

**27<sup>th</sup>**  
**ANNUAL REPORT**  
**2020-2021**



**SIGACHI LABORATORIES LIMITED**



**SIGACHI LABORATORIES LIMITED**

**Board of Directors:**

- |                           |                        |
|---------------------------|------------------------|
| 1. Sri. T.R. Sekhar       | - Executive Director   |
| 2. Sri. T. Govardhana Rao | - Independent Director |
| 3. Smt. Shilpa Bung       | - Independent Director |
| 4. Sri. G. Mohan Rao      | - Independent Director |
| 5. Sri. P. L.V. Subba Rao | - Director             |
| 6. Sri. T. Adinarayana    | - Chairman             |

**Key Managerial Personnel:**

- |                          |  |
|--------------------------|--|
| Ms. Lekha Sai Surapaneni | - Company Secretary & Compliance Officer |
| Mr. B. Kumar             | - Chief Financial Officer.               |

**Registered Office:**

S.No. 530 & 534, Bonthapally - 502 313, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana.

**Factories:**

Unit - I: S.No. 530 & 534, Bonthapally - 502 313, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana.

Unit - II: S.No.42, Ali Nagar, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana.

Corporate Office and Place where books of account are maintained :  
402, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001.

**Auditors:**

Niranjan & Narayan Chartered Accountants, Hyderabad - 500 016.

**Secretarial Auditors:**

P.S. Rao & Associates  
Company Secretaries, Hyderabad - 500 082.

**Bankers:**

Axis Bank Limited, State Bank of India

**Registrars & Share Transfer Agents:**

Venture Capital and Corporate Investments Pvt. Ltd.,  
12-10-167, Bharat Nagar, Hyderabad – 500 018.  
Phones: 040-23818475, 23818476, Fax:040-23868024,  
E-mail: investor.relations@vccipl.com, www.vccipl.com

**NOTICE**

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of SIGACHI LABORATORIES LIMITED will be held on Friday, the 24<sup>th</sup> day of September, 2021 at 3.00 P.M., through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements as at 31<sup>st</sup> March, 2021, together with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sri. P.L.V. Subba Rao (DIN:07268648), who retires by rotation and being eligible, offers himself for reappointment as Director.

**SPECIAL BUSINESS**

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

"RESOLVED THAT pursuant to the consideration and recommendation of the Nomination and Remuneration Committee and Board of Directors and provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government and such other sanctions and approvals, as may be required from time to time, Sri. Tunuguntla Raja Sekhar (holding DIN:02943146) be and is hereby reappointed as a Whole Time Director in the capacity and designation of Executive Director of the Company for a period of three years with effect from 11.06.2021 to 10.06.2024 on the following remuneration and other terms and conditions:

I. Salary:

Basic Salary of Rs.1,00,000/- (Rupees One Lakh only) per month with annual increment of 7.5% in the salary in accordance with the limits specified in Section II of Part II of Schedule V of the Companies Act, 2013, as amended from time to time.

House Rent Allowance (HRA) of Rs. 30,000/- (Rupees Thirty Thousand only) per month with perquisites as mentioned below:

II. Perquisites:

1. Medical Reimbursement:

Medical expenses incurred by the appointee on self, spouse and dependent children and/or Mediclaim policy will be reimbursed to him subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

2. Club Fees:

Fees of clubs subject to a maximum of two clubs excluding admission and life membership fees.

3. Car with driver for use on Company's business and telephone and internet connection at residence shall be provided and those shall not be considered as perquisites.

4. Leave at the rate of 30 days per calendar year of service. Leave calculation for a part of the calendar year at the date of appointment as Executive Director or on ceasing to be Executive Director shall be made on a pro-rata basis at the rate of two and a half days leave for every completed month of service. Leave accumulated and not availed of may be encashed at the end of the tenure or as per the rules of the Company.

5. Gratuity shall be payable at a rate not exceeding half month's Salary for each completed year of service.

6. The Company shall reimburse actual entertainment and traveling expenses incurred by the Executive Director in connection with the Company's business.

## SIGACHI LABORATORIES LIMITED

The Executive Director is not entitled to any sitting fees for attending any meetings of Board of Directors or committees thereof. The remuneration including perquisites stated above shall be subject to and within the overall limits for managerial remuneration in Section II of Part II of Schedule V of the Companies Act, 2013 read with section 196, 197 and 198 of the said Act. The nature of appointment shall be contractual, terminable by either party giving notice of two months so long as he functions as such. He is not liable to retire by rotation till he continues as Executive Director and further that the perquisites mentioned above shall be interchangeable."

"Resolved further that subject to the applicable provisions of the Companies Act, 2013, in the event of loss or inadequacy of profits, in any financial year during the tenure of appointment, the above mentioned salary shall be paid to Sri. Tunuguntla Raja Sekhar, Executive Director as minimum remuneration."

"Resolved further that the terms and conditions set out for appointment and/or agreements may be altered and varied from time to time by the Board during his tenure as Executive Director as it may, at its discretion, deem fit so as not to exceed the limits specified in Part II of Schedule V of the Companies Act, 2013 or any other amendments made there under in this regard."

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Sections 149, 150, 152, Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, Schedule IV and other provisions of the Companies Act, 2013 ("Act") and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and approval accorded by the Board of Directors of the Company, Smt. Shilpa Bung (DIN:08257931) who was appointed as an Additional Director in the capacity of Independent Women Director of the Company by the Board of Directors with effect from 10<sup>th</sup> February, 2021 and who holds office till the date of the ensuing Annual General Meeting in terms of Section 161 of the Act, be and is hereby appointed as a Director and Independent Women Director of the Company for a term of 5 (five) consecutive years with effect from 10<sup>th</sup> February, 2021 to 9<sup>th</sup> February, 2026 and shall not be subject to retirement by rotation."

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, read with Schedule IV to the Companies Act, 2013, ('Act') and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Sridevi Madati (DIN:02446610) who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the said Act and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director and Independent Director and based on the recommendations of nomination and remuneration committee and board of directors, be and is hereby appointed as a Director and Independent Director of the Company, to hold office from the date of this Annual General Meeting i.e., 24<sup>th</sup> September, 2021 for a term of five consecutive years and not liable to retire by rotation."

By Order of the Board of Directors  
for Sigachi Laboratories Limited

(Lekha Sai Surapaneni)  
Company Secretary  
ACS:57228

Place: Hyderabad  
Date : 31.07.2021

## NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5<sup>th</sup> May, 2020 read with circulars dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 13<sup>th</sup> January, 2021 (collectively referred to as 'MCA Circulars') and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 has permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM. The company has appointed Central Depository Services (India) Limited (CDSL) to provide Video Conferencing (VC)/Other Audio Visual Means (OAVM) facility for the 27<sup>th</sup> Annual General Meeting and the attendant enablers for conducting of the AGM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circular through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRIs etc.,) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC /OAVM, on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent to the Scrutinizer at the email address dvratnam97@gmail.com and to the Company at the email address viz., sigachilaboratories@yahoo.co.in.
4. Members desiring any information/clarifications regarding the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before the 20-9-2021 through email on sigachilaboratories@yahoo.co.in. The same will be replied by the company suitably.
5. The Register of Members and Share Transfer Books will remain closed from 18<sup>th</sup> September, 2021 to 24<sup>th</sup> September, 2021 (both days inclusive).
6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Venture Capital and Corporate Investments Private Limited in this regard.
7. The Company's Shares have been listed at Metropolitan Stock Exchange of India Limited and the listing fee has been paid up to 2021-2022.

8. Members holding shares in the same name, under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent (RTA)/Company.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
10. To support "Green Initiative" Members are advised to register their email address in respect of shares held in physical form to the company or Registrars and Share Transfer Agent of the company. Members who have not yet registered their email addresses are requested to register with concerned depository participant in respect of shares held in demat form to enable the company to serve documents in electronic form.
11. Members who hold shares in physical form can nominate any person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares.
12. During the AGM, Members may access the electronic copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act. Members desiring inspection of statutory registers and other relevant documents may send their request in writing to the Company at sigachilaboratories@yahoo.co.in, latest by 23<sup>rd</sup> September, 2021 (up to 3:00 p.m.).
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details and also their Bank Account Numbers to the Company/RTA.
14. Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2 (SS-2) on General meetings, brief profile of Sri. P.L.V. Subba Rao, the director liable for retirement by rotation, Sri. T. Raja Sekhar, Executive Director, Smt. Shilpa Bung, Independent Director and Ms. Sridevi Madati, Proposed Independent Director, is furnished as Annexure to the notice respectively.

