-	-	285.07
(ii) Others	124.24	5.56	-	-	129.80
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>409.31</b>	<b>5.56</b>	<b>-</b>	<b>-</b>	<b>414.87</b>

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Principal amount remaining unpaid to any supplier as at the end of the accounting year	285.07	16.68
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
The amount of interest due and payable for the year	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the financial statements based on the information received and available with the Company. Further, in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

(Amount in Lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Note 18: Other current liabilities</b>		
<b>Current</b>		
- Payable in respect of Expense	52.71	56.03
Statutory dues	4.85	3.73
Security Deposit	3.36	3.36
Others	6.39	5.16
<b>Total</b>	<b>67.31</b>	<b>68.28</b>
<b>Note 19 : Short term provisions</b>		
Provision For Income Tax	11.35	26.56
<b>Total</b>	<b>11.35</b>	<b>26.56</b>

**Note-20****ADDITIONAL REGULATORY INFORMATION****20.1. Fair valuation of investment property**

The fair value of the company's investment properties at the end of the year have been determined on the basis of estimation of valuation carried out by the management and on basis of management assessment, fair value of asset is more than carrying amount of the Investment Property

**20.2. Borrowings secured against current assets**

Quarterly returns or statements of current assets filed by the company with bank is in agreement with the books of accounts.

**20.3 Ratios**

Ratio	Nume- rator (In Lacs)	Denomi- nator (In Lacs)	Current Period	Previous Period	In	% Variance	Reason for variance
Current ratio	7486.47	3589.40	2.09	2.16	Times	-3.24%	NA
Debt-equity ratio	3451.37	3972.07	0.87	0.74	Times	17.59%	NA
Debt service coverage ratio	150.29	201.03	0.75	0.69	Times	8.69%	NA
Return on equity ratio	34.80	3972.07	0.88%	1.94%	Percen- tage	-54.64%	Due to decrease in Profit after tax
Inventory turnover ratio	2288.40	55.02	42	46	Days	-8.70%	NA
Trade receivables turnover ratio	2714.75	65.22	42	63	Days	-33.33%	Due to Increase in collection
Trade payables turnover ratio	248.39	50.45	5	5	Days	0.00%	NA
Net capital turnover ratio	19806.82	3972.07	4.99	4.18	Times	19.38%	NA
Net profit ratio	34.80	19806.82	0.18%	0.46%	Percen- tage	-60.87%	Due to decrease in Profit after tax
Return on capital employed	235.83	4331.02	5.45%	8.21%	Percen- tage	-33.62%	Due to decrease in Profit after tax
Return on investment	34.80	7466.31	0.47%	1.03%	Percen- tage	-54.37%	Due to decrease in Profit after tax

**ANNUAL REPORT 2021-2022**

(Amount in Lakhs)

Particulars	2021-22	2020-21
<b>Note 21 : Revenue from operations</b>		
Sale of Products	19806.82	16465.67
Other operating revenues	-	0.39
<b>Total</b>	<b>19806.82</b>	<b>16466.06</b>
<b>Note 22 : Other income</b>		
Office Rent Income	15.00	14.29
Kasar	2.00	2.36
Foreign Exchange Gain	8.98	3.29
Duty drawback income	11.00	6.15
MEIS Licence income	-	9.88
<b>Total</b>	<b>36.98</b>	<b>35.97</b>
<b>Note 23 : Cost of materials consumed</b>		
Raw Material at the beginning of the year (Including Stores & Spares)	1933.07	1802.39
Add : Purchases	18162.88	14536.26
Add: Purchase expense (Direct)	4.14	0.33
Less : Raw Material at the end of the year (Including Stores & Spares)	(2201.31)	(1933.07)
<b>Total</b>	<b>17898.78</b>	<b>14405.91</b>
<b>Note 24 : Changes in inventories of finished goods, work-in-progress</b>		
<b>Stock at the end of the year</b>		
Finished Goods	187.22	255.19
Work-in-Progress	-	-
<b>Total</b>	<b>187.22</b>	<b>255.19</b>
<b>Stock at the beginning of the year</b>		
Finished Goods	255.19	235.27
Work-in-Progress	-	-
<b>Total</b>	<b>255.19</b>	<b>235.27</b>
<b>(Increase) / Decrease in stocks</b>	<b>67.97</b>	<b>(19.92)</b>
<b>Note 25 : Employee benefits expense</b>		
Directors Remuneration	13.20	13.20
Salaries, Wages & Bonus Etc.	47.99	32.69
Contribution to Provident & Other Funds	1.24	1.40
Welfare Expenses	0.85	0.63
<b>Total</b>	<b>63.28</b>	<b>47.92</b>
<b>Note 26 : Finance costs</b>		
Interest expense - Loans	201.03	248.82
<b>Other Borrowing cost</b>		
- Bank Charges	0.14	3.77
- Legal Expense	0.02	-
- Processing Fees	5.40	3.66
<b>Total</b>	<b>206.59</b>	<b>256.25</b>
<b>Note 28 : Depreciation and amortization expense</b>		
Depreciation on Tangible assets (Refer Note 6)	57.83	60.88
Share issue expense	-	5.27
<b>Total</b>	<b>57.83</b>	<b>66.15</b>



