

Annual Report of

**Saptak Chem and Business
Limited**

For The Year

2017-2018

BOARD OF DIRECTORS

Name of Director	Category of Director
Mrs. Rita Garg	Director
Mr. Manthan Bhavsar*	Managing Director
Mr. Prabhu Datt Sharma	Director
Mr. Rohitkumar Parikh**	Director

**The Board appointed Mr. Rohitkumar Jasvantlal Parikh as Director of the Company with effect from 01st November, 2017.

AUDITORS

Hemant C Parikh & Co.
Chartered Accountants
Block-A, 3-Ravjibhai Apartment,
Opp. Kanan Flats, Nr. Pallavi Tower
Opp. Navrangpura Fire Station,
Navrangpura, Ahmedabad-380009

REGISTERED OFFICE

3, Mohan Chamber, Beside Post Office, Dakor Kheda GJ 388225
E-mail Id: info@saptakchem.com
Website: www.saptakchem.com

SAPTAK CHEM AND BUSINESS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Eighth Annual General Meeting of the Members of **SAPTAK CHEM AND BUSINESS LIMITED** will be held on Thursday, 13th September, 2018 at 11.00 A.M. at the registered office of the Company at 3, Mohan Chamber, Beside Post Office, Dakor Kheda- 388225 (Gujarat) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2018 and the Statements of Profit & Loss for the year ended on that date together with the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rohitkumar Jasvantlal Parikh, Director (DIN-07394964) who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the Appointment of Auditor M/s. Hemant C. Parikh & Co., Chartered Accountants, Ahmedabad who were appointed in the Annual General Meeting in the year 2017 for a block of 5 year until the conclusion of the Annual General Meeting to be held in 2022 and fix his remuneration.

SPECIAL BUSINESS

4. To Regularize Appointment of Ms. Rima Nanavati (DIN: 08196967) as an Independent Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under as read with Schedule IV to the Act, as amended from time to time, Ms. Rima Nanavati, a non-executive Director of the Company, who has submitted declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 13th September, 2018 up to the conclusion of Next Annual General Meeting.”

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

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5. To Regularize Appointment of Mr. Chirag Nanavati (DIN: 08196966) as an Independent Director of the Company:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under as read with Schedule IV to the Act, as amended from time to time, Mr. Chirag Nanavati, a non-executive Director of the Company, who has submitted declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from 13th September, 2018 up to the conclusion of Next Annual General Meeting.”

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

**For & on behalf of the Board of Director of
Saptak Chem and Business Limited**

Date: 09/08/2018

Place: Dakor

**Sd/-
Manthan Bhavsar
Director
DIN: 05208214**

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies, in order to be effective, must be lodged at the registered office of the Company not later than 48 hours before the meeting.

- 2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 06th September, 2018 to Thursday, 13th September, 2018 (both days inclusive).**
- 3. The Company has appointed M/s. MCS Share Transfer Agent Limited, as its Registrar and Share Transfer Agents for rendering the entire range of services to the Shareholders of the Company. Accordingly, all documents, transfers, Demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic and physical form should be addressed to the**

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Registrars directly quoting Folio No., full name and name of the Company as Saptak Chem and Business Ltd.

4. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
5. Members are requested to bring their copies of the Annual Report to the Meeting.
6. Members desiring any information on accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready for reply.
7. Saptak Chem and Business Ltd is concerned about the environment and utilize natural resources in sustainable way. The Ministry of corporate Affairs (MCA), Government of India, through its circular nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011, respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular pertaining to Green Initiatives, issued by the MCA, we henceforth propose to send documents like the notice convening the general meetings, financial statements, Directors' Report, Auditors' Report etc. to the email address provided by you with your depositories.

We request you to update, your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.

8. Members holding shares in physical form are requested to notify to the company's Registrar and share Transfer Agent, M/s. MCS Share Transfer Agent Limited quoting their folio, any change in their registered address with pin code and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participant.
9. Corporate Members intending to send their authorized representatives under Section 113 of the Companies Act, 2013, are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the Meeting.
10. In case of joint holding, the joint holder whose name stands first, as per the Company's records, shall alone be entitled to vote.

11. Voting through Electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 in pursuance with the directions issued by SEBI vide Circular No. CIR/CFD/DIL/6/2012 dated 13th July, 2014, the Company is pleased to provide the facility to Members to exercise their right at the Annual General Meeting (AGM) by electronic means and the

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business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

A. The instructions for members for voting electronically are as under:-

- (i) The remote e-voting period begins on 10th September, 2018 (11.00 a.m.) and ends on 12th September, 2018 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 06th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue
- (iii) Log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders" tab.
- (v) 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 the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If Demat account holder has forgotten his/her existing password then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.
- (ix) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	For demat shareholders: 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 sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or

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Details OR Date of Birth (DOB)	in the company records in order to login. <ul style="list-style-type: none">• 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 (v)
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- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for 'Saptak Chem and Business Limited'.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate and Custodians respectively.

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- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
 - The list of accounts should be mailed to 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.
- (xix) 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 under help section or write an email to helpdesk.evoting@cdslindia.com
- B. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 06th September 2018.
- C. A copy of this notice has been/ shall be placed on the website of the Company and the website of CDSL.
- D. Mrs. Preeti Jain, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- E. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.
- F. In the terms of regulation 31 of SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is sent along with this Notice. A member desiring to exercise vote by Ballot shall complete the said Ballot Form with assent (for) or dissent (against) and send it to Mrs. Preeti Jain, Scrutinizer, having office address at 101, D-25, Friends Enclave, Jagan Path, Sardar Patel Marg, C-Scheme, Jaipur Tel. No: 9828113818, E-mail: pjainpreeti@rediffmail.com so as to reach her on or before 12th September, 2018 by 5.00 p.m. Any Ballot Form received after the said date and time shall be treated as if the reply from the Members has not been received.

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- G. The facility for voting through ballot shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting/ ballot shall be able to exercise their voting right at the meeting.
- H. The members who have casted their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- I. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website <http://saptakchem.com/> within 3 (three) days of conclusion of the annual general meeting and will be communicated to BSE Limited, who are required to place them on their website. The same shall also be placed on the website of CDSL.

**For & on behalf of the Board of Director of
Saptak Chem and Business Limited**

Date: 09/08/2018

Place: Dakor

**Sd/-
Manthan Bhavsar
Director
DIN: 05208214**

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Annexure to the Notice

Explanatory Statement under Section 102(1) of the Companies Act, 2013:

Notes on directors seeking appointment/re-appointment as required under SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 entered into with Stock Exchanges:

ITEM NO. 2

Details of Director seeking reappointment at Annual General Meeting:

Name	:	Mr. Rohitkumar Jasvantlal Parikh
Date of birth	:	17/01/1946
Qualification	:	B.E. (Civil)
Director of the Company since	:	01/11/2017
Directorship in other public limited companies	:	Two
Membership of Committees of other public limited companies	:	Three
No. of Shares held in the Company	:	Nil

Item No. 4 Appointment of Ms. Rima Nanavati (DIN: 08196967) as Independent Director of the Company:

Ms. Rima Nanavati, Director of the Company, has given a declaration to the Board that she met the criteria of independence as provided under Section 149(6) of the Act, In the opinion of the Board, Ms. Rima Nanavati fulfilled the conditions specified in the Act and the Rules framed there under for appointment as an Independent Director and she is independent of the management.

Ms. Rima Nanavati is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given consent to act as Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Ms. Rima Nanavati as an Independent Director is now being placed before the members for their approval.

The terms and conditions of appointment of the above Director shall be open for inspection by the members at the registered office of the company during normal business hours on any working day, excluding Saturday.

Brief resume and other details of the Independent Director whose appointment is

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proposed are provided in the annexure to the Explanatory statement attached herewith.

Ms. Rima Nanavati is deemed to be interested in the resolutions set out respectively at Item No. 4 of the Notice with regard to their respective appointments.

The Board recommends the said resolutions for your approval.

Save and except the above, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

Profile of the Director:

Name	:	Ms. Rima Nanavati
Date of birth	:	31/05/1985
Qualification	:	B.Com
Expertise	:	Experience in the field of Marketing
Director of the Company since	:	09/08/2018
Directorship in other public limited companies	:	0
Membership of Committees of other public limited companies	:	0
No. of Shares held in the Company	:	Nil

ITEM NO. 5

Appointment of Mr. Chirag Nanavati (DIN: 08196966) as an Independent Director of the Company:

Mr. Chirag Nanavati, Director of the Company, has given a declaration to the Board that he met the criteria of independence as provided under Section 149(6) of the Act, In the opinion of the Board, Mr. Chirag Nanavati fulfilled the conditions specified in the Act and the Rules framed there under for appointment as an Independent Director and he is independent of the management.

Mr. Chirag Nanavati is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given consent to act as Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Chirag Nanavati as an Independent Director is now being placed before the members for their approval.

The terms and conditions of appointment of the above Director shall be open for inspection by the members at the registered office of the company during normal business hours on any working day, excluding Saturday.

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Brief resume and other details of the Independent Director whose appointment is proposed are provided in the annexure to the Explanatory statement attached herewith.

Mr. Chirag Nanavati is deemed to be interested in the resolutions set out respectively at Item No. 5 of the Notice with regard to their respective appointments.

The Board recommends the said resolutions for your approval.

Save and except the above, none of the other Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolutions.

Profile of the Director:

Name	:	Mr. Chirag Nanavati
Date of birth	:	04/07/1980
Qualification	:	Mechanical draftsman
Expertise	:	Experience in the field of business administration.
Director of the Company since	:	09/08/2018
Directorship in other public limited companies	:	0
Membership of Committees of other public limited companies	:	0
No. of Shares held in the Company	:	Nil

**For & on behalf of the Board of Director of
Saptak Chem and Business Limited**

Date: 09/08/2018

Place: Dakor

**Sd/-
Manthan Bhavsar
Director
DIN: 05208214**

DIRECTOR'S REPORT

To the Members,
SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)

Your Directors take pleasure in presenting the 38th Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2018.

FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous year figures is given hereunder:

Particulars	(Amount in Rs)	
	For the year ended 31 st March, 2018	For the year ended 31 st March, 2017
Net Sales /Income from Business Operations	1,15,54,166	7,78,000
Other Income	17,35,667	13,432
Total Income	1,32,89,833	7,91,432
Less Interest	0	0
Other Expenses	1,21,74,515	7,64,376
Profit before Depreciation	11,15,318	27,057
Less Depreciation	0	0
Profit after depreciation and Interest	11,15,318	27,057
Less Current Income Tax	0	6,764
Less Previous year adjustment of Income Tax	0	0
Less Deferred Tax	0	0
Net Profit after Tax	11,15,318	20,292
Dividend (including Interim if any and final)	0	0
Net Profit after dividend and Tax	11,15,318	20,292
Amount transferred to General Reserve	0	0
Balance carried to Balance Sheet	11,15,318	20,292
Earnings per share (Basic)	0.10	0.00
Earnings per Share (Diluted)	0.10	0.00

OPERATIONS

During the year under review the total income was Rs. 1,32,89,833/- as compared to Rs. 7,91,432/- of that of the previous Year. After making all necessary provisions for current year and after taking into account the current year net Profit carried to Balance Sheet is Rs. 11,15,318/-

NATURE OF BUSINESS

The Company is engaged in the Business of trading in salt industry.

TRANSFER TO RESERVES

Out of the profits available for appropriation, no amount has been transferred to the General Reserve and the balance amount of Rs. 11,15,318/- has been carried forward to Reserves and Surplus.

SUBSIDIARIES/JOINT VENTURE/ASSOCIATES COMPANIES

Your company does not have any subsidiary/joint venture or associate company within the meaning of Companies Act, 2013.

DIVIDEND

The Company has not declared any dividend for the year under review.

SHARE CAPITAL

The Issued Equity Share Capital as on March 31, 2018 was Rs. 10,73,22,720 /-

During the year under review, the company has not changed its capital.

A) Issue of equity shares with differential rights:

During the year under review, the Company has not issued any shares with differential voting rights.

B) Issue of sweat equity shares

During the year under review, the Company has not issued any sweat equity shares.

C) Issue of employee stock options

During the year under review, the Company has not issued any sweat equity shares.

D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

FINANCE

The Company has not borrowed any fund from Bank or financial institution during the

year under review.

FIXED DEPOSITS

The company has not accepted any Fixed Deposits from the public during the year under review.

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

No loans, guarantees or investment under Section 186 of the Companies Act, 2013 have been given by the company.

EMPLOYEE RELATIONS

Employee relations throughout the Company were harmonious. The Board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the Company's vision and strategy to deliver good performance.

PARTICULARS OF EMPLOYEES

The provisions of Rule 5(2) & (3) of the Companies (Appointment & remuneration of Managerial Personnel) Rules, 2014 requiring particulars of Employees in receipt of remuneration in excess of Rs. 102 lacs per year to be disclosed in the Report of Board of Director are not applicable to the company as none of the Employees was in receipt of remuneration in excess of Rs. 102 lacs during the financial year 2017-18.

BUSINESS RISK MANAGEMENT

Risk management is embedded in your company's operating framework. Your company believes that managing risk helps in maximizing returns. The company's approach to addressing business risk is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the company is exposed to are:

Commodity Price Risks

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The company proactively manages these risks through forward booking, Inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigation the impact the impact of price risk on finished goods.

Regulatory Risks

The company is exposed to risks attached to various statutes and regulations including the company Act. The company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

Human Resources Risks

Retaining the existing talent pool and attracting new talent are major risks. The company has initiated various measures including rolling out strategic talent management system, training and integration of learning and development activities.

Strategic Risks

Emerging businesses, capital expenditure for capacity expansion, etc., are normal strategic risk faced by the company. However, the company has well-defined processes and procedures for obtaining approvals for investments in new business and capacity expansion etc.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year under review, the company retained services of external audit firm named M/s. Sandeep Manuja & Associates, Ludhiana to review its existing internal control system with a view of tighten the same and introduce system of self certification by all the process owners to ensure that internal controls over all the key business processes are operative.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate of internal financial controls with reference to the Financial Statements during the year under review.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://www.saptakchem.com/>

DIRECTORS

a) Changes in Directors and Key Managerial Personnel:

During the year, Mr. Rohitkumar Jasvantlal Parikh was appointed as Director of the Company with effect from 01st November, 2017. There was no other change in the Composition of Board of Directors.

Mr. Rohitkumar Jasvantlal Parikh will retire at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for reappointment.

b) Declaration by an Independent Director(s) and reappointment, if any

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015.

c) Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013 and 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 its Audit, Nomination and Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

d) 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 Remuneration Policy is stated in the Corporate Governance Report.

e) Number of Meetings of the Board of Directors and Audit Committee

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year Nine Board Meetings and one Independent Directors' meeting and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company during the year under

review.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

There is no related party transaction during the year under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

The company has received order from Regional Director for shifting of registered office of the company from the state of Punjab to Gujarat vide order no. G72773161/13 (4)/RD (NR)/2018/16082 dated 09.03.2018. There are no other significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

DETAIL OF FRAUD AS PER AUDITORS REPORT:

There is no fraud in the Company during the Financial Year ended 31st March, 2018. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the financial year ended 31st March, 2018.

BOARD'S COMMENT ON THE AUDITORS' REPORT:

There were no qualifications, reservations or adverse remarks made by Auditors in their respective reports. Observation made by the Statutory Auditors in their Report are self explanatory and therefore, do not call for any further comments under section 134(3)(f) of the Companies Act, 2013.

AUDITORS

A. Statutory Auditors

The Auditors, M/s Hemant C. Parikh & Co., Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and, being eligible; offer themselves for reappointment for a period of one year from the conclusion of this Annual General Meeting [AGM] till the conclusion of Annual General Meeting of the company to be held in the year 2022 (subject to ratification of their reappointment at every Annual General Meeting).

B. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Preeti Jain, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure - A".

Reply to the qualification Remarks in Secretarial Audit Report:

- a) The Company has not published notice of meeting of the board of directors where financial results shall be discussed and financial results, as required under Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Though the Company has not published notice for Financial Result, and financial result, the company has uploaded the same on Website of the company and also submitted to BSE Limited.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS:

Your Company is committed to the tenets of good Corporate Governance and has taken

adequate steps to ensure that the requirements of Corporate Governance as laid down in Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015 are complied with.

As per Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015, the Corporate Governance Report, Management Discussion and Analysis and the Auditor's Certificate regarding compliance of conditions of Corporate Governance are attached separately and form part of the Annual Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is Nil.

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT- 9 is annexed herewith as "Annexure-B".

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

During the financial year 2017-18, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31st March, 2018.

MATERIAL CHANGES AND COMMITMENT

No material changes and commitments affecting the financial position of the company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Provision of Section 135 of the Company Act, 2013 are not applicable since the company does not fall under Category of Rule 9 of the Corporate Responsibility Rules 2014.

SECRETARIAL STANDARDS:

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

ACKNOWLEDGEMENTS

Your Directors wish to convey thanks to all concerned departments of Central, State Governments for their continued co-operation.

Your Directors also express their appreciation of the dedication shown by the employees of the Company during the year.

**For Saptak Chem and Business Limited
(Formerly known as Munak Chemicals Limited)**

Date: 09/08/2018

Place: Dakor

**Sd/-
Manthan Bhavsar
Director
DIN: 05208214**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,
The Members,
Saptak Chem and Business Limited
(Formerly known as Munak Chemicals Limited)
(CIN: L24299GJ1980PLC101976)
3, Mohan Chamber, Beside Post Office,
Dakor Kheda- 388225, Gujarat.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Saptak Chem and Business Limited (Formerly known as Munak Chemicals Limited)** (hereinafter called "the company") for the audit period covering the financial year ended on 31st March, 2018. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2018, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956, to the extent it is applicable.
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015

I have also examined compliance of the following to the extent applicable:

- (i). Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective from 01st July, 2015); under the provisions of Companies Act, 2013; and

I have relied upon the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under applicable Acts, Laws and Regulations to the Company, as identified and confirmed by the management of the company. According to Representation letter, acts applicable to the Company are all General Laws such Direct and Indirect Taxation related, Labor Laws and other incidental laws of respective States.

On the basis of my examination and representation made by the Company, I report that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above and there are no material non-compliances that have come to my knowledge except non compliance in respect of:

- a) The Company has not published notice of meeting of the board of directors where financial results shall be discussed and financial results, as required under Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I Further Report that, there were no actions/ events in pursuance of:

- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014

requiring compliance thereof by the Company during the period under review

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

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

I further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs except the following:

Date: 09/08/2018

Place: Jaipur

Signature: Sd/-

Name of Practicing Company Secretary: Preeti Jain

C. P. No.: 10118

M. No.: 28265

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

Annexure I

To,
The Members,
Saptak Chem and Business Limited
(Formerly known as Munak Chemicals Limited)
3, Mohan Chamber, Beside Post Office,
Dakor Kheda- 388225, Gujarat.

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures 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.