Except Sri. P.L.V. Subba Rao, who is proposed to be reappointed as director of the company, none of the other directors or Key Managerial Personnel of the Company and their relatives are any way concerned or interested in the resolution. The board recommends for the approval of the members to pass the resolution as set out at item No.2 of the Notice as an Ordinary resolution.

Sri. T. Raja Sekhar, who is proposed to be reappointed as Executive Director and who is son of Sri. T. Adinarayana, Director of the company, none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution. The board recommends for the approval of the members to pass the resolution as set out at item No.3 of the Notice as a Special resolution.

Further Smt. Shilpa Bung, who is proposed to be appointed as an Independent Women Director, none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution. The board recommends for the approval of the members to pass the resolution as set out at item No.4 of the Notice as an Ordinary resolution.

Further Ms. Sridevi Madati, who is proposed to be appointed as an Independent Director, none of the other Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution. The board recommends for the approval of the members to pass the resolution as set out at item No.5 of the Notice as an Ordinary resolution.

15. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
16. In compliance with the Ministry of Corporate Affairs ("MCA") Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-2021 will also be available on the Company's website [www.slllab.com](http://www.slllab.com), website of the Metropolitan Stock Exchange of India Limited [www.msei.in](http://www.msei.in) and on the website of CDSL <https://www.evotingindia.com>.
17. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
18. E- Voting:
  - a. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA circulars dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 5<sup>th</sup> May, 2020, the Company is pleased to provide the Members with the facility to exercise their right to vote on resolutions proposed to be considered at the 27<sup>th</sup> Annual General Meeting (AGM) by electronic means, through the e-voting services provided by Central Depository Services (India) Limited (CDSL). The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
  - b. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the 27<sup>th</sup> AGM and announce the start of the casting of vote through the e-voting system of CDSL.
  - c. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

- d. The voting rights of members shall be in proportion to their shareholding in the paid up equity share capital of the company as on 17<sup>th</sup> September, 2021, being the cut-off date.
- e. The remote e-voting period commences on Tuesday, 21<sup>st</sup> September, 2021 (9:00 a.m. IST) and ends on Thursday, 23<sup>rd</sup> September, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 17<sup>th</sup> September, 2021 i.e., cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.  
  
The members of the Company, holding shares either in physical form or in dematerialized form, as on 17<sup>th</sup> September, 2021, being the cut-off date, may cast their vote (for or against) electronically. In case a person has become the member of the company after sending of AGM Notice but on or before the cut-off date i.e., 17<sup>th</sup> September, 2021 may write to M/s. Venture Capital and Corporate Investments Private Limited, (RTA), email: investor.relations@vccipl.com requesting for the user ID and pass word/sequence number. After receipt of the above credentials please follow the instructions for share holders voting electronically.
- f. The Members who have casted their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
- g. The Board has appointed Mr. D. Venkata Ratnam, Chartered Accountant, of M/s. Suresh and Babu, Chartered Accountants, as scrutinizer for conducting the remote e-voting and voting during the Annual General Meeting in a fair and transparent manner.
- h. Members can opt for only one mode of voting, i.e., e-voting in view of the COVID 19 pandemic and members may refer to the detailed procedure on e-voting as mentioned here under:

Instructions for e-voting and joining the AGM are as follows:

The instructions for shareholders for e-voting and Joining Virtual Meeting are as under:

- (i) The e-voting period will commence on Tuesday, 21<sup>st</sup> September, 2021 (9:00 a.m. IST) and ends on Thursday, 23<sup>rd</sup> September, 2021 (5:00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e., 17<sup>th</sup> September, 2021 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.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

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

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

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e., CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration">https://web.cdslindia.com/myeasi/Registration</a> EasiRegistration.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for "IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

# SIGACHI LABORATORIES LIMITED

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders): <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>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.</li> </ul>

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- viii. For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the EVSN for the relevant Company, Sigachi Laboratories Limited, on which you choose to vote.
- x. 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.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print out of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
  - \* Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.,) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - \* A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - \* After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - \* The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

## SIGACHI LABORATORIES LIMITED

- \* A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- \* Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc., together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz., sigachilaboratories@yahoo.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sigachilaboratories@yahoo.co.in. The Company reserves the right to restrict the number of speakers and time for each speaker depending on availability of time for the AGM. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sigachilaboratories@yahoo.co.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

## SIGACHI LABORATORIES LIMITED

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

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

#### General Instructions

1. The Scrutiniser, after scrutinising the votes cast at the meeting and through remote e-voting, unblock the votes cast in the presence of atleast two witnesses, not in the employment of the company, not later than two days of conclusion of the AGM, make a consolidated Scrutiniser's Report of the total votes cast in favor or against, if any, and submit the same to the Chairman or to a person authorized by him in writing.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.slilab.com](http://www.slilab.com) and on the website of CDSL i.e., [www.evotingindia.com](http://www.evotingindia.com). The Company shall simultaneously forward the results to Metropolitan Stock Exchange of India Limited, where the shares of the Company are listed, within two working days of conclusion of its AGM.
3. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e., on 24<sup>th</sup> September, 2021.

By Order of the Board of Directors  
for Sigachi Laboratories Limited

(Lekha Sai Surapaneni)  
Company Secretary  
ACS:57228

Place: Hyderabad  
Date :31.07.2021

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:****Item No.3**

The Members may note that Sri. T. Raja Sekhar had been appointed as a Whole time Director in the capacity and designation of Executive Director of the company for a period of three years on 11<sup>th</sup> June, 2018 by the Board of Directors and his appointment was approved by members at the 24<sup>th</sup> Annual General Meeting of the company held on 7<sup>th</sup> September, 2018. Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 11<sup>th</sup> June 2021 approved the reappointment of Sri. T. Raja Sekhar as Whole time Director in the capacity and designation of Executive Director of the company for further period of three years, w.e.f. 11<sup>th</sup> June, 2021 to 10<sup>th</sup> June, 2024 on a remuneration and other terms and conditions mentioned in the proposed special resolution.

Sri. T. Raja Sekhar holds 26,500 (Twenty Six Thousand Five Hundred Only) equity shares constituting 0.39% of total equity share capital of the Company.

Except Sri. T. Raja Sekhar and Sri. T. Adinarayana, Directors of the company, none of the other Directors and Key Managerial Personnel of the company or their respective relatives are concerned or interested in the said Special resolution.

The Board is of the opinion that the aforesaid Special Resolution at Item No.3 is in the interests of the Company and hence, recommends for the approval of Members.

**Annexure:****I. General Information:**

1. Nature of Business:  
Manufacture of Bulk Drugs and Intermediates (Pharmaceutical Products) and also carrying on Investments in shares and securities.
2. Year of Commencement of Commercial production: 2000
3. In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus: Not Applicable.
4. Financial performance:

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2019
Turnover/Gross Revenue	385.70	172.57	197.78
Profit/(Loss) before Interest, Depreciation and Tax	330.22	131.94	142.12
Net Profit/(Loss)	275.41	70.66	104.51

The effective capital of the Company based on the latest audited accounts of the Company for the Year ended 31<sup>st</sup> March, 2021 was Rs. 1,819.74 Lakhs, excluding OCI.

5. Foreign investment or collaboration, if any: The Company has no foreign collaboration so far.

**II. Information about the appointee:**

**1. Background details:**

Sri T. Raja Sekhar, aged about 38 years, has studied BE., and did his Masters in Engineering in USA.

2. Past remuneration: Rs.12.21 Lakhs per annum.

3. Recognition or awards: NIL

4. Job profile and his suitability: Sri T. Raja Sekhar, is a director of the company for about 8 years and worked as Executive Director for 3 years in the company and is also having about 7 years working experience with various other companies. He is well suited for the job.