(Amount in Lakhs)

Particulars	2021-22	2020-21
<b>Note 28 : Other expenses</b>		
Rent office	2.40	2.40
Insurance	6.79	5.49
Maintanance of plant and machinery	46.10	35.99
Export Exps	28.28	54.91
Security Charges	6.30	6.15
Transport exps	86.81	98.12
Power	56.82	46.61
Crane Exps	2.01	1.98
Consultancy Charges	3.21	3.30
Office Exps	13.50	2.00
Legal & Professional	5.48	5.37
Payment to Statutory Auditor	0.70	0.61
Maintenance of Vehicles	1.26	0.61
Delayed filling charges & Interest	0.11	0.39
Petrol	1.43	0.98
GST Exps	-	0.87
VAT Expense	-	0.34
Cash Discount	57.66	29.47
Other Expense	7.82	5.65
<b>Total</b>	<b>326.68</b>	<b>301.24</b>
<b>Payment to Statutory Auditors</b>		
For Audit fess	0.70	0.59
For others Services	-	0.02
<b>Total</b>	<b>0.70</b>	<b>0.61</b>
<b>Note 29 : Income tax</b>		
<b>The major component of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:</b>		
<b>Current tax</b>		
Current income tax	11.35	26.56
<b>Short/ (Excess) provision of IT written back</b>	-	-
<b>Deferred tax</b>		
Deferred tax income/ (expense)	0.39	(0.61)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>11.74</b>	<b>25.95</b>
<b>Reconciliation of deferred tax assets / (liabilities), net</b>		
<b>Particulars</b>	<b>2021-22</b>	<b>2020-21</b>
Opening balance as of April 1	(3.07)	(3.68)
Tax income/(expense) during the year recognised in profit or loss	(0.39)	0.61
Tax income/(expense) during the year recognised in OCI	-	-
<b>Closing balance as at March 31</b>	<b>(3.46)</b>	<b>(3.07)</b>
<b>Note 30 : Earning per share</b>		
Earing per share (Basic and Diluted)		
Profit attributable to ordinary equity holders	3479781	7625943
Total no. of equity shares at the end of the year	17267700	17267700
Weighted average number of equity shares		
For basic EPS	17267700	17267700
For diluted EPS	17267700	17267700
Nominal value of equity shares	10	10
Basic earning per share (Rs per share)	0.20	0.44
Diluted earning per share (Rs per share)	0.20	0.44
<b>Weighted average number of equity shares</b>		
Weighted average number of equity shares for basic EPS	17267700	17267700
Effect of dilution: Share options	-	-
Weighted average number of equity shares adjusted for the effect of dilution	17267700	17267700