Date: 09/08/2018
Place: Jaipur

Signature: Sd/-
Name of Practicing Company Secretary: Preeti Jain
C. P. No.: 10118
M. No.: 28265

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24299GJ1980PLC101976
2.	Registration Date	12/03/1980
3.	Name of the Company	Saptak Chem And Business Limited (Formerly known as Munak Chemicals Limited)
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	3, Mohan Chamber, Beside Post Office, Dakor Kheda- 388225, Gujarat, IN
6.	Whether listed company	Yes.
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s MCS Share Transfer Agent Ltd 12/1/5, Manoharpukur Road, Kolkata-700026 E-mail id: mcsahmd@gmail.com mcssta@rediffmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading of salt and Textile	99611711	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.N	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	NIL		

e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	0	521680	521680	4.86	0	521680	521680	4.86	0
2. Non-Institutions									
a) Bodies Corp.	0	454952	454952	4.24	962250	454952	1417202	13.21	8.97
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	1409488	1409488	13.13	150	1409488	1409638	13.13	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	6250600	6250600	58.24	4610700	677500	5288200	49.71	(8.97)
c) Others (HUF)	0	0	0	0	0	0	0	0	0.00
Non Resident Indians	0	49050	49050	0.46	0	49050	49050	0.46	0.00
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	8164090	8164090	76.07	5573100	2590990	8164090	76.04	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	8685770	8685770	80.93	5573100	3112670	8685770	80.93	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	10732272	10732272	100	7619602	3112670	10732272	100	0

B) Shareholding of Promoter-

S N	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% chan ge in share holdi ng duri ng the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbe red to total shares	No. of Shares	% of total Shares of the compan y	%of Shares Pledged/ encumbe red to total shares	
1	Rita Garg	46502	0.43	00	46502	0.43	00	00
2	Alpha Antibiotics Ltd	1350000	12.58	00	1350000	12.58	00	00
3	Kesho Ram Leasing Ltd	150000	1.4	00	150000	1.4	00	00
4	Munak Engineers (P) Ltd	500000	4.66	00	500000	4.66	00	00
	Total	2046502	19.07	00	2046502	19.07	00	00

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Rita Garg				
	At The Beginning Of The Year	46502	0.43	46502	0.43
	Date Wise Increase / Decrease In Promoters Shareholding During The Year Specifying The Reasons For Increase / Decrease (E.G. Allotment /Transfer / Bonus/ Sweat Equity Etc.):	----	----	----	----
	At The End Of The Year	46502	0.43	46502	0.43
2	Alpha Antibiotics Ltd				
	At The Beginning Of The Year	1350000	12.58	1350000	12.58

	Date Wise Increase / Decrease In Promoters Shareholding During The Year Specifying The Reasons For Increase / Decrease (E.G. Allotment /Transfer / Bonus/ Sweat Equity Etc.):	----	----	----	----
	At The End Of The Year	1350000	12.58	1350000	12.58
3	Kesho Ram Leasing Ltd				
	At The Beginning Of The Year	150000	1.4	150000	1.4
	Date Wise Increase / Decrease In Promoters Shareholding During The Year Specifying The Reasons For Increase / Decrease (E.G. Allotment /Transfer / Bonus/ Sweat Equity Etc.):	----	----	----	----
	At The End Of The Year	150000	1.4	150000	1.4
4	Munak Engineers (P) Ltd				
	At The Beginning Of The Year	500000	4.66	500000	4.66
	Date Wise Increase / Decrease In Promoters Shareholding During The Year Specifying The Reasons For Increase / Decrease (E.G. Allotment /Transfer / Bonus/ Sweat Equity Etc.):	----	----	----	----
	At The End Of The Year	500000	4.66	500000	4.66

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S N	Top 10 Shareholders	Shareholding at the beginning of the year		Details of Change		Cumulative Shareholding during the year	
		No. of shares	% of total share s of the com pany	Increase or Decrease in Shareholding	Reason	No. of shares	% of total shar es of the com pan y
1	Pulkit Shah	1096500	10.22	1096500	Sale	0	0.00

2	Saurabh D Patel	1063300	9.91	100	Sale	1063200	9.91
3	Minaben H Shah	1051000	9.79	No Change		1051000	9.79
4	Jaydeep Suthar	1037400	9.67	1037400	Sale	0	0.00
5	Deepak Kapre	1000000	9.32	No Change		1000000	9.32
6	Tapasya Sheth	974900	9.08	No Change		974900	9.08
7	3a Capital Services Limited	305250	2.84	No Change		305250	2.84
8	Industrial Finance Corp. Of India	212280	1.98	No Change		212280	1.98
9	ICICI Trusteeship Services Ltd	200100	1.86	No Change		200100	1.86
10	Canara Bank Mutual Fund	104200	0.97	No Change		104200	0.97
11	Munak Holdings Ltd	101747	0.95	No Change		101747	0.95
12	Keyur Shah	0	0	521600	Purchase	521600	4.86
13	Devrup Trading Ltd	0	0	515800	Purchase	515800	4.81
14	RP Advisors Pvt Ltd	0	0	446450	Purchase	446450	4.16
15	Aartiben Patel	0	0	400000	Purchase	400000	3.73

E) Shareholding of Directors and Key Managerial Personnel:

S N	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Rita Garg				
	At The Beginning Of The Year	46502	0.43	46502	0.43
	Date Wise Increase / Decrease In Promoters Shareholding During The Year Specifying The Reasons For Increase / Decrease (E.G. Allotment /Transfer / Bonus/ Sweat Equity Etc.):	----	----	----	----
	At The End Of The Year	46502	0.43	46502	0.43

F) INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Amount in Rs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	24243347	Nil	24243347
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	24243347	Nil	24243347
Change in Indebtedness during the financial year				
* Addition	Nil	3339906	Nil	3339906
* Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	3339906	Nil	3339906
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	27583253	Nil	27583253
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	27583253	Nil	27583253

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

The company has not given any remuneration to any director of the company during the year under review.

B. Remuneration to other directors:

S.N.	Particulars of Remuneration	Name of Directors	Total Amount
		Manthan Bhavsar	
1	Independent Directors	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil
	Commission	Nil	Nil
	Others, please specify	Nil	Nil
	Total (1)	Nil	Nil
2	Other Non-Executive Directors	18,000	18,000
	Fee for attending board committee meetings	Nil	Nil
	Commission	Nil	Nil
	Others, please specify	Nil	Nil
	Total (2)	Nil	Nil
	Total (B)=(1+2)	Nil	Nil
	Total Remuneration	18,000	18,000

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD

The company has not given any remuneration to any director of the company during the year under review.

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			Nil		
Compounding					
B. DIRECTORS					
Penalty					

Punishment	Nil				
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment	Nil				
Compounding					

**For Saptak Chem and Business Limited
(Formerly known as Munak Chemicals Limited)**

Date: 09/08/2018

Place: Dakor

**Sd/-
Manthan Bhavsar
Director
DIN: 05208214**

Report on Corporate Governance

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Board of Directors of the Company gives due support to the principles behind the good Corporate Governance. Given below is a report on Corporate Governance:

A. Mandatory Requirements

1. Company's philosophy on code of Corporate Governance

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business ethics. These two main drivers, together with the company's ongoing contributions to the local communities, it operates in through meaningful and relevant Corporate Social Responsibility initiatives add to enhance the stakeholders value.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plant and facilities, transparency in decision making process and fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices are being followed since the inception and have contributed to the company's sustained growth.

2. Board of Directors:

2.1 Composition of the Board:

The Board of Directors as at 31st March, 2018 comprises of three non executive directors, One Executive Director of the Company and he conducts the day to day management of the Company, subject to the supervision and control of the Board of Directors. The independent directors on the Board are senior, competent and highly respected persons from their receptive fields:

Name of the Director	Category	No. of other Directorships held	No. of other Board Committee(s) of which he/she is a member (Excluding this company)	No. of other Board Committee(s) of which he/she is a chairman (Excluding this company)
Mrs. Rita Garg	Non Executive Non	4	Nil	Nil

	Independent			
Mr. P.D Sharma	Non Executive Independent	Nil	Nil	Nil
Mr. Manthan Rajeshbhai Bhavsar	Executive , Managing Director	1	Nil	Nil
Mr. Rohitkumar Jasvantlal Parikh*	Non Executive Independent	2	Nil	3

*The Board appointed Mr. Rohitkumar Jasvantlal Parikh as Director of the Company with effect from 01st November, 2017.

In accordance with the Provision of the Companies Act, 2013 and Articles of Association of the Company Mr. Rohitkumar Jasvantlal Parikh, Director (DIN-07394964) of the company shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

2.2 Responsibilities of the Board

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

2.3 Meeting and Attendance Record of Directors

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company, Ahmedabad. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the Financial year 2017-2018, 9 (Nine) Board meeting were held during the year, they are as follows:

30/05/2017	14/08/2017	31/08/2017	05/10/2017
01/11/2017	14/11/2017	15/11/2017	03/02/2018
21/03/2018			

The composition, attendance and other memberships of the Board of Directors of the company is as follows: Attendance of Directors at Meetings of Board of Directors and last AGM:

Name of the Director	Designation	Category	No. of Board meetings attended	Attendance at last AGM
Mrs. Rita Garg	Director	Non Executive Non Independent	9	Yes
Mr. P.D Sharma	Director	Non Executive Independent	9	Yes
Mr. Manthan Rajeshbhai Bhavsar	Managing Director	Executive, Non Independent	9	Yes
Mr. Rohitkumar Jasvantlal Parikh*	Director	Non Executive Independent	4	NA

*appointed on 01.11.2017

Extra Ordinary General Meeting:

No extraordinary general meeting was held during the year under review.

2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting

As per the provisions of the Companies Act, 2013, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Rohitkumar Jasvantlal Parikh retires by rotation at the ensuing Annual General Meeting and offers him for re-appointment.

Profile of Mr. Rohitkumar Jasvantlal Parikh, Director being appointed u/s 152 of the Companies Act, 2013

Name	Mr. Rohitkumar Jasvantlal Parikh
Date of Birth	17/01/1946
Date of Appointment	01/11/2017
No. of shares held in the company	Nil
Directorship in other company	Two

2.5 Details of Directors who are as Chairman and Directors in other Public Companies

None of the Directors on the Board is a member or Chairman of any Committees (as specified in SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015 across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31st March, 2018 and the same is reproduced herein below:

Sr. No.	Name of Director	No of Directorship in other Public Companies (Excluding this company)	No. of Committees positions held as Chairman on other public Companies (Excluding this company)	No. of Committees positions held as member in other public Company (Excluding this company)
1.	Mrs. Rita Garg	2	--	--
2.	Mr. P.D Sharma	--	--	--
3.	Manthan Rajeshbhai Bhavsar	1	--	--
4.	Rohitkumar Jasvantlal Parikh*	2	3	--

*appointed on 01.11.2017

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 20th March, 2018, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

On appointment of an individual as Independent Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarization program. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarization Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

EVALUATION OF THE BOARD'S PERFORMANCE:

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:

In terms of SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

PREVENTION OF INSIDER TRADING:

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulation, 2015 ("The PIT Regulations"). The PIT regulations has come into effect from May 15, 2015 and replaced the earlier Regulations. The object of the PIT Regulation is to curb the practice of insider trading in the securities of a listed company.