5. Remuneration proposed: As mentioned in the special resolution.

6. Comparative remuneration with respect to industry, size of the Company, profile of the position and person:

Considering the size of the Company and the job profile of the position and the credentials, qualifications and experience of the appointee, the remuneration proposed is moderate and reasonable and compares well with that of similar companies.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Sri T. Raja Sekhar is part of promoter group and together with his family members, holds substantial stake in the Company. He has no relationship with any other Directors except Sri. T. Adinarayana, Director of the Company.

**III. Other Information:**

1. Reasons for loss or inadequate profits:

The margins in the business are reasonable and the company has leased its two factories from 1-11-2017 and as such there were no losses but inadequate profits.

2. Steps taken or proposed to be taken for improvement:

The Company is looking forward to take all such steps and measures for improvement of margins through investments, diversification and restructuring etc., which are in the best interests of the company. The Company is making all possible efforts to increase its profitability.

3. Expected increase in productivity and profits in measurable terms:

The company had leased out its two factories and is expected to register an increase of about 5% per annum due to investment management, barring unforeseen circumstances.

**IV. Disclosures:**

The shareholders of the Company are informed of the remuneration package of the Executive Director through the notice of the Annual General Meeting. Further there are no performance linked incentives along with the performance criteria or service contracts, notice period, severance fees and Stock option in the remuneration package of the Executive Director.

The Corporate Governance report is attached as annexure to Director's report.

**Item No.4**

In accordance with the provisions of Section 149 read with schedule IV to the Companies Act, 2013, appointment of independent director requires approval of members of the company. Smt. Shilpa Bung was appointed as an Additional Director (Independent Women Director) of the Company at the Board Meeting held on 10<sup>th</sup> February, 2021 and whose tenure comes to an end at the ensuing Annual General Meeting.

The Nomination and Remuneration Committee and the Board of Directors at its meetings held on 10.2.2021 considered, approved and recommended, subject to the approval of the members, to appoint Smt. Shilpa Bung as an Independent Women Director with effect from 10<sup>th</sup> February, 2021 to hold office for a term of five consecutive years not liable to retire by rotation.

Smt. Shilpa Bung is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as an Independent Director. The Company has also received declaration from Smt. Shilpa Bung that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). In the opinion of the Board, Smt. Shilpa Bung fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations. She has 7 years experience in Drafting, Pleading and Secretarial field with expertise in Foreign Exchange Management Act, International Business advisory, structuring and regulatory affairs. She is a Practicing Company Secretary.

None of the other directors or Key Managerial Personnel of the Company and their relatives are any way concerned or interested in the resolution. Hence, the board recommends to the members to pass the resolution as set out at item No.4 of the Notice as an Ordinary resolution, for the approval of the Members.

**Item No.5**

Ms. Sridevi Madati is proposed to be appointed as an Independent Director for a term of five consecutive years, in Pursuance of Sections 149,150,152,160 and other applicable provisions of the Companies Act 2013 ("Act") and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director and Independent Director.

The Nomination and Remuneration Committee and the Board of Directors at its meetings held on 31.7.2021 considered and recommended, subject to the approval of the members, the appointment of Ms. Sridevi Madati as an independent director for a period of five consecutive years commencing from the date of 27<sup>th</sup> Annual General Meeting i.e., 24<sup>th</sup> September, 2021. She has about 17 Years of rich Experience in corporate, secretarial affairs, legal, regulatory matters, compliance assignments and had been associated with listed and non-listed Companies, NGO's in various capacities spanning from Company Secretary, Head of Legal and Secretarial Department, advisor etc., She is a Practicing Company Secretary.

**SIGACHI LABORATORIES LIMITED**

Ms. Sridevi Madati is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as an Independent Director. The Company has also received declaration from Ms. Sridevi Madati that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). In the opinion of the Board, Ms. Sridevi Madati fulfils the conditions for the appointment as an Independent Director as specified in the Act and the Listing Regulations.

None of the other directors or Key Managerial Personnel of the Company and their relatives are any way concerned or interested in the resolution. Hence, the board recommends to the members to pass the resolution as set out at item No.5 of the Notice, as an Ordinary resolution for the approval of the Members.

A brief Resume of all the proposed four appointees is given herein below in the Annexure.

By Order of the Board of Directors  
for Sigachi Laboratories Limited

Place: Hyderabad  
Date : 31.07.2021

(Lekha Sai Surapaneni)  
Company Secretary  
ACS:57228

**SIGACHI LABORATORIES LIMITED**

Annexure

Details of Directors/KMP's seeking appointment and/or re-appointment at the ensuing Annual General Meeting (as per Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard – 2 (SS-2).

Particulars	Director	Executive Director
Name	P.L.V. Subba Rao	T. Raja Sekhar
Date of Birth	07/05/1955	21/12/1982
Nationality	Indian	Indian
Age	66 years	38 years
Date of Appointment	30/03/2015	30/01/2010 (Reappointed as an Executive Director on 11-6-2021)
DIN	07268648	02943146
Experience	He has worked at Andhra Pradesh State Financial Corporation for about 33 years in various departments and cadres and retired as Assistant General Manager during the year 2013.	Sri T. Raja Sekhar, aged about 38 years, has studied BE., and did his Masters in Engineering in USA. He has been working as Whole Time Director in the capacity and designation of Executive Director since 3 years in the company. He has 7 years experience in service with various companies.
No. of equity shares held in the Company (as on 31 <sup>st</sup> March, 2021)	NIL	26,500
Qualifications	M.Com.,	B.E., MS (USA),
Directorships other Public Companies (excluding Foreign, Private and Section. 8 Companies)	NIL	Ushakiran Finance Ltd.,
Membership/Chairmanship of Committees of other Public Companies	NIL	Member of Audit committee and Nomination and Remuneration Committee in Ushakiran Finance Ltd.,
Relationships, if any, between Directors inter- se	NIL	Son of Mr. T. Adinarayana, Director
Remuneration Sought to be paid per annum	Sitting Fees as approved by the Board of Directors	Rs. 15.60 Lakhs+Perks as proposed in the resolution
Remuneration last drawn per annum	Sitting Fees of Rs.0.12 lakhs	Rs.12.21 lakhs
Terms and conditions of appointment / reappointment	Liable to retire by rotation	Not Liable to retire by rotation
Number of board meetings attended during the year	5	5

**SIGACHI LABORATORIES LIMITED**

<b>Particulars</b>	<b>Independent Director</b>	<b>Independent Director</b>
Name	Shilpa Bung	Sridevi Madati
Date of Birth	15/10/1988	10/01/1977
Nationality	Indian	Indian
Age	33 years	44 years
Date of Appointment	10-2-2021 appointed as an Additional director (Independent Women Director)	Proposed to be appointed as an Independent director at the ensuing AGM.
DIN	08257931	02446610
Experience	Smt. Shilpa Bung, aged about 33 years, studied B.Sc., Biotechnology and also did her graduation in law and she is Qualified Company Secretary & a member of Institute of Company Secretaries of India (ICSI). She has 7 years experience in Drafting, Pleading and Secretarial field with expertise in Foreign Exchange Management Act, International Business advisory, structuring and regulatory affairs. She is a Practicing Company Secretary.	Ms. Sridevi Madati, aged about 44 years, studied B.com., and also did her graduation in law and she is Qualified Company Secretary & a member of Institute of Company Secretaries of India (ICSI). She has 17 years experience in corporate, secretarial affairs, legal, regulatory matters, compliance assignments. She is a Practicing Company Secretary and also an Insolvency Professional.
No. of equity shares held in the Company (as on 31 <sup>st</sup> March, 2021)	NIL	NIL
Qualifications	BSc., ACS., LLB.,	B.Com., FCS., LLB., Insolvency Professional
Directorships other Public Companies (excluding Foreign, Private and Section. 8 Companies)	NIL	Non Executive Director at M/s. Danlaw Technologies India Limited
Membership/Chairmanship of Committees of other Public Companies	--	--
Relationships, if any, between Directors inter- se	--	--
Remuneration Sought to be paid per annum	Sitting Fees as approved by the Board of Directors	Sitting Fees as approved by the Board of Directors
Remuneration last drawn per annum	--	--
Terms and conditions of appointment / reappointment	Not Liable to retire by rotation	Not Liable to retire by rotation
Number of board meetings attended during the year	2	NA

**DIRECTORS' REPORT**

**To  
The Members,**

Your Directors have pleasure in presenting the Twenty Seventh Annual Report on the business of your company, together with the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2021 along with Auditors' Report thereon.

**FINANCIAL HIGHLIGHTS**

(Rupees in Lakhs)

Particulars	2020-2021	2019-2020
Sales/Income from operations	<b>385.70</b>	172.57
Profit before Depreciation and Amortization and Tax	<b>330.22</b>	131.94
Depreciation and Amortization	<b>16.58</b>	15.32
Profit before Tax	<b>313.65</b>	116.62
Provision for Taxation:		
Current Tax	<b>39.88</b>	44.02
Deferred Tax	<b>(1.64)</b>	1.94
Profit after Tax	<b>275.41</b>	70.66

**2. OPERATING RESULTS**

Your company has generated total Gross Income of Rs.385.70 Lakhs during the financial year 2020-2021 as against Rs.172.57 Lakhs during the financial year 2019-2020 and has earned net profit of Rs. 275.41 Lakhs as against Rs. 70.66 Lakhs respectively as per IND AS. The Company has leased its two factories with effect from 01-11-2017 with due approvals.

**3. DIVIDEND**

With a view to conserve resources for long term needs of the Company, your directors do not recommend any dividend for the Financial Year 2020-2021.

**4. TRANSFER TO RESERVE**

The Company did not transfer any amount to the General Reserve for the Financial Year ended 31<sup>st</sup> March, 2021.

**5. CHANGE IN THE NATURE OF BUSINESS**

During the year under review, there has been no change in the nature of business of the Company.

**6. CHANGES IN THE SHARE CAPITAL**

The paid up share capital of the company as on 31<sup>st</sup> March, 2021 is Rs.6,75,31,000/- consisting of 67,53,100 Equity Shares of Rs.10/- each. During the year under review, the company has not issued any fresh shares.

**7. DIRECTORS**

During the year under review, Sri. P.L.V. Subba Rao is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment. Ms. K. Suneetha, Independent Director of the company has resigned on 10-2-2021 and board places its appreciation for the valuable services rendered by her as an independent director of the company.

Sri. T. Raja Sekhar has been reappointed as Whole Time Director in the capacity and designation of Executive Director of the company at the Board Meeting held on 11-6-2021 for a period of three years and the board based on the recommendation of Nomination and Remuneration Committee do hereby recommend to the members for his re-appointment, as a Whole Time Director in the capacity and designation of Executive Director of the company.

Further Smt. Shilpa Bung, was appointed as an Additional Director (Independent Women Director) at the Board Meeting held on 10<sup>th</sup> February, 2021 and whose tenure comes to an end at the ensuing Annual General Meeting, the board based on the recommendation of Nomination and Remuneration Committee do hereby recommend to the members for her appointment as an Independent Women Director of the company for period of five consecutive years with effect from 10<sup>th</sup> February, 2021 at the ensuing Annual General Meeting. Ms. Sridevi Madati is proposed to be appointed as an independent director of the company, the board based on the recommendations of Nomination and Remuneration Committee do hereby recommends for her appointment for a period of five consecutive years at the ensuing Annual General Meeting.

All the Independent Directors of your Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Rules made there under and also as per applicable regulations of the SEBI (LODR) Regulations, 2015. Further, they have also confirmed that they are not aware of any circumstances or situations, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge the duties with an independent judgement and without any external influence.

None of the Directors are disqualified from being appointed or holding office as Directors, as stipulated under Section 164 of the Companies Act, 2013.

#### **8. BOARD MEETINGS**

During the financial year 2020-2021, Five Board Meetings were properly convened and held on 31<sup>st</sup> July, 2020, 15<sup>th</sup> September, 2020, 13<sup>th</sup> November, 2020, 10<sup>th</sup> February, 2021, 30<sup>th</sup> March, 2021.

#### **9. BOARD EVALUATION**

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive/non-executive/independent directors through a peer-evaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy, and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the survey. Independent directors have three key roles: governance, control and guidance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and its minority shareholders etc., The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors and the Executive Director was carried out by the Independent Directors.

#### **10. KEY MANAGERIAL PERSONNEL**

The Board designated Sri. T. R. Sekhar, Whole Time Director in the designation and capacity of Executive director, Sri. B. Kumar, Chief Financial Officer and Miss. Lekha Sai Surapaneni, Company Secretary and Compliance Officer, as Key Managerial personnel of the Company under the provisions of the Companies Act, 2013. During the year under review, there are no changes in the Key Managerial personnel of the Company.

#### **11. NAMES OF THE COMPANIES WHICH HAVE BECOME/CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

The Company did not have any subsidiaries, associates or joint ventures during the year.

#### **12. FIXED DEPOSITS**

The Company has not accepted any Fixed Deposits and as such no principal or interest was outstanding as on the date of the balance sheet.

#### **13. SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the regulators or courts which would impact going concern status and its operations in future.

#### **14. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in place proper and adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting, timely feedback, compliance with policies, procedures, applicable laws and regulations. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Audit committee actively reviews the adequacy and effectiveness of the Internal Financial control and suggests the improvements for the same.

#### **15. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements under Section 134 (3) (c) and read with Section 134 (5) of the Companies Act, 2013, in respect of Directors' responsibility statement, Your Directors state that:

- (i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) Appropriate accounting policies had been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March, 2021 and of the Profit and Loss of the Company for that period;

- (iii) 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;
- (iv) The annual accounts have been prepared on a going concern basis;
- (v) Internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- (vi) That proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **16. AUDITORS**

M/s. Niranjana & Narayan, Chartered Accountants, Hyderabad were appointed as statutory auditors of the Company for a period of 5 years at the 23<sup>rd</sup> Annual General Meeting held on 29<sup>th</sup> September, 2017 and will hold office till the conclusion of 28<sup>th</sup> Annual General Meeting.

#### **17. AUDITORS' REPORT**

There are no qualifications, reservations or adverse remarks made by M/s. Niranjana & Narayan, Chartered Accountants, Statutory Auditors in their report for the Financial Year ended 31<sup>st</sup> March, 2021.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company under sub-section (12) of section 143 of the Companies Act, 2013, during the year under review.

#### **18. SECRETARIAL AUDITORS**

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 M/s. P.S. Rao & Associates a firm of Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year 2020-2021 is annexed herewith as Annexure - I to this Report.

#### **19. SECRETARIAL AUDIT REPORT**

There are no qualifications, reservations or adverse remarks made by M/s. P.S. Rao & Associates, Practising Company Secretaries in their report for the financial year ended 31<sup>st</sup> March, 2021.

#### **20. INTERNAL AUDITORS**

The Board on the recommendations of the Audit Committee has appointed M/s. Suresh and Babu, Chartered Accountants as internal auditors of the Company. The Internal Auditors are submitting the reports regularly.

#### **21. AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. During the year, the board has reconstituted the composition of the audit committee of the company.

The following is the composition of Audit Committee as at 31<sup>st</sup> March, 2021:

1. Sri. T. Govardhana Rao, Chairman
2. Smt. Shilpa Bung
3. Sri. T. Adinarayana
4. Sri. G. Mohan Rao

All the recommendations made by the Audit Committee of the Company have been considered and accepted by the Board of Directors of the Company.

## **22. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee has been reconstituted by the board of directors during the year under review.

The following is the composition of Nomination and Remuneration Committee as at 31<sup>st</sup> March, 2021:

1. Sri. T. Govardhana Rao, Chairman
2. Smt. Shilpa Bung
3. Sri. P.L.V. Subba Rao

The Nomination and Remuneration Committee has been constituted to recommend a policy of the company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of director and other matters and to frame proper systems for identification, appointment of Directors and KMPs, Payment of remuneration to them and evaluation of their performance and to recommend the same to the board from time to time and any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time. The policy is also posted on the company's website [www.slllab.com](http://www.slllab.com).

## **23. STAKE HOLDERS RELATIONSHIP COMMITTEE**

The Stake Holders Relationship Committee has been reconstituted by the board of directors during the year under review.

The following is the composition of Stake Holders Relationship Committee as at 31<sup>st</sup> March, 2021:

1. Sri. T. Govardhana Rao, Chairman
2. Smt. Shilpa Bung
3. Sri. T. Adinarayana

The Committee focuses on shareholders' grievances and strengthening of investor relations. The committee looks after the services of the Registrars and Share Transfer Agents and recommends measures for providing efficient services to investors. The Committee specifically looks into investor complaints like transfer/transmission/transposition of shares and other related issues. There were no complaints pending for redressal as at 31<sup>st</sup> March, 2021.

## **24. CORPORATE SOCIAL RESPONSIBILITY**

The Company was not required to constitute Corporate Social Responsibility (CSR) Committee as the company has not met any of the thresholds mentioned in section 135 of the Companies Act, 2013 during the financial year under review. Hence reporting about the policy on Corporate Social Responsibility and initiatives taken are not applicable to the company.

**25. MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors of the company have met separately on 30<sup>th</sup> March, 2021 inter-alia, reviewed the performance of the Chairman, Executive Director, Non Independent Directors. The Independent Directors in the said meeting also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board to effectively and reasonably perform its duties.

**26. RISK MANAGEMENT POLICY**

The Company has developed and is implementing a risk management policy which includes the identification therein of elements of risk, which in the opinion of the board may threaten the existence of the Company.

**27. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES OF THE COMPANY**

Pursuant to the applicable provisions of the Companies Act, 2013 and applicable Regulations of SEBI (LODR) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns has been established.

The Company has a Whistle Blower Policy to deal with the instances of fraud and mismanagement, if any, in the Company. The Vigil Mechanism/Whistle Blower policy may be accessed on the Company's website at [www.slllab.com](http://www.slllab.com).

**28. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The company has adopted policy on prevention of sexual harassment of women at workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended March 31, 2021, the company has not received any complaints pertaining to sexual harassment.

**29. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 are annexed herewith as Annexure - II.

**30. RELATED PARTY TRANSACTIONS**

As a matter of policy, your company carries out transactions with related parties on an arms-length basis. Disclosures as required under form AOC-2 are annexed herewith as Annexure – III and also contained in Notes to Financial Statements. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel which may have a potential conflict with the interests of the company at large, except payment of remuneration to Key Managerial Personnel and sitting fee to the non executive directors. The policy on the related party transactions is also posted at the Company's website [www.slllab.com](http://www.slllab.com).

**31. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Sec.186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**32. LISTING OF EQUITY SHARES**

Your company shares are listed with the Metropolitan Stock Exchange of India Limited. The listing fee has been paid for the financial year 2021-2022.

**33. INSIDER TRADING REGULATIONS**

The Company has adopted a 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to all Directors and such Designated Employees and other connected persons 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 SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website viz., [www.slllab.com](http://www.slllab.com).

**34. DECLARATION OF COMPLIANCE OF CODE OF CONDUCT**

The Company has adopted a Code of Business Conduct and Ethics (the Code) which applies to all the employees and Directors of the Company. Under the Code, it is the responsibility of all the employees and directors to familiarize themselves with the code and comply with its standards and that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2020-2021. A Declaration in this regard is herewith attached as Annexure - IV.

**35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report, pursuant to Regulation 34 (2) of SEBI (LODR) Regulations, 2015 a Report on Management Discussion and Analysis is annexed hereto as Annexure - V.

**36. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO**

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 annexed herewith as Annexure - VI to this report.

**37. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company is herewith annexed as Annexure - VII.

In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company does not have any employee who is employed throughout the financial year and in receipt of remuneration of Rs.102 Lakhs or more, or employees who are employed for a part of the year and in receipt of Rs.8.5 Lakhs or more per month.

**38. CORPORATE GOVERNANCE**

Pursuant to Regulation 34 read with Schedule V of SEBI (LODR) Regulations, 2015, a report on Corporate Governance is herewith annexed as Annexure - VIII.

**39. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, affecting the financial position of the company which occurred during and between the end of the financial year to which the financial statements relate and the date of this report.

**40. IMPACT OF COVID-19 PANDEMIC**

The COVID-19 pandemic is a once in a lifetime occurrence that has brought with it unimaginable suffering to people and to almost all sections of the economy and continuity of it will have micro and macro level implications like unusual lockdowns resulting in economic uncertainty for your company.

The impact of the epidemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes and future economic conditions.

**41. MAINTENANCE OF COST RECORDS**

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

**42. SECRETARIAL STANDARDS**

Your Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

**43. ACKNOWLEDGEMENT AND APPRECIATION**

Your Directors gratefully acknowledge the continued assistance and co-operation extended by various Government Authorities, SEBI, Stock Exchange, other regulatory authorities and bankers. The Board expresses its appreciation of the understanding, dedication and support extended by the employees of the Company. Your Directors also sincerely acknowledge the confidence and faith reposed by the shareholders in the Company.

for and on behalf of the Board

Place : Hyderabad  
Date : 31.07.2021

(T. Adinarayana)  
Chairman  
DIN:00917498

Annexure - I

P.S. RAO & ASSOCIATES  
Company Secretaries

Flat No.10, 4<sup>th</sup> Floor,  
# 6-3-347/22/2,  
Ishwarya Nilayam,  
Opp: Sai Baba Temple,  
Dwarakapuri Colony,  
Panjagutta, Hyderabad-500082.

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended on March 31, 2021

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

To  
The Members  
**Sigachi Laboratories Limited**  
S.No.530 & 534,  
Bonthapally – 502313,  
Gummadidala Mandal, (formerly Jinnaram Mandal),  
Sangareddy District, (formerly Medak District),  
Telangana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sigachi Laboratories Limited**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. **(Not applicable to the company during the audit period.)**

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the audit period)**.
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period)**.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2018 **(Not applicable to the Company during the audit period)**.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period)**.
  - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. Other specifically applicable laws to the Company:
  - \* Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945 made there under.
  - \* The Narcotics, Drugs & Psychotropic Substances Act, 1985.
  - \* The Water (Prevention and Control of Pollution) Act, 1974.
  - \* Air (Prevention and Control of Pollution) Act, 1981.
  - \* Petroleum Rules, 2002.
  - \* The Micro, Small and Medium Enterprises Development Act, 2006.

We have also examined compliance with the applicable clauses Secretarial Standards issued by the institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

We 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.
- \* All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that

- \* there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- \* there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs except mentioned above.

For **P. S. Rao & Associates**  
Company Secretaries

Date : 31.07.2021  
Place: Hyderabad

**MB Suneel**  
Company Secretary  
C.P.No:14449  
UDIN:A031197C000718444

Note: This report is to be read with our letter of even date which is annexed as '**Annexure A**' and forms an integral part of this report.

**Annexure A'**

To  
The Members  
**Sigachi Laboratories Limited**  
S.No.530 & 534,  
Bonthapally – 502313,  
Gummadidala Mandal, (formerly Jinnaram Mandal),  
Sangareddy District, (formerly Medak District),  
Telangana

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, we 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. Our 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.

For **P. S. Rao & Associates**  
Company Secretaries

Date : 31.07.2021  
Place: Hyderabad

**MB Suneel**  
Company Secretary  
C.P.No:14449

**SIGACHI LABORATORIES LIMITED**

Annexure - II  
**Form No. MGT - 9**

**EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on 31<sup>st</sup> March, 2021  
[pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i	CIN	L24230TG1994PLC018786
ii	Registration date	21 <sup>st</sup> November, 1994
iii	Name of the Company	Sigachi Laboratories Limited
iv	Category/Sub category of the Company	Public Company - Indian Non- Government Company
v	Address of the Registered office and Contact details	Regd. Office: S.No. 530 & 534, Bonthapally - 502 313, <b>Gummadidala Mandal, (formerly Jinnaram mandal)</b> , Sangareddy District, (formerly Medak District), Telangana.  Corporate Office: 402, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500001. Telangana, Tel.: 040-23204230. Email: sigachilaboratories@yahoo.co.in
vi	Whether listed Company	Yes
vii	Name, Address & Contact details of Registrar and Transfer Agent, if any	Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad - 500 018. Tel: 040 - 23818475/76. Email: investor.relations@vccipl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company are as stated below.