**ANNUAL REPORT 2021-2022**

<b>Particulars</b>	<b>2021-22 (In Lacs)</b>	<b>2020-21 (In Lacs)</b>
<b>Note-31</b>		
<b>Additional Information</b>		
<b>(A) <u>Employee Benefits expense</u></b>		
Directors Remuneration	13.20	13.20
Salaries, Wages & Bonus Etc.	47.99	32.69
Contribution to Provident & Other Funds	1.24	1.40
Welfare Expenses	0.85	0.63
<b>Total</b>	<b>63.28</b>	<b>47.92</b>
<b>(B) <u>Depreciation and amortisation expense</u></b>		
Depreciation and amortisation expense	57.83	66.15
<b>(C) <u>Any item of income or expenditure which exceeds one per cent of the revenue from operations or Rs.10,00,000, whichever is higher</u></b>		
Sales	19806.82	16466.06
Purchase	18162.88	14536.26
Interest Expense	201.03	248.82
<b>(D) <u>Interest Expense</u></b>		
Interest Expense	201.03	248.82
<b>(E) <u>Net gain or loss on foreign currency transaction and translation</u></b>		
Net gain on foreign currency transaction	8.98	3.29
<b>(F) <u>Payments to the auditors</u></b>		
<b>Payment to Statutory Auditors</b>		
For Audit fess	0.70	0.59
For others Services	0.00	0.02
<b>Total</b>	<b>0.70</b>	<b>0.61</b>

**32. Unsecured Loans:**

The loan taken from directors and their relatives are unsecured.

33. The breakup of Micro & Small Enterprise is provided to us by the management and the same is accepted by us.

34. The balances of advances given, debtors and creditors are subject to balance confirmation by the respective parties and necessary adjustment if any will be made on its reconciliation.

35. In the opinion of the board, the current assets, loans & advances and other receivables have value on realization in ordinary course of business at least or equal to the amount at which they are stated in the balance sheet.

36. The Company has not proposed any dividend on paid up share capital during the year under audit.

**37. C.I.F. Value of Imports**

	<b>For the year ended on 31-March-2022 (Amount in Lakhs)</b>	<b>For the year ended on 31-March-2021 (Amount in Lakhs)</b>
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Raw Materials	-	-
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**38. F.O.B. Value of Exports**

F.O.B. Value of Export	1107.84	825.00
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**39. Expenditure in Foreign Currency on Account of**

Purchase of Material	-	-
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**40. Consumption of Raw Materials**

Imported	-	-
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Indigenous	17898.78	14405.91
	100.00%	100.00%

Total	17898.78	14405.91
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**41. Segment reporting**

The company is operating in single segment, therefore segment reporting is not disclosed separately.

42. The company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amount of financial and non financial assets. In developing the assumption relating to the possible future uncertainties in the global economic condition because of this pandemic, the company has, at the date of approval of these financial statement, used internal and external sources of information and economic forecast and expect that the carrying amount of these assets will be recovered. The impact of COVID-19 on the company's financial statements may differ from that estimate as at the date of approval of these standalone financial statements.

43. As explained by the management, there is no employee in the company who is entitle for Post- employment benefits and other long term benefits, therefore no provision is made.

**44. Disclosure pursuant to Related Party**

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows:

**Name of Related Parties & Nature of Relationship**

(I) Shareholders :

Shri Dineshsinh B. Chavada, Smt. Hansaben D. Chavada, Shri Vijaysinh D. Chavda and Sanginita Industries LLP (Converted from Sanginita Industries Pvt. Ltd. W.e.f 26/08/2021) are holding in totality 60.72 % equity shares in the Company. (Previous year (FY 2020-21)- 68.21%)

(II) Subsidiaries of the Company:

There is no subsidiary of the company.

(III) Holding Company

There is no holding company of this company.

- (IV) Key Management Personnel :
- |                                  |                                   |
|----------------------------------|-----------------------------------|
| Mr. Dineshsinh B. Chavada        | - Managing Director & Chairperson |
| Mrs. Hansaben D Chavada          | - Non Executive Director          |
| Mr. Vijaysinh D. Chavda          | - Whole Time Director             |
| Mr. Faiyazkhan Yusuffkhan Pathan | - Independent Director            |
| Mr. Jagdishkumar Vajaji Thakor   | - Independent Director            |
| Mr. Pramodsinh Dabhi             | - Independent Director            |
| Ms. Sangita D. Chavda            | - Chief Financial Officer         |
| Ms. Saroj Ghanshyam Jagetia      | - Company secretary               |

- (V) Associates Entities :

There is no associate entity of the company.