The company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by insiders' ("the code") in accordance with the requirements of the PIT regulations.

The Code is applicable to promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

The company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulation, 2015. This Code is displayed on the Company's website <http://www.saptakchem.com/>

3. COMMITTEES OF BOARD:

The Company had four Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

All the decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. Details of the role and composition of these Committees are provided below:

3.1 Audit Committee:

Composition:

As on 31-03-2018, the Audit Committee comprised of three Directors namely:

Mr. Prabhu Datt Sharma	Chairman	Director
Mr. Rohitkumar Jasantlal Parikh*	Member	Director
Mrs. Rita Garg	Member	Director

*Pursuant to change in directorship, the Audit Committee is required to be reconstituted, Mr. Rohitkumar Jasvantlal Parikh was appointed as a member of the committee in place of Mr. Manthan Bhavsar w.e.f. 15/11/2017.

The Audit Committee of the Board of Directors, Inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

TERMS OF REFERENCE:

The scope of activities of the Audit Committee includes the following:

1. Oversight of financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the

statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Audit Committee mandatorily reviews the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee invites such of the executives as it considers appropriate (Particularly the head of the finance function), representatives of the statutory Auditors.

During the year under review, the 4 Audit Committee was held during Financial Year 2017-18. The dates on which the said meetings were held as follows:

30/05/2017	14/08/2017	15/11/2017	03/02/2018
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3.2 Nomination and Remuneration Committee:

The Remuneration Committee reviewing the overall compensation policy, service agreements and other employments and other employment conditions of Managing / Whole time Directors and Managing Director:

Details of Remuneration of Executive / Non-Executive Directors for the financial year ended 31st March, 2018

The Company has not paid remuneration to directors of the Company.

The Composition of remuneration committee is as under;

Mr. Prabhu Datt Sharma	Chairman	Director
Mr. Rohitkumar Parikh	Member	Director
Mrs. Rita Garg	Member	Director

*Pursuant to change in directorship, the Audit Committee is required to be reconstituted, Mr. Rohitkumar Jasvantlal Parikh was appointed as a member of the committee in place of Mr. Manthan Bhavsar w.e.f. 15/11/2017.

Remuneration Committee constituted for the purpose of considering remuneration of executive and non-executive directors.

Non- Executive Director

The Company has paid Rs.18,000/- as sitting fees to the Director of the Company.

Number of Meetings:

During the year under review, the 4 Nomination and Remuneration Committee meetings were held during Financial Year 2017-18. The dates on which the said meetings were held as follows:

30/05/2017	14/08/2017	15/11/2017	03/02/2018
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Remuneration Policy

Payment of remuneration to the Managing/Whole Time Director is governed by the respective Agreements executed between them and the company. These agreements were approved by the Board and the Shareholders. Their Remuneration structure comprises salary, perquisites and allowances.

Terms of reference of the Committee inter alia, include the following:

Nomination of Directors / Key Managerial Personnel / Senior Management*

1. To evaluate and recommend the composition of the Board of Directors;
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
3. Consider and recommend to the Board appointment and removal of directors, other persons in senior management and key managerial personnel (KMP);
4. Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors;
5. To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
6. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;

7. To review HR Policies and Initiatives.

Remuneration of Directors / Key Managerial Personnel / Senior Management*/ other Employees

1. Evolve the principles, criteria and basis of Remuneration policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, Senior Management and other employees of the Company and to review the same from time to time.

2. The Committee shall, while formulating the policy, ensure the following:

a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

b) Remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

* Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

NOMINATION & REMUNERATION POLICY:

1. Purpose of this Policy:

The company has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and the provisions of SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015.

The purpose of this Policy is to establish and govern the procedure applicable:

a) To evaluate the performance of the members of the Board.

b) To ensure that remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

2. Definitions:

Independent Director means a director referred to in Section 149(6) of the Act and the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended from time to time.

Key Managerial Personnel (the “KMP”) shall mean “Key Managerial Personnel” as defined in Section 2(51) of the Act.

Nomination and Remuneration Committee, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads. Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 or the Accounting Standards shall have the meanings assigned to them in these regulations.

3. Composition of the Committee:

The composition of the Committee is / shall be in compliance with the Act, Rules made there under and the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended from time to time.

4. Role of the Committee:

The Committee shall:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;

- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- e) To devise a Policy on Board diversity.

5. Criteria for Determining the followings:-

5.1 Qualifications for appointment of Directors (including Independent Directors)

- a) Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- b) Their financial or business literacy/skills;
- c) Their textile industry experience;
- d) Other appropriate qualification/experience to meet the objectives of the Company;
- e) As per the applicable provisions of Companies Act, 2013, Rules made thereunder and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

5.2 Positive attributes of Directors (including Independent Directors):

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- Actively update their knowledge and skills with the latest developments in the railway/heavy engineering/infrastructure industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as amended from time to time.

5.3 Independence Standards

The following would be the independence review procedure and criteria to assist the Committee to evaluate the independence of Directors for recommending to the Board for appointment. A Director is independent if the Board affirmatively determines that the Director does not have a direct or indirect material relationship with the Company, including its affiliates or any member of senior management. "Affiliate" shall mean any company or other entity that controls, is controlled by, or is under common control with the Company.

Also, the candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relating to a director's independence.

Independence Review Procedures

1. Annual Review

The director's independence for the independent director will be determined by the Board on an annual basis upon the declaration made by such Director as per the provisions of the Companies Act, 2013 read with Rules thereon and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

2. Individual Director's Independence Determinations

If a director nominee is considered for appointment to the Board between Annual General Meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not

independent even if he or she satisfies the criteria set forth by the provisions of the Companies Act, 2013 read with Rules thereon and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

3. Notice of Change of Independent Status

Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

5.4 Criteria for appointment of KMP/Senior Management

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- To practice and encourage professionalism and transparent working environment;
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission;
- To adhere strictly to code of conduct

5.5 Term

The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended from time to time.

Whereas the term of the KMP (other than the Managing /Wholetime Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

5.6 Evaluation

The Committee shall carry out evaluation of performance of every Director.

The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

5.7 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and / or for any disciplinary reasons

and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

6. Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole time Director will be governed by the relevant provisions of the Companies Act, 2013 and applicable Rules and Regulations and will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required. Further, the Chairman & Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

7. Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended from time to time.

3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

Name	Designation
Mr. Prabhu Datt Sharma	Chairman
Mr. Rohitkumar Parikh	Member
Mrs. Rita Garg	Member

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members. The Committee reviewed redressal of investors Grievances pertaining to share transfer, dematerialization of shares, replacement of lost, mutilated and old share certificates, change of address etc. The committee has also taken steps to strengthening investors relations.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2018) is given below:-

Complaints Status: 01.04.2017 to 31.03.2018

- Number of complaints received so far : 1
- Number of complaints solved : 1
- Number of pending complaints : 0

There were 4 meetings of member of the Committee held during the year under review:

12/04/2017 18/07/2017 13/10/2017 19/01/2018

4. GENERAL BODY MEETING:

a. Location and time where last three AGMs were held:

Year of AGM	Date of the AGM	Time	Place of AGM Held
2017	29/09/2017	11.00 a.m.	House No. 5458, Hazi Rattan Gate, Mini Secretariat, Bathinda-151 005 (Punjab).
2016	30/09/2016	11.30 a.m.	House No. 5458, Hazi Rattan Gate, Mini Secretariat, Bathinda-151 005 (Punjab).
2015	30/09/2015	11.30 a.m.	House No. 5458, Hazi Rattan Gate, Mini Secretariat, Bathinda-151 005 (Punjab).

2017:

Following special business had been transacted in the said Annual General Meeting:

1. Regularized the Appointment of Mr. Manthan Bhavsar (DIN:05208214) as Regular Director of the Company.
2. Appointed Mr. Manthan Bhavsar as Managing Director of the Company.
3. Changed the name of the Company from "MUNAK CHEMICALS LIMITED" to "SAPTAK CHEM AND BUSINESS LIMITED".

2016:

No special business had been transacted in the said Annual General Meeting.

2015:

No special business had been transacted in the said Annual General Meeting.

5. DISCLOSURES:

a. Materially significant related party transactions:

The company was not entered into any related party transaction during the year under review and there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

b. During the last three Years, there were no penalties, strictures imposed by either SEBI or stock Exchange or any statutory authority for non- Compliance of any matter related to the capital market.

6. MEANS OF COMMUNICATIONS:

The presentation as to the Company's performance etc., are made to the Institutional Investors/Financial Analysts as and when felt expedient.

The Company's financial results and officials news releases are displayed on the Company's website i.e. <http://www.saptakchem.com/>

The Management Discussions and Analysis Report forms part of the Directors Report and is given separately

WHISTLE BLOWER POLICY:

Recently, the Security & Exchange Board of India has also prescribed the adoption by all listed companies, of a Whistle Blower Policy as a non-mandatory requirement. The company has adopted a Whistle Blower Policy, which affords protection and confidentially to Whistle blowers. The Audit Committee Chairman is authorized to receive Protected Disclosures under this Policy. The Audit Committee is also authorized to supervise the conduct of investigations of any disclosures made whistle blowers in accordance with policy.

No personnel have been denied access to the Audit Committee. As of March 31, 2018, no Protected Disclosures have been received under this policy.

In pursuance of Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 The Vigil Mechanism/ Whistle Blower Policy has been uploaded on the website of the Company at <http://www.saptakchem.com/>

7. GENERAL SHAREHOLDER INFORMATION:

- a. Annual General Meeting: 13th September, 2018
Date, Time and venue: 11:00 A.M. at the Registered Office of the Company.
- b. Financial Year: 1st April, 2017 to 31st March, 2018.
- c. Financial Calendar:
 - i. 1st quarterly results - second week of August, 2018
 - ii. 2nd quarterly results - second week of November, 2018
 - iii. 3rd quarterly results - second week of February, 2019
 - iv. 4th quarterly results - Last week of May, 2019
- d. Date of Book Closure: 06th September, 2018 to 13th September, 2017 (both days inclusive)
- e. Dividend Payment Date: N.A.
- f. Listing of Equity Shares on Stock Exchanges:

BSE Limited Annual listing fees for the financial Year up to 31.03.2018 has been paid.
- g. Stock Code: BSE 506906
- h. Demat ISIN number: **INE467X01015**
- i. Market Price of the Companies:

Trading in securities of the company was suspended and the said Suspension in trading of equity shares of Saptak Chem and Business Ltd was revoked with effect from 08th February, 2018. Since, trading in securities of the company are suspended, the company does not have details required to mention under this head.

- j. Performance of the Company's shares in comparison with broad based indices as BSE's Sensex:

Trading in securities of the company was suspended and the said Suspension in trading of equity shares of Saptak Chem and Business Ltd was revoked with effect from 08th February, 2018.

Since, trading in securities of the company was suspended, the company does not have details required to mention under this head.

k. Registered and Transfer Agent:

The Company has appointed MCS Share Transfer Agent Limited as the common agency; both in respect of demat shares and physical mode.

l. Share Transfer System:

All the transfers are received and processed by share Transfer agents and are approved by share transfer committee. Share Transfer requests received in physical form are registered within 30 days and demat requests are confirmed within 15 days.

m. Distribution of Shareholding as on March 31, 2018.

No of Equity shares held	No. of shareholders	Percentage of Total share holders	No. of Shares held	Percentage of total share held
Upto 500	8821	95.68	966648	9.01
501 - 1000	243	2.64	208555	1.94
1001 - 2000	75	0.81	112450	1.04
2001 -- 3000	25	0.27	64440	0.60
3001 --4000	14	0.15	50400	0.47
4001 --5000	5	0.05	23100	0.21
5001--10000	14	0.15	86150	0.80
10001-50000	3	0.03	74002	0.69
500001-100000	2	0.02	145000	1.35
Above 100000	17	0.18	9001527	83.87
Total	9219	100 %	10732272	100 %

n. Shareholding pattern as on 31st March, 2018

Category	No. of share held	% of shareholding
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group Companies	2046502	19.07%
b. FI's/Bank/Mutual Funds	521680	4.86%

c. Other bodies corporate	1417202	13.21%
d. NRI	49050	0.46%
d. Indian public	6697838	62.41%
Total	10732272	100%

Dematerialization of shares: As on 31-03-18, 76,19,602 Demat shares accounted for 70.99% of total equity.

o. Outstanding GDR / ADR / Warrants: NA

p. **Top 10 Shareholders as on 31st March, 2018 (Other than Promoters):**

Details of the same are mentioned in Extract of Annual Return i.e. MGT-9 attached with the Director Report.

q. **Registrar and Share Transfer Agent and Address for Correspondence:**

M/S. MCS SHARE TRANSFER AGENT LIMITED

12/1/5, Manohar Pukur Road, Kolkatta-700033

Ahmedabad office: 201, Shatdal Complex, Opp. Bata Show Room, Ashram Road, Ahmedabad - 380 009

Tele. No.: 033-40724051, 079 26582878

Fax No.: 033-40724050

E-mail: mcssta@rediffmail.com,

mcsahmd@gmail.com

Registered Office of the Company:

3, Mohan Chamber,

Beside Post Office,

Dakor Kheda- 388225, Gujarat.

Declaration of compliance with the code of conduct

All the Directors and senior management personal have, respectively, affirmed compliance with the code of conduct as approved and adopted by the Board of Directors.

**For Saptak Chem and Business Limited
(Formerly known as Munak Chemicals Limited)**

Date: 09/08/2018

Place: Dakor

**Sd/-
Manthan Bhavsar
Director
DIN: 05208214**

CEO/CFO Certification

We the undersigned, in our respective capacities as managing Director and Chief Financial Officer of Saptak Chem and Business Limited (Formerly known as Munak Chemicals Limited) ("the Company") to the best of our knowledge and belief certify that:

We Certify that --

- a. We have reviewed the financial statements and the cash flow statement for the year 2017-18 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2017-18 which are fraudulent, illegal or violative of the Company's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee
 - Significant changes in internal control over the financial reporting during the year 2017-18
 - Significant changes in accounting policies during the year 2017-18 and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

**For Saptak Chem and Business Limited
(Formerly known as Munak Chemicals Limited)**

Date: 09/08/2018

Place: Dakor

**Sd/-
Manthan Bhavsar
Director
DIN: 05208214**

CERTIFICATE ON FINANCIAL STATEMENTS

To,
The Members,
SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)

We have hereby certify that:

1. We have reviewed the financial statements and the cash flow statements of Saptak Chem And Business Limited (Formerly known as Munak Chemicals Limited) for the financial year 2017-18 and to the best of our knowledge and belief, we state that:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs for the period presented in this report and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes in internal control over financing reporting during the year;
 - b. significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - c. that there were no Instances of significant fraud that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

For Saptak Chem and Business Limited
(Formerly known as Munak Chemicals Limited)

Date: 09/08/2018

Place: Dakor

Sd/-
Manthan Bhavsar
Director
DIN: 05208210034

**AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE**

To the Members of
SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)

We have examined the compliance of condition of Corporate Governance by **Saptak Chem And Business Limited** (Formerly known as Munak Chemicals Limited), for the year ended March 31, 2018 as stipulated in Regulation 17,18,19,20,21,22,23,24,25,26,27 and clauses (b) to (i) of sub- regulation (2) of regulation 46 and Para C, D and E of schedule V of the securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (collectively referred to as "SEBI Listing Regulation, 2015).

The compliance of conditions of corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance note on certification of corporate Governance, issued by the Institute of Chartered Accountants of Indian and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us,

We certify that such compliance is neither as assurance as to the future viability of the company nor the efficiency with which the management has conducted the affairs of the company.

Date: 09-08-2018
Place: Ahmedabad

**For Hemant C. Parikh & Co.,
Chartered Accountants**

Sd/-
Hemant C. Parikh
(Proprietor)
M. No.: 031780

Compliance Certificate

To,
The Members,
SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited),
3, Mohan Chamber, Beside Post Office,
Dakor Kheda- 388225, Gujarat.

We have examined the compliance of Corporate Governance by **Saptak Chem And Business Limited** (Formerly known as Munak Chemicals Limited) for the year ended on 31st March, 2018, as stipulated in Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015 of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of to opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Hemant C. Parikh & Co.,
Chartered Accountants**

**Date: 09-08-2018
Place: Ahmedabad**

**Sd/-
Hemant C. Parikh
(Proprietor)
M. No.: 031780**

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW:-

The Fertilizer Industry has been adversely affected due to the adverse Policies of Govt. of India, as a result thereof; margins have been under pressure due to withdrawal of subsidy.
Business Segment

a) Industry structure and development.

The most of the Fertilizer Plants in India are lying closed. The development of the Industry wholly depends upon the policies of Govt. of India.

b) Opportunities and threats.

The opportunities are being explored to diversify in other areas as the SSP Fertilizer in India is facing threat from low demand on one side and withdrawal of subsidy by Govt. on the other side. As such other business opportunities are being looked into.

c) Risks and concerns.

The Company has already closed the operation and there had been a Nil turnover of SSP, the mass product of the Company.

d) Outlook.

So far as SSP Industry is concerned, the future is very bleak due to availability of Imported Fertilizer and other substitute at more economical prices and drastic reduction in demand due to various reasons.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate system of internal control in order to ensure that all transactions are authorized, recorded and reported correctly. Regular internal audit checks are carried out to ensure that adequate systems are in place. The management continuously reviews the internal control systems and procedures to ensure orderly and efficient conduct of business. The emphasis of internal control prevails across functions and processes covering the entire activities of the company.

COMPANY'S FINANCIAL PERFORMANCE AND ANALYSIS

Other matters such as operational and financial performance have been discussed under the respective heads in the Directors' Reports.

HUMAN RESOURCE DEVELOPMENT/INDUSTRIAL RELATIONS

Our employees continue to be the backbone of our organization. Our efforts are towards

instilling a level of competency in the work force. The human resource has to be more dynamic and result oriented in the present day business environment.

**For Saptak Chem and Business Limited
(Formerly known as Munak Chemicals Limited)**

Date: 09/08/2018

Place: Dakor

**Sd/-
Manthan Bhavsar
Director
DIN: 05208214**

INDEPENDENT AUDITOR'S REPORT

To The Members of SAPTAK CHEM AND BUSINESS LIMITED

(Formerly known as Munak Chemicals Limited)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SAPTAK CHEM AND BUSINESS LIMITED** (Formerly known as Munak Chemicals Limited) ("the Company"), which comprise the Balance Sheet as at **March 31, 2018**, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2018**, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

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 Flow dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) on the basis of the written representations received from the directors of the Company as on **March 31, 2018** taken on record by the Board of Directors,

none of the directors is disqualified as on **March 31, 2018** from being appointed as a director in terms of Section 164(2) of the Act.

- f) with respect to the adequacy of the **internal financial controls over financial reporting** of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the **Companies (Audit and Auditors) Rules, 2014**, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the **Companies (Auditor's Report) Order, 2016 ("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 and 4 of the Order.

**For Hemant C. Parikh & Co.,
Chartered Accountants**

**Date: 09-05-2018
Place: Ahmedabad**

**Sd/-
Hemant C. Parikh
(Proprietor)
M. No.: 031780**

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 **SAPTAK CHEM AND BUSINESS LIMITED** (Formerly known as Munak Chemicals Limited) of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **SAPTAK CHEM AND BUSINESS LIMITED** (Formerly known as Munak Chemicals Limited) ("the Company") as of **March 31, 2018** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over

financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the

internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Hemant C. Parikh & Co.,
Chartered Accountants**

Date: 09-05-2018

Place: Ahmedabad

**Sd/-
Hemant C. Parikh
(Proprietor)
M. No.: 031780**

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SAPTAK CHEM AND BUSINESS LIMITED (Formerly known as Munak Chemicals Limited) of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the lease and license agreements provided to us, we report that, the agreements, comprising all the immovable properties of land and buildings are held in the name of the Company.
- ii.
 - (a) The management of the company has conducted the physical verification of inventory at reasonable intervals.
 - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of accounts were not material.
- iii. According to the information and explanations given to us, the Company has not granted secured or unsecured loans to any Company, Firm, Limited Liability Partnership or other party covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have

any unclaimed deposits as at **March 31, 2018** and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at **March 31, 2018** for a period of more than six months from the date they became payable.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and

the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Hemant C. Parikh & Co.,
Chartered Accountants**

**Date: 09-05-2018
Place: Ahmedabad**

**Sd/-
Hemant C. Parikh
(Proprietor)
M. No.: 031780**

SAPTAK CHEM AND BUSINESS LIMITED (CIN: L24299GJ1980PLC101976)
STATEMENT OF ASSETS AND LIABILITIES

(Amount in Rs.)

Particulars	Note No.	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
ASSETS				
Non Current Assets				
Property, Plant and Equipment	4	100,557	100,557	-
Capital Work in Progress				
Financial Assets				
Investments		-	-	-
Loans & Advances	5	-	-	-
Other Non Current Assets		-	-	-
Current assets				
Current investments				
Inventories		717,752	-	-
Financial Assets				
Trade Receivables	6	12,131,876	723,000	-
Cash and Cash Equivalents	7	541,408	471,480	94,496
Loans & Advances	8	5,190,650	520,527	261,758
Other Current Assets		-	-	-
TOTAL ASSETS		18,682,243	1,815,564	356,254
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	9	107,221,110	107,221,110	107,221,110
Other Equity	10	(128,605,439)	(129,720,757)	(129,741,049)
Liabilities				
Non Current Liabilities				
Financial Liabilities				
Borrowings		-	-	-
Deferred Tax Liabilities (Net)		-	-	-
Current Liabilities				
Financial Liabilities				
Borrowings	11	27,583,253	24,243,347	22,539,604
Trade Payables	12	12,476,555	-	-
Short-Term Provisions	13	6,764	71,864	86,650
Other Current Liabilities	14	-	-	249,939
TOTAL EQUITY AND LIABILITIES		18,682,243	1,815,564	356,254

As per our report of even date
For Hemant C. Parikh & Co.,
Chartered Accountants

Sd/-
Hemant C. Parikh
Proprietor
M.No. 031780
Date :- 09-05-2018
Place :- Ahmedabad

For and on behalf of the Board
of Directors of
Saptak Chem And Business Limited

Sd/-
Manthan Bhavsar - Director
DIN: 05208214
Sd/-
Rohitkumar Parikh - Director
DIN: 07394964

Date :- 09-05-2018
Place :- Ahmedabad

SAPTAK CHEM AND BUSINESS LIMITED (CIN: L24299GJ1980PLC101976)
STATEMENT OF PROFIT & LOSS ACCOUNT OFR THE YEAR ENDED MARCH 31,2018

Amount in (Rs.)

PARTICULARS	Note No.	Year Ended 31.03.2018	Year Ended 31.03.2017	Year Ended 01.04.2016
I Revenue from Operations	15	11,554,166	778,000	-
II Other Income	16	1,735,667	13,432	8834
III Total Income (I+II)		13,289,833	791,432	8,834
IV EXPENSES				
(1) Cost of Materials Consumed	17	11,164,679	-	0
(2) Purchase of Stock-In-Trade		-	-	-
(3) Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade		-	-	-
(4) Employee Benefits Expense	18	115,695	513,337	552,550
(5) Finance Cost	19	2,009	1,643	1,265
(6) Depreciation and Amortisation Expense	4	-	-	0
(7) Other Expenses	20	892,132	249,396	426,446
Total Expenses (IV)		12,174,515	764,376	980,261
V Profit before Exceptional Items and Tax (III-IV)		1,115,318	27,056	(971,427)
VI Exceptional Items				
VII Profit before Tax		1,115,318	27,056	(971,427)
VIII Tax Expense				
(1) Current Tax		-	-	0
(2) Prior Period Taxation		-	6,764	-
(3) Deferred Tax		-	-	-
IX Profit (Loss) for the period from continuing operations (VII-VIII)		1,115,318	20,292	(971,427)
X Profit /(Loss) from discontinued operations				
XI Tax Expense of discontinued operations				
XII Profit (Loss) from discontinuing operations (after tax) (X-XI)		-	-	-
XIII Profit (Loss) for the period (IX-XIII)		1,115,318	20,292	(971,427)
XIV Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
(ii) Income tax relating to items that will not be reclassified to profit or loss				
B (i) Items that will be reclassified to profit or loss				
(ii) Income tax relating to items that will be reclassified to profit or loss				
XV Total Comprehensive Income for the Period (XIII+XIV)		1,115,318	20,292	(971,427)
XVI Earnings Per Equity Share				
(1) Basic		0.10	0.00	(0.09)
(2) Diluted		0.10	0.00	(0.09)

As per our report of even date
For Hemant C. Parikh & Co.,
Chartered Accountants

Hemant C. Parikh
Proprietor
M.No. 031780
Date :- 09-05-2018
Place :- Ahmedabad

For and on behalf of the Board of
Directors of
Saptak Chem And Business Limited

Sd/-
Manthan Bhavsar - Director
DIN: 05208214
Sd/-
Rohitkumar Parikh - Director
DIN: 07394964

Date :- 09-05-2018
Place :- Ahmedabad

SAPTAK CHEM AND BUSINESS LIMITED (CIN: L24299GJ1980PLC101976)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Rs.)

Particulars	For the period ended on 31.03.2018	For the period ended on 31.03.2017	For the period ended on 01.04.2016
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax	1,115,318	27,056	(971,427)
Adjustments for:			
Depreciation	-	-	0
Preliminary Exps. Written off	-	-	0
Finance Cost	2,009	1,643	-
Operating Profit before Working Capital Changes	1,117,327	28,699	(971,427)
Movements in Working Capital :			
Decrease / (Increase) in Inventories	(717,752)	-	0
Decrease / (Increase) in Sundry Debtors	(11,408,876)	(861,769)	0
Decrease / (Increase) in Loans and Advances	(4,670,123)	-	-
Decrease / (Increase) in Current Assets	-	-	0
(Decrease) / Increase in Trade Payables	15,816,461	-	0
(Decrease) / Increase in Short Term Provisions	(65,100)	-	0
(Decrease) / Increase in Current Liabilities	-	-	0
(Decrease) / Increase in Other Current Liabilities	-	-	0
Cash (used in) / generated from operations	71,937	(833,070)	(971,427)
Direct Taxes Paid (net of refunds)	-	6,764	-
Net cash (used in) / generated from operating activities (A)	71,937	(839,834)	(971,427)
B. CASH FLOW FROM INVESTING ACTIVITIES			
(Purchase) of Fixed Assets	-	(100,557)	0
Sale / Disposal of Fixed Assets	-	-	-
Profit on sale of Investment / Assets	-	-	-
Net cash (used in) / generated from investing activities (B)	-	(100,557)	-
C. CASH FLOW FROM FINANCING ACTIVITIES			
(Repayment) / Proceeds From Long Term Borrowings	-	2,247,186	1,331,650
(Repayment) / Proceeds From Short Term Borrowings	-	(808,168)	(158,400)
Repayment / (Proceeds) From Long Term Loans & Advances	-	(120,000)	(138,971)
Proceeds from Issue of Shares	-	-	-
Interest Expense	(2,009)	(1,643)	-
Dividend	-	-	-
Dividend Distribution Tax	-	-	-
Net cash (used in) / generated from financing activities (C)	(2,009)	1,317,375	1,034,279
D.NET INCREASE IN CASH AND CASH EQUIVALENTS (D)=(A+B+C)	69,928	376,984	62,852
Cash and cash equivalents at the beginning of the year	471,480	94,496	31,644
Cash and cash equivalents at the end of the year	541,408	471,480	94,496
Components of cash and cash equivalents			
Cash and cheques on hand	259,237	369,637	87,722
With Scheduled Banks	-	-	-
- in Current Account	282,171	101,843	6,774
- in Term Deposit Accounts	-	-	-
	541,408	471,480	94,496

Notes

- 1) The figures in brackets represent outflows.
- 2) Previous periods' figures have been regrouped / reclassified, wherever necessary, to confirm to current year

For and on behalf of the Board of Directors of

As per our report of even date
For Hemant C. Parikh & Co.,
Chartered Accountants

Saptak Chem And Business Limited

Sd/-
Hemant C. Parikh
Proprietor
M.No. 031780
Date :- 09-05-2018
Place :- Ahmedabad

Sd/-
Manthan Bhavsar - Director
DIN: 05208214
Sd/-
Rohitkumar Parikh - Director
DIN: 07394964

Date :- 09-05-2018
Place :- Ahmedabad

SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)
NOTES TO THE FINANCIAL STATEMENTS

CORPORATE INFORMATION:

SAPTAK CHEM AND BUSINESS LIMITED (Formerly known as Munak Chemicals Limited) ('the company') is engaged in the business of Trading of Salt and Textile

STATEMENT OF COMPLIANCE:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2016. Refer Note 3 for the details of significant exemptions availed by the Company on first-time adoption of Ind AS and for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1.1 Basis of preparation and presentation

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013. In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.

The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2016. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind ASs as at March 31, 2017, and April 1, 2016 and of the Profit/ (Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017

SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)
NOTES TO THE FINANCIAL STATEMENTS

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below.

1.2 Functional and presentation currency

The financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates.

1.3 Use of Estimates

The preparation of financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgments, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Useful lives of property, plant and equipment (refer note no. 2.1)
- Valuation of deferred tax assets (refer note no. 2.8)
- Valuation of inventories (refer note no. 2.3)
- Provisions & contingent liabilities (refer note no. 2.6)

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Property, plant and equipment

Tangible Assets:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of fixed assets comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to financing of acquisition or construction of the qualifying fixed assets is capitalized to respective assets when the time taken to put the assets to use is substantial.

When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognized in the

SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)
NOTES TO THE FINANCIAL STATEMENTS

carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Company and its cost can be measured reliably.

The Estimated Useful Lives of assets are in accordance with the Schedule II of the Companies Act, 2013.

2.2. Financial Instruments

2.2.1. Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

2.2.2. Trade Receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

2.2.3. Borrowings

Borrowings are initially recorded at fair value and subsequently measured at amortized costs using effective interest method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

2.2.4. Trade payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

2.2.5. Other financial assets and liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

2.3. Inventories

SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)
NOTES TO THE FINANCIAL STATEMENTS

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process, stores and spares, packing materials, trading and other products are determined on weighted average basis.

2.4. Impairment of Assets

Financial assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. The Company uses both forward-looking and historical information to determine whether a significant increase in credit risk has occurred.

Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss to such extent.

2.5. Employee Benefit

Short term employee benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in statement of profit and loss.

Long term employee benefits

Defined Contribution Plan

SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)
NOTES TO THE FINANCIAL STATEMENTS

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions for provident fund and pension as per the provisions of the Provident Fund Act, 1952 to the government. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The company's obligation is limited to the amounts contributed by it.

Compensated absences and earned leaves

The company offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

2.6. Provisions, contingent liabilities and contingent assets

Contingent liability:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets:

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

Provisions:

A provision is recognized when as a result of a past event, the Company has a present obligation whether legal or constructive that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.7. Revenue Recognition

- a) Revenue from the sale of goods is recognised when significant risks and rewards in respect of ownership of the goods are transferred to the customer, as per the terms of the order. The company has shown separately in the expenses as the revenues from the operations are stated at gross amount as per the Requirement of Ind AS 18 "Revenue". Further, the amounts collected on behalf of third parties such as government authorities for VAT, Service Tax and GST are excluded from the revenue since the same do not result in increase in Equity.
- b) Interest Income is recognised on time proportion basis.

SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)
NOTES TO THE FINANCIAL STATEMENTS

2.8. Income taxes

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

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

2.9. Earnings Per Share

- a) 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.
- b) 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.

2.10. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)
NOTES TO THE FINANCIAL STATEMENTS

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.11. Segment Reporting

The company has only one preliminary reportable segment i.e. commission income hence there is no separate reportable segments as required in Ind AS 108 issued by ICAI.

2.12. Depreciation

Depreciation on tangible fixed assets is provided using the Straight Line Method based on the useful life of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. In case of additions or deletions during the year, depreciation is computed from the month in which such assets are put to use and up to previous month of sale or disposal, as the case may be.

2.13. Foreign currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing at the date of transactions. Exchange difference arising on settlement of transactions is recognised as income or expense in the year in which they arise.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at the year-end rate and difference in translations and unrealised gains / (losses) on foreign currency transactions are recognised in the statement of profit & loss.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

3. EXPLANATION OF TRANSITION TO IND AS

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is April 1, 2016. The transition is carried out from Indian GAAP (previous GAAP) to Ind AS, notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Group has applied exceptions and exemptions in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards".

Exceptions:

- i. Estimates :

SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)
NOTES TO THE FINANCIAL STATEMENTS

Ind AS estimates on the date of transition are consistent with the estimates as at the same date made in conformity with previous GAAP.

ii. Derecognition of financial assets & liabilities :

The Company has applied the de-recognition requirements of Ind AS 109 prospectively from the date of transition to Ind AS.

iii. Classification and measurement of financial assets :

The Company has assessed classification and measurement of financial assets based on facts and circumstances prevalent on the date of transition to Ind AS.

iv. Impairment of financial assets :

The Company has applied impairment requirements of Ind AS 109 retrospectively to financial instruments and concluded that there is no need to recognize any additional loss allowance on financial assets.

Exemptions:

i. Deemed cost for property, plant and equipment, investment property, and intangible assets:

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property and intangible assets recognised as of 1st April, 2016 (transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Reconciliation of Equity and Total Comprehensive Income:-

The company has prepared its financial statement as per Ind AS from 01.04.2016 and hence the comparatives have to be prepared as per Ind AS. Thus, the profits of the company have been restated/ reworked as per Ind AS. There is no change in the equity/total comprehensive income in the transition of Ind AS and hence the reconciliation of Equity and Total comprehensive income is not applicable.

SAPTAK CHEM AND BUSINESS LIMITED (CIN: L24299GJ1980PLC101976)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31/03/2018

(A) EQUITY SHARE CAPITAL

Particulars	As at 31st March,2018	As at 31st March,2017	As at 01st April,2016
Balance as at the beginning of the year	10,732,272	10,732,272	10,732,272
Issued during the year	-	-	-
Balance as at the end of the year	10,732,272	10,732,272	10,732,272

(B) OTHER EQUITY

Particulars	Share Application Money Pending For Allotment	Reserves & Surplus					Equity Instrument measured through OCI	Total
		Retained Earnings	General reserves	Capital reserves	Security Premium	Revaluation reserve		
Balance as on 01.04.2017		-	(129,720,757)	-	-	-	-	(129,720,757)
Addition During the Year			1,115,318					1,115,318
Profit For the year		1,115,318						1,115,318
Transfer to Reserves		1,115,318						
Other Comprehensive Income		-					-	-
Prior Period Loss		-					-	-
Dividend		-					-	-
Dividend Distribution Tax		-					-	-
Balance as on 31.03.2018	-	-	(128,605,439)	-	-	-	-	(127,490,120)
Balance as on 01.04.2016		-	(129,741,049)	-	-	-	-	(129,741,049)
Profit For the year		20,292	20,292					(129,720,757)
Transfer to Reserves		20,292						
Other Comprehensive Income		-					-	-
Dividend		-					-	-
Dividend Distribution Tax		-					-	-
Balance as on 31.03.2017	-	-	(129,720,757)	-	-	-	-	(259,461,806)
Balance as on 01.04.2015			(128,769,622)					(128,769,622)
Profit For the year		(971,427)	(971,427)					(971,427)
Transfer to Reserves		-						
Other Comprehensive Income		-					-	-
Dividend		-					-	-
Dividend Distribution Tax		-					-	-
Balance as on 01.04.2016	-	(971,427)	(129,741,049)	-	-	-	-	(129,741,049)

As per our report of even date
For Hemant C. Parikh & Co.,
Chartered Accountants

Sd/-
Hemant C. Parikh
Proprietor
M.No. 031780
Date :- 09-05-2018
Place :- Ahmedabad

For and on behalf of the Board of
Saptak Chem And Business Limited

Sd/-
Manthan Bhavsar - Director
DIN: 05208214
Sd/-
Rohitkumar Parikh - Director
DIN: 07394964

Date :- 09-05-2018
Place :- Ahmedabad

SAPTAK CHEM AND BUSINESS LIMITED (CIN: L24299GJ1980PLC101976)

Notes to the Financial Statements for the Year ended 31st March, 2018

(Amount in Rs.)

Particulars		As at March 31,2018	As at March 31,2017	AS at 01,2016 April
NON CURRENT ASSETS				
FINANCIAL ASSET				
5	LONG TERM LOANS AND ADVANCES			
	Unsecured Considered Good			
	Advances receivable in cash or in kind or for value to be received	-	-	0
Total		-	-	-
CURRENT ASSETS				
FINANCIAL ASSET				
6	TRADE RECEIVABLES			
	(Unsecured considered good)			
	Over Six Months	-	-	-
	Others	12,131,876	723,000	-
Total		12,131,876	723,000	0
CURRENT ASSETS				
FINANCIAL ASSET				
7	CASH AND CASH EQUIVALENT			
	Cash on Hand	259,237	369,637	87,722
	Balance with Scheduled Banks			
	a. in Current Accounts	282,171	101,843	6,774
	b. in Term Deposit Accounts			
Total		541,408	471,480	94,496
CURRENT ASSETS				
FINANCIAL ASSET				
8	LOANS AND ADVANCES			
	Inter Corporate Deposit receivable	-	120,000	0
	Tax deducted at source	-	753	887
	Interest accrued but not due	667	667	7,947
	BSE Revocation fee capitalised	4,803,219	28,756	0
	Advance against rent	370,351	370,351	252,924
	GST Recivables	16,413	-	
Total		5,190,650	520,527	261,758
Particulars		As at March 31,2018	As at March 31,2017	AS at 01,2016 April
10	OTHER EQUITY			
	Reserves & surplus			
	Retained Earnings	-	-	-
	General reserves	(128,605,439)	(129,720,757)	(129,741,049)
Total		(128,605,439)	(129,720,757)	(129,741,049)
Current Liabilities				
Financial Liabilities				
11	BORROWINGS			
	Short Term Borrowing			
	Unsecured	27,583,253	24,243,347	21,746,222
	Long Term Provisions		-	793,382
Total		27,583,253	24,243,347	22,539,604
Current Liabilities				
Financial Liabilities				
12	TRADE PAYABLES			
	Micro, Small and Medium Enterprise (Refer note no. 12.1)	-	-	-
	Sundry Creditors	12,476,555	-	0
Total		12,476,555	-	-

12.1	Under the Micro, Small & Medium enterprise development act, 2006, certain disclosures are required to be made relating to Micro & small enterprise. The company is in the process of compiling relevant information from its supplier about their coverage under the said act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provision of the this act is not expected to be material. This has been relied upon by the auditors.			
13	SHORT TERM PROVISION			
	Expenses Payable	-	2,000	8,991
	Rent Payable	-	2,200	2,200
	P.F. Payable	-	10,110	11,737
	E.S.I. Payable	-	1,237	1,217
	Salary Payable	-	2,266	1,030
	Audit Fee Payable	-	47,287	46,525
	T.D.S. Payable	-	-	14,950
	Provision for Tax	6,764	6,764	0
	Total	6,764	71,864	86,650
14	OTHER CURRENT LIABILITIES			
	Salary & other allowances Payable	-	-	189,136
	Rent Payable	-	-	60,803
	Unpaid Exp	-	-	0
	Total	-	-	249,939

SAPTAK CHEM AND BUSINESS LIMITED (CIN: L24299GJ1980PLC101976)

Notes to the Financial Statements for the Year ended 31st March, 2018

(Amount in Rs.)

Particulars		for the year ending on March 31,2018	for the year ending on March 31,2017	for the year ending on April 01,2016
15	REVENUE FROM OPERATIONS			
	Revenue from Operations	11,554,166	778,000	0
	Other operating revenues	-	-	-
	Total	11,554,166	778,000	-
16	OTHER INCOME			
	Interest	1,735,000	13,432	8,834
	Misc. Income	-	-	-
	Income Tax Refund	667	-	-
	Total	1,735,667	13,432	8,834
17	COST OF STOCK IN TRADE AND OPERATING EXP.			
	Opg Stock	-	-	-
Add :	Purchase of Stock in Trade	11,882,431	-	-
Less :	Closing Stock	717,752	-	-
	Raw Material consumed during the year (A)	11,164,679	-	-
	Other Operating Expenses			
	Work Contract Charges	-	-	-
	Labour Charges	-	-	-
	Electric Power, Fuel	-	-	-
	Freight Inward, Loading and unloading charges	-	-	-
	Repairs & Maint. Exp	-	-	-
	Other Operating Exp (B)	-	-	-
	Total	11,164,679	-	-
18	EMPLOYEE BENEFIT EXPENSES			
	Salaries, Wages, Allowances and Bonus	115,695	427,350	432,015
	Gratuity Exp	-	10,492	41,885
	Cont. to ESI	-	10,766	10,598
	Cont. to PF	-	56,329	63,703
	Staff Welfare Expenses	-	8,400	4,349
	Total	115,695	513,337	552,550
19	FINANCE COST			
	Bank Charges	2,009	1,643	1,265
	Interest Exp	-	-	0
	Other Borrowing Costs	-	-	-
	Total	2,009	1,643	1,265
20	OTHER EXP			
	Rent	17,600	112,157	78,147
	Electricity & Water Charges	-	43,565	34,858
	Telephone & Mobile	-	2,200	51,947
	Advertisement & Publicity	58,700	705	880
	Website Development Charges	6,200	20,000	112,665
	Insurance Charges	265	22,769	92,608
	Sitting Fees	18,000	30,000	37,500
	BSE Listing Fees	617,663	0	1,280
	ROC Filing Fees	62,150	0	0
	Issuer and RTA Fee Exps	96,754	0	0
	News Paper & Periodicals	9,800	18,000	1,070
	Total	887,132	249,396	410,955
20.1	PAYMENT TO AUDITORS :			
	Statutory Audit Fees	5,000	-	15,491
	Total	892,132	249,396	426,446

SAPTAK CHEM AND BUSINESS LIMITED (CIN: L24299GJ1980PLC101976)
Notes to the Financial Statements for the Year ended 31st March, 2018

Note No.	Particulars	As at 31 st March, 2018	As at 31 st March, 2017	As at 1 st April, 2016
9	Share Capital			
	Authorised share capital :- 11000000 (11000000) Equity Shares of Rs. 10 each	110,000,000	110,000,000	110,000,000
		110,000,000	110,000,000	110,000,000
	Issued Subscribed & Paid-up Share Capital:- 10732272 (10732272) Equity Shares of Rs. 10 each fully paid up	107,322,720	107,322,720	107,322,720
	Less: Calls in Arrears (Other than Directors)	101,610	101,610	101,610
	107,221,110	107,221,110	107,221,110	

9.1 List of Share Holders having more than 5% holding

Sr. No.	Name of Shareholder	As at 31 March, 2018		As at 31 March, 2017		As at 31 March, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Saurabh Patel	1,063,300	9.91%	1,063,300	9.91%	1,063,300	9.91%
2	Tapsya Sheth	974,900	9.08%	974,900	9.08%	974,900	9.08%
3	Meena Shah	1,051,000	9.79%	1,051,000	9.79%	1,051,000	9.79%
4	Pulkit Shah	1,096,500	10.22%	1,096,500	10.22%	1,096,500	10.22%
5	Jaydeep Suthar	1,037,400	9.67%	1,037,400	9.67%	1,037,400	9.67%
6	Deepak Kapre	1,000,000	9.32%	1,000,000	9.32%	1,000,000	9.32%

9.2 The Reconciliation of the number of shares outstanding is set out below :

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balance as at the beginning of the year	10,732,272	10,732,272	10,732,272
Issued during the year	-	-	
Balance as at the end of the year	10,732,272	10,732,272	10,732,272

9.3 Terms and Rights attached to equity Shares

The company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pay dividend proposed by the Board of Directors is subject to approval of the Shareholding in the ensuing Annual General Meeting.

9.4 The company has not issued any Right/ Bonus shares during any preceding year.

SAPTAK CHEM AND BUSINESS LIMITED (CIN: L24299GJ1980PLC101976)
Notes to the Financial Statements for the Year ended 31st March, 2018
Note no. 4 : Property, Plant and Equipment

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2017	Addition for the year	Transfer / Adjusted for the year	As at 31.03.2017	As at 01.04.2017	Addition for the year	Transfer / Adjusted for the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Computers	100,557	-	-	100,557	-	-	-	-	100,557	100,557	0
Total Property, Plant and Equipment	100,557	-	-	100,557	-	-	-	-	100,557	100,557	-

SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)
NOTES TO THE FINANCIAL STATEMENTS

21. Disclosure of Interest in other Entities:

As per Ind AS 112 - Disclosure of Interest in other Entities', as notified by the Rules, the disclosures of transactions with the related parties as defined in the accounting standard are given below:

A. Related parties with whom transactions have taken place during the year

Key management personnel

Mrs. Rita Garg
Mr. P.D Sharma
Mr. Manthan Rajeshbhai Bhavsar
Mr. Rohitkumar Jasvantlal Parikh

B. Transactions between the Company and related parties and the status of outstanding balances as at March 31, 2018:

C. Disclosure of significant transactions with related parties: NIL

22. a) In opinion of the directors, contingent liability not provided is Rs. Nil. (Nil)
b) Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs. Nil (Nil).
23. Balances of Trade Payables, Unsecured Loans, Trade Receivables, Long Term and Short Term Loans & Advances, In-operative bank accounts, Other Current and Other Non Current Assets and Provisions are subject to the confirmation of the parties concerned. Wherever confirmation of the parties for the amounts due to them/ amounts due from them as per books of accounts are not received, necessary adjustments, if any, will be made when the accounts are reconciled / settled.
24. Previous year accounts being audited by another auditor, opening balances wherever disclosed are being relied upon the said accounts and as certified by management of the company.
25. In the absence of information regarding outstanding dues of MICRO or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule III to the Companies Act.
26. Wherever no vouchers and documentary evidences were made available for our verification, we have relied on the authentication given by management of the company.

SAPTAK CHEM AND BUSINESS LIMITED
(Formerly known as Munak Chemicals Limited)
NOTES TO THE FINANCIAL STATEMENTS

27. Figures have been rounded off to the nearest rupee wherever required.

As per our report of even date
For, Hemant C. Parikh & Co
Chartered Accountants

For and on behalf of the Board
Saptak Chem and Business Limited
(Formerly Munak Chemicals Limited)

Sd/-
Hemant C. Parikh
(Proprietor)
M. No.: 031780

Sd/-
Manthan Bhavsar
Director
DIN: 05208214

Sd/-
Rohitkumar Parikh
Director
DIN: 07394964

Place: Ahmedabad
Dated: 09-05-2018

Place: Ahmedabad
Dated: 09-05-2018

Reg. Add: 3, Mohan Chamber, Beside Post Office, Dakor Kheda- 388225, Gujarat.

ATTENDANCE SLIP
ANNUAL GENERAL MEETING - 13th September, 2018 at 11.00 am

DP Id.		Client Id. / Ben. A/c.	
Folio No.		No. of Shares	

I certify that I am a registered shareholder/Proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the **Annual General Meeting** of the Company being held on **13th September, 2018 at 11.00 am** at 3, Mohan Chamber, Beside Post Office, Dakor Kheda- 388225, Gujarat.

Full Name of the Shareholder / Proxy (In Block Letter)

Signature

=====

Form No. MGT-11**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L24299GJ1980PLC101976

Name of the company: SAPTAK CHEM AND BUSINESS LIMITED

Registered office: 3, Mohan Chamber, Beside Post Office, Dakor Kheda- 388225 (Gujarat)

Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

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

1. Name:
 Address:
 E-mail Id:
 Signature: or failing him,

2. Name:
 Address:
 E-mail Id:
 Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the 13th day of September, 2018 at 11.00 a.m. at 3, Mohan Chamber, Beside Post Office, Dakor Kheda- 388225 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description	For	Against
1	To Adopt Audited Balance Sheet of the Company as at 31 st March, 2018 and the Statements of Profit & Loss for the year ended on that date together with the reports of Board of Directors and Auditors thereon.		
2	To appoint Director in place of Mr. Rohitkumar Jasvantlal Parikh who retires by rotation and being eligible offers himself for reappointment.		
3	To Ratify Appointment of M/s. Hemant C. Parikh., Chartered Accountants, Ahmedabad, Statutory Auditors of the Company.		
4	To Regularize the Appointment of Ms. Rima Nanavati (DIN: 08196967) as Independent Director of the Company		
5	To Regularize the Appointment of Mr. Chirag Nanavati (DIN: 08196966) as Independent Director of the Company		

Signed this..... day of..... 20....

Signature of Shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

If Undelivered, please return to:-
MCS Share Transfer Agent Limited
(Unit: Munak Chemicals Limited)
12/1/5, Manoharpukur Road,
Kolkata-700026