Sl.No.	Name and Description of main products/ <b>services</b>	NIC Code of the products/services	% to total turnover of the Company
1	Pharmaceutical Products (Bulk Drugs and Drug Intermediates)	210	54%
2	Interest on loans/ ICDs, Fixed Deposits	649	46%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
		NIL			

**IV. SHAREHOLDING PATTERN**  
**(Equity Share Capital Breakup as Percentage of Total Equity)**

**i) Category - wise Share Holding**

Sl.No.	Category of Shareholder(s)	No. of Shares held at the Beginning of the Year (1 <sup>st</sup> April, 2020)				No. of Shares held at the End of the Year (31 <sup>st</sup> March, 2021)				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
1	Indian									
(a)	Individuals/Hindu Undivided Family	9,65,650	-	9,65,650	14.30	9,65,650	-	9,65,650	14.30	-
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	15,18,530	-	15,18,530	22.49	15,18,530	-	15,18,530	22.49	-
(e)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	24,84,180	-	24,84,180	36.79	24,84,180	-	24,84,180	36.79	-
2	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoters (A) = (A)(1) + (A)(2)	24,84,180	-	24,84,180	36.79	24,84,180	-	24,84,180	36.79	-

(B)	Public Shareholding									
1	Institutions									
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-
(b)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
2	Non-Institutions									
(a)	Bodies Corporate									
(i)	Indian	7,700	1,25,500	1,33,200	1.97	8,400	1,25,500	1,33,900	1.98	0.01
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
(i)	Individual shareholders holding Nominal Share Capital upto Rs. 1 Lakh	2,62,850	22,90,910	25,53,760	37.82	2,67,150	22,85,910	25,53,060	37.81	(0.01)
(ii)	Individual shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	45,010	73,000	1,18,010	1.75	55,510	73,000	1,28,510	1.90	0.16
(c)	Any Other (specify)									
(i)	Non Resident Indians	26,250	14,37,700	14,63,950	21.68	15,750	14,37,700	14,53,450	21.52	(0.16)
	Sub-Total (B)(2)	3,41,810	39,27,110	42,68,920	63.21	3,46,810	39,22,110	42,68,920	63.21	-
	Total Public Shareholding (B) = (B)(1)+(B)(2)	3,41,810	39,27,110	42,68,920	63.21	3,46,810	39,22,110	42,68,920	63.21	-
(C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A)+(B)+( C)	28,25,990	39,27,110	67,53,100	100	28,30,990	39,22,110	67,53,100	100	-

**(ii). Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year (As on 1 <sup>st</sup> April, 2020)			Shareholding at the end of the year (As on 31 <sup>st</sup> March, 2021)			% change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	T. Adinarayana	7,53,530	11.16	-	7,53,530	11.16	-	-
2	T.H.P.S. Kumar	54,010	0.80	-	54,010	0.80	-	-
3	T. Bhagya Lakshmi	51,110	0.76	-	51,110	0.76	-	-
4	T. Lakshmi Pravallika	37,000	0.55	-	37,000	0.55	-	-
5	T. Raja Sekhar	26,500	0.39	-	26,500	0.39	-	-
6	T. Nanda Krishna	29,500	0.44	-	29,500	0.44	-	-
7	T. Archana	14,000	0.21	-	14,000	0.21	-	-
8	Krishnaraj Securities Pvt Ltd.,	15,18,530	22.49	-	15,18,530	22.49	-	-
	Total	24,84,180	36.79	-	24,84,180	36.79	-	-

## (iii). Change in promoters' shareholding (please specify, if there is no change)

Sl. No.	Shareholder's Name	Shareholding		Increase/(Decrease) in Shareholding		Cumulative Shareholding during the year (01.04.2020 to 31.03.2021)		
		No. of Shares at beginning of the year (01.04.2020)/ end of the year (31.03.2021)	% of Total Shares of the company	Date	No. of Shares	Reason	No. of Shares	% of Total Shares of the Company
1	T. Adinarayana	7,53,530 7,53,530	11.16 11.16	01.04.2020 31.03.2021	No Change during the year		7,53,530 7,53,530	11.16 11.16
2	T.H.P.S. Kumar	54,010 54,010	0.80 0.80	01.04.2020 31.03.2021	No Change during the year		54,010 54,010	0.80 0.80
3	T. Bhagya Lakshmi	51,110 51,110	0.76 0.76	01.04.2020 31.03.2021	No Change during the year		51,110 51,110	0.76 0.76
4	T. Lakshmi Pravallika	37,000 37,000	0.55 0.55	01.04.2020 31.03.2021	No Change during the year		37,000 37,000	0.55 0.55
5	T. Raja Sekhar	26,500 26,500	0.39 0.39	01.04.2020 31.03.2021	No Change during the year		26,500 26,500	0.39 0.39
6	T. Nanda Krishna	29,500 29,500	0.44 0.44	01.04.2020 31.03.2021	No Change during the year		29,500 29,500	0.44 0.44
7	T. Archana	14,000 14,000	0.21 0.21	01.04.2020 31.03.2021	No Change during the year		14,000 14,000	0.21 0.21
8	Krishnaraj Securities Private Limited	15,18,530 15,18,530	22.49 22.49	01.04.2020 31.03.2021	No Change during the year		15,18,530 15,18,530	22.49 22.49

(iv). Shareholding Pattern of top ten Shareholders  
(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding at the beginning of the year		Date	Reason	Increase/ (Decrease) in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Shasun Finance Limited	50,000	0.74	-	-	-	-	50,000	0.74
2	Indur kirpalani	50,000	0.74	-	-	-	-	50,000	0.74
3	Shasun Securities Limited	50,000	0.74	-	-	-	-	50,000	0.74
4	Srinivasa Seetharama Thulasi	33,000	0.49	-	-	-	-	33,000	0.49
5	Premkumar Parwal	25,000	0.37	-	-	-	-	25,000	0.37
6	Y Pulla Rao	20,010	0.30	-	-	-	-	20,010	0.30
7	Lachman Kishan Chand Kishore kishan chand Bharat kishan chand	20,000	0.30	-	-	-	-	20,000	0.30
8	Gurucharan Jeet Singh	20,000	0.30	-	-	-	-	20,000	0.30
9	Pushpawati Modi Keshavlal Modi	20,000	0.30	-	-	-	-	20,000	0.30
10	Shekhar J Bhansali	20,000	0.30	-	-	-	-	20,000	0.30
11	Tarun Agarwal	20,000	0.30	-	-	-	-	20,000	0.30
12	Kishan Lal Agrawal	20,000	0.30	-	-	-	-	20,000	0.30
13	Ugamraj Nahar B	20,000	0.30	-	-	-	-	20,000	0.30

## (v). Shareholding of Directors and Key Managerial Personnel

Sl.No.	For Each of the Director/KMP	Shareholding at the beginning of the year		Date	Increase/ (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company				No. of Shares	% of Total Shares of the Company
Directors								
1	T. Adinarayana, Director	7,53,530	11.16	-	-	No Change during the year	7,53,530	11.16
2	T. Raja Sekhar, Executive Director	26,500	0.39	-	-	No Change during the year	26,500	0.39
3	B. Kumar, CFO	100	-	-	-	No Change during the year	100	-

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i). Principal Amount				
(ii). Interest due but not paid				
(iii). Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
Addition				
Reduction				
Net change				
Indebtedness at the end of the financial year				
(i). Principal Amount				
(ii). Interest due but not paid				
(iii). Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager	
		Mr. T. Rajasekhar, Executive Director	Rs.
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17 (1) of the Income tax Act, 1961	11,81,459	
	(b) Value of perquisites under Section 17 (2) of the Income tax Act, 1961	39,600	
	(c) Profits in lieu of salary under Section 17 (3) of the Income tax Act, 1961	-	
2	Stock option	-	
3	Sweat Equity	-	
4	Commission	-	
	- as percentage of profit	-	
	- others, please specify	-	
5	Others, please specify	-	
	Total (A)	12,21,059	
Ceiling as per the Act - Rs. 84,00,000/- per annum			

<b>VI. B. Remuneration to other Directors</b>						
Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount Rs.
		T. Govardhana Rao	K. Suneetha	Shilpa Bung	G. Mohan Rao	
1	Independent Directors	Rs.	Rs.	Rs	Rs.	Rs.
	Fee for attending board / committee meetings	12,000	12,000	-	12,000	36,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	12,000	12,000	-	12,000	36,000
2	Other Non-Executive Directors	Name of Directors				Total Amount Rs.
		P.L. V. Subba Rao				
	Fee for attending board / committee meetings		12,000			12,000
	Commission		-			-
	Others, please specify		-			-
	Total (2)		12,000			12,000
	Total = (1+2)					48,000
	Total Managerial Remuneration (A+B)		-			12,69,059

VI. C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD					
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	CFO	Total	
		S. Lekha Sai	B. Kumar	Rs.	Rs.
1	Gross salary	Rs.	Rs.	Rs.	Rs.
	(a) Salary as per provisions contained in Section 17 (1) of the Income tax Act, 1961	3,00,000	2,55,556	5,55,556	
	(b) Value of perquisites under Section 17 (2) of the Income tax Act, 1961	-	21,600	21,600	
	(c) Profits in lieu of salary under Section 17 (3) of the Income tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	-	-	-	
	- as percentage of profit	-	-	-	
	- others, please specify	-	-	-	
5	Others, please specify	-	-	-	
	Total	3,00,000	2,77,156	5,77,156	

VII. 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			NIL		
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

**SIGACHI LABORATORIES LIMITED**

Annexure – III

FORM NO. AOC – 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

Form for Disclosure of particulars of Contracts/Arrangements entered into by the Company with the related parties referred to in sec.188 of the Companies Act, 2013.

- 1 Details of contracts or arrangements or transactions not at arm's length basis: Nil
- 2 Details of material contracts or arrangements or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ Transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Dates of approval by the Board, if any	Amount in Rs.
T. Rajasekhar, Executive Director	Remuneration & Perquisites	3 years w.e.f. 11-6-2018	N.A.	11-06-2018	12,21,059
Lekha Sai Surapaneni, Company Secretary	Remuneration & Perquisites	Regular Employee	N.A.	11-03-2020	3,00,000
B. Kumar, Chief Financial Officer	Remuneration & Perquisites	Regular Employee	N.A.	01-10-2014	2,77,156

Thus other than payment of remuneration to the Key Managerial Personnel amounting to **Rs.17,98,215/-** (Rs.16,13,810/-) there are no other contracts or arrangements with the related parties.

Annexure - IV

**DECLARATION OF CODE OF CONDUCT**

The Company has adopted a Code of Business Conduct and Ethics (the Code) which applies to all the employees and Directors of the Company. Under the Code, it is the responsibility of all the employees and directors to familiarize themselves with the code and comply with its standards.

I hereby confirm that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2020-2021.

For Sigachi Laboratories Ltd.,

Place : Hyderabad  
Date : 31.07.2021

(T. R. Sekhar)  
Executive Director  
DIN: 02943146

## ANNEXURE - V

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY STRUCTURE AND DEVELOPMENTS:

The emerging pharma markets are expected to witness a rapid growth in the next few years due to a huge customer base, an increase in healthcare expenditure, disease incidence and the presence of supportive regulatory systems. The region is also fast adapting to new technologies and digital transformation. Going forward, to address the growth in demand associated with an increasingly elderly population and the rapid rise of non-communicable diseases (NCDs), governments will need to emphasise the control and prevention of NCDs while expanding national health insurance schemes to underserved groups.

## OPPORTUNITIES AND THREATS:

## Opportunities:

The accelerating global recovery continued infrastructural investments, supply-side push from reforms, low-interest credit disbursement, and easing of regulations are expected to aid upturn. Numerous policy initiatives were undertaken by the government and the Reserve Bank of India, including a stimulus package, aggressive policy rate cuts, loan moratorium and measures to boost liquidity among other initiatives help set the pace.

Economic growth, rising incidence of chronic diseases, increase in healthcare access and expected growth in per capita income would drive further expansion of the healthcare segment and invention of vaccines and other formulations for Covid 19 virus. Therefore, there is opportunity for Pharma Businesses to grow.

## Threats:

The emerging pharmaceutical industry may face the threats like (i) Reduced demand for prescription medicine; (ii) Growing competition from generic pharmaceuticals; (iii) Rising consumer expectations and difficulties managing brand health; (iv) Data breaches and other cyber security threats; (v) Supply chain disruptions. The Drugs Price Control may have an adverse impact on the sales/margins of many Pharmaceutical Companies.

The Pharma industry is highly aggressive, with challenges from Indian manufacturers who have similar production facilities and also from those abroad. Human resources with similar skills, talent, and experiences in the industry are mobile between competitors. Unfavorable changes in laws and regulations could impact and affect all the companies operating in the market.

## Segment-wise or product-wise performance:

The company has furnished segment wise performance in the notes to the financial statements for the year ended 31<sup>st</sup> March, 2021.

## Outlook:

The Company has leased out its two factories from 1-11-2017. Thus the company is dependent on lease rentals from only one party.

## Risks and concerns:

The Covid-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Markets. The COVID-19 outbreak forced many countries into months of lockdown in 2020 and also 2021, significantly bringing down economic activity. This had grave bearings across markets, even as several countries observed a second and third wave of the infections that disrupted normal living and working conditions.

## SIGACHI LABORATORIES LIMITED

### Internal Control Systems and Adequacy:

Effective internal controls is crucial for reducing the risk of financial loss. It helps to ensure accuracy, completeness and reliability in financial statements. Your company has in place adequate internal financial control system. The Company's internal control systems, including internal financial controls, are commensurate with the nature of its business and the size and complexity of its operations and same are adequate and operating effectively. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial control. The Company has put in place enhanced risk-based supervision systems and ensures continuous monitoring. Your company has taken proper care for the maintenance of adequate accounting records as required by various statutes.

### Financial Performance:

The Company has generated total Gross Income of Rs.385.70 Lakhs during the financial year 2020-2021 as against Rs.172.57 Lakhs during the financial year 2019-2020 and has earned net profit of Rs.275.41 Lakhs as against Rs.70.66 Lakhs respectively as per IND AS.

### Human Resources:

The current activities of the company may not require significant human resource, however to the extent possible requisite personnel have been engaged to take care of organization need of human resources. Accordingly, your company attributes importance to human resource development activities.

### Details of Key Financial Ratios:

(Rs. in Lakhs)

Sl. No.	Particulars	As at 31.3.2021	As at 31.3.2020	% Change
1	Debtors Turnover (Debtors/Lease rents)	-	0.20	(100)
2	Inventory Turnover	NA	NA	NA
3	Interest Coverage Ratio	NA	NA	NA
4	Current Ratio (Current assets/Current liabilities)	30.80	38.08	(19.12)
5	Debt Equity Ratio	NA	NA	NA
6	Operating Profit Margin (%) (PBIT/Total Revenue)	81.32	67.58	20.33
7	Net Profit Margin (%) (Net Profit/Total Revenue)	71.41	40.94	74.43
8	Return on Net Worth (%) (Net Profit/Net Worth)	10.29	3.56	189.04

The percentage change in debtors ratio indicates total recovery of debtors during the year 2020 - 2021.

The percentage change, (more than 25%) in other ratios are mainly due to change in Fair Value Gains.

### Cautionary statement:

The statements in this Management Discussion and Analysis describing the Company's objects, projections, estimates, expectations may be construed as "forward-looking" statements within the meaning of applicable securities laws and regulations and such forward looking statements involve risks and uncertainties. Actual results may differ from those expressed or implied. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements.

Annexure – VI

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Information as per Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the financial year ended 31<sup>st</sup> March, 2021:

**A) CONSERVATION OF ENERGY:**

i) Steps taken or impact on conservation of energy:

The Company is conscious of the need to conserve energy and is taking steps to save energy and appropriate measures are being taken for energy conservation.

ii) Steps taken by the Company for utilizing alternate sources of energy:

Your company is having multi fuel Boiler at one of its factories and is capable of utilizing alternative sources of energy.

iii) Capital invested on energy conservation equipment: NIL

**B) TECHNOLOGY ABSORPTION:**

There is no new technology absorption during the year.

	<b>2020-2021</b>	<b>2019-2020</b>
Expenditure incurred on Research and Development:	<b>Nil</b>	Nil
<b>C) FOREIGN EXCHANGE EARNINGS AND OUTGO:</b>		
	<b>2020-2021</b>	<b>2019-2020</b>
i) Foreign Exchange earnings :	<b>Nil</b>	Nil
ii) Foreign Exchange out go :	<b>Nil</b>	Nil

**SIGACHI LABORATORIES LIMITED**

**Annexure - VII**

Disclosure as per Section 197 of The Companies Act, 2013 and Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Age (years)	Qualifications	Designation	Date of Commencement of employment	Experience (years)	Gross Remuneration(CTC) (Rs.)	Previous Employment	Previous Designation
T.R. Sekhar	38	B.E., MS (USA),	Executive Director	11-6-2018	10	12,21,059/-	Krishnasai Granites (India) Private Limited	Business Development Manager
B. Kumar	40	B. Com.,	CFO	01-10-2014	13	2,77,156/-	Kids Fun Pvt Ltd.,	Accountant
Lekha Sai Surapaneni	27	B.Com., ACS.,	Company Secretary and Compliance Officer	11-03-2020	2	3,00,000/-	NA	NA

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

Name of Director	Ratio
T.R. Sekhar	6.60
K. Suneetha	0.06
T. Govardhana Rao	0.06
P.L.V. Subba Rao	0.06
G. Mohan Rao	0.06

ii) The percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name of Director/KMP	Designation	% of increase
T.R. Sekhar	Executive Director	5%
T. Govardhana Rao	Non Executive & Independent Director	NIL
K. Suneetha	Non Executive & Independent Director	NIL
G. Mohan Rao	Non Executive & Independent Director	NIL
Shilpa Bung	Non Executive & Independent Director	NIL
P.L.V. Subba Rao	Non Executive & Non Independent Director	NIL
Lekha Sai Surapaneni	Company Secretary	NIL
B. Kumar	Chief Financial Officer	9%

iii) There is an increase of 39.31% (excluding Executive Director) in the median remuneration of the employees in the financial year 2020-2021.

iv) The number of permanent employees on the rolls of the company are 8 as on 31<sup>st</sup> March, 2021.

v) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average % increase in salaries (median remuneration) of employees, other than managerial personnel in the Financial Year 2020-2021 is around 19% and there is a Increase of 11% in the managerial remuneration (KMPs) for the said Financial Year. The increase in the remuneration of other than managerial personnel was due to annual increments of the employees and prevailing market trend. The remuneration of managerial personnel is as per the provisions of the Companies Act, 2013.

vi) Affirmation that the remuneration is as per the remuneration policy of the company:

Yes - the remuneration is as per the Remuneration Policy of the Company.

## A) Top 10 Employees in terms of remuneration:

Name	Age (years)	Qualifications and experience of employee	Designation	Date of commencement of employment	Nature of employment	Remuneration (Rs. in Lakhs) Per Annum	Previous Employment	Relative of Director, if any	% of Shareholding
T. R. Sekhar	38	B.E., MS (USA), & 10 years	Executive Director	11-6-2018	Regular Employee	12.21	Krishna Sai Granites (India) Private Ltd.,	Son of Sri. T. Adinarayana, Director	0.39
Ch. V. Uma maheswara Rao	64	ITI & 37 years	Maintenance Manager	1-6-2020	Regular Employee	4.18	Sigachi Laboratories Ltd.,	—	—
Lekha Sai Surapaneni	27	B. Com., ACS., & 2 years	Company Secretary & Compliance officer	11-3-2020	Regular Employee	3.00	NA	—	—
B. Kumar	40	B.Com., & 13 years,	Chief Financial Officer	1-10-2014	Regular Employee	2.77	Kids fun Pvt Ltd.,	—	100 shares
K. Narayana Rao	23	SSC & 1 year	Driver	4-12-2019	Regular Employee	1.85	NA	—	—
T. Soundarya	26	B. Com., & 1 year	Office Assistant	2-3-2020	Regular Employee	1.02	NA	—	—
Y. Naresh	33	- & 1 year	Office Attender	1-08-2020	Regular Employee	0.99	NA	—	—
K. Rashmitha	26	B. Com., & 1 year	Office Assistant	1-08-2020	Regular Employee	0.76	Ushakiran Finance Ltd.	—	—

There is no employee who is drawing annual salary of Rs. 102 lakhs and more and monthly salary of Rs. 8.5 lakhs and more.

## Annexure – VIII

**REPORT ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Sigachi Laboratories Limited's ("the Company") Corporate Governance philosophy stems from the belief that Corporate Governance is a key element in improving efficiency and growth as well as enhancing investor confidence. Company also believes that Corporate Governance goes beyond regulatory requirement, and has laid strong emphasis on transparency, accountability, responsibility, fairness, integrity, consistent value systems and delegation across all of its operations.

Corporate Governance is based on the Principles of equity, fairness, integrity, transparency, accountability and commitment to values. The Company adopts a business process which is aimed at enhancing an organization's wealth while being committed to high ethical values and conduct.

**GOVERNANCE STRUCTURE**

The Corporate Governance structure of the Company is as follows:

**BOARD OF DIRECTORS**

The composition of Board of directors of the company is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As at March 31, 2021, the Company's Board of Directors consists of Six directors, out of which Three are Non-Executive Independent Directors. The directors of the Company do not serve as Independent Director in more than seven Listed Companies or in case he/she is serving as a whole-time director in any listed Company, does not hold such position in more than three listed Companies, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

**COMPOSITION AND CATEGORY OF DIRECTORS**

Name of Director	Category	Designation	No. of shares held in the Company (%)	Names of the Listed companies holding directorship & category of such directorship held
T. Adinarayana	Promoter-Non Executive	Non Executive Director	7,53,530 (11.16%)	Ushakiran Finance Limited (Director)
T. R. Sekhar	Promoter-Executive	Executive Director	26,500 (0.39%)	Ushakiran Finance Limited (Director)
P.L.V. Subba Rao	Non Executive	Non Executive Director	NIL	NIL
T.Govardhana Rao	Non Executive	Independent Director	NIL	NIL
G. Mohan Rao	Non Executive	Independent Director	NIL	NIL
Shilpa Bung	Non Executive	Independent Director	NIL	NIL

**Reasons for resignation of Independent Director**

Ms. K. Suneetha (DIN: 03291895) Independent Director of the Company, ceased to be the Director on 10<sup>th</sup> February 2021 due to pre-occupations with certain other activities. There were no other material reasons than those provided above in her resignation letter received by the Board.

**Details of Directors proposed for Re-Appointment and Regularization of Appointment at the Annual General Meeting**

- (i) Sri. P.L.V. Subba Rao shall retire by rotation and being eligible, seeks re-appointment.
- (ii) Sri. T. Rajasekhar is proposed to be reappointed as a Whole time Director in the capacity and designation of Executive Director of the company for a period of 3 years from 11<sup>th</sup> June, 2021.
- (iii) Smt. Shilpa Bung was appointed as additional director (Independent Women Director) as on 10-2-2021 and being eligible seeks approval of members for a period of five consecutive years with effect from 10-2-2021.
- (iv) Ms. Sridevi Madati, proposed to be appointed as an Independent Director for a period of five consecutive years at the ensuing Annual General Meeting i.e., from 24<sup>th</sup> September, 2021.

**Selection criteria of Board Members**

The Nomination and Remuneration Committee in accordance with the Company's Policy for determining the qualifications, positive attributes and independence of director and the requirements of the skill-sets on the Board considers persons having an independent standing in their respective field and who can effectively contribute to the Company's business, for appointment of new Directors on the Board. The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member.

**Core Skill/ Expertise/ Competencies, identified by the Board of Directors**

The Company requires skills, expertise and competencies in the areas of strategy, finance, accounting, legal and regulatory matters, the environment, sustainability and operations of the Company's businesses to efficiently carry on its core businesses.

The Board comprises of qualified members who bring in the required skills, expertise and competence as mentioned above which allow them to make effective contributions to the Board and its committees. The