- (VI) Relatives:

Mrs. Anita R. Aswar

**Note: Related party relationship is as identified by the company and relied upon by the Auditor**

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

**(a) Current reporting period (FY 2021-22)**

Sr.	Particulars	Major Stake holder Sanginita Ind. LLP (Converted from Sanginita Industries Pvt. Ltd. W.e.f 26/08/2021)	Board of Directors	Other Relatives
1.	Share Capital invested of (No of shares)	6238740	4246849	808530
2.	% of share contribution	36.13%	24.59%	4.68%
3.	Rent Exp.	NIL	Rs. 2,40,000/-	NIL
4.	Rent Deposit (Balance)	NIL	Rs. 2,00,000/-	NIL
5.	Salary Exp	NIL	Rs.13,20,000/-	-

**(b) Previous reporting period (FY 2020-21)**

Sr.	Particulars	Major Stake holder Sanginita Ind. LLP (Converted from Sanginita Ind. Pvt. Ltd.	Board of Directors	Other Relatives
1.	Share Capital invested of (No of shares)	6935916	4842400	912632
2.	% of share contribution	40.17%	28.04%	5.29%
3.	Rent Exp.	NIL	Rs. 2,40,000/-	NIL
4.	Rent Deposit (Balance)	NIL	Rs. 2,00,000/-	NIL
5.	Salary Exp	NIL	Rs.13,20,000/-	1,20,000/-

Particulars	31.03.2022 (In Rs.)	31.03.2021 (In Rs.)
<b>Rent / lease rent expense</b>		
Hansaben D Chavada	2,40,000	2,40,000
<b>Salary expense</b>		
Anita R. Aswar	-	1,20,000
<b>Share Holding By KMP</b>		
Dineshsinh Chavada	2,94,09,000	2,94,09,000
Hansaben D Chavada	70,00,000	98,50,000
Vijaysinh Chavda	60,59,490	91,65,000
<b>Share Holding by relatives of KMP</b>		
Ms. Anita R.Aswar	80,85,300	91,26,320
<b>Deposit</b>		
Hansaben D Chavada (Rent Deposit)	2,00,000	2,00,000
<b>Remuneration paid/payable to KMP</b>		
Dineshsinh Chavada	6,00,000	6,00,000
Vijaysinh Chavda	5,40,000	5,40,000
Hansaben D Chavada	1,80,000	1,80,000
Ms. Saroj Ghanshyam Jagetia - CS (Appointed from 01/09/2020)	2,58,000	1,50,500
Ms. Sangita D. Chavda (CFO)	2,59,200	2,59,200

**SANGINITA CHEMICALS LIMITED**

<b>Unsecured Loans Particulars</b>	<b>Balance as on 01.04.2021</b>	<b>Loan Accepted</b>	<b>Loan Repaid 31.03.2022 (In Rs.)</b>	<b>Balance as on 31.03.2021 (In Rs.)</b>
Dineshsinh Chavada	9,00,000	17,25,000	7,25,000	19,00,000
Hansaben D Chavada	5,30,000	1,05,90,000	-	1,11,20,000
Vijaysinh Chavda	3,45,000	1,42,85,000	-	1,46,30,000
<b>Unsecured Loans</b>	<b>Balance as on 01.04.2020</b>	<b>Loan Accepted</b>	<b>Loan Repaid</b>	<b>Balance as on 31.03.2021</b>
Dineshsinh Chavada	11,00,000	5,00,000	7,00,000	9,00,000
Hansaben D Chavada	30,000	5,00,000	-	5,30,000
Vijaysinh Chavda	45,000	3,00,000	-	3,45,000

**AS PER OUR REPORT OF EVEN DATE**  
**For Devpura Navlakha & Co.**  
**Chartered Accountants**  
**FRN No: 121975W**  
Sd/-  
**(CA Ashwini Devpura)**  
**Partner**

**Mem. No: 047390**  
**UDIN:22047390AHWMUO2958**

**Place : Ahmedabad**  
**Date : 27/04/2022**

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

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

sd/-  
**(Ms. Sangita D Chavda)**  
Chief Financial Officer

sd/-  
**(Ms. Saroj Ghanshyam Jagetia)**  
Company Secretary

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

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

**Book-Post**

To,

**If undelivered, please return to :**  
**SANGINITA CHEMICALS LIMITED**  
(CIN: L24100GJ2005PLC047292)  
Registered Office: 301, 3<sup>rd</sup> Floor, Shalin Complex,  
Sector - 11, Gandhinagar - 382011  
Ph.: 079- 23240270  
Website: [www.sanginitachemicals.co.in](http://www.sanginitachemicals.co.in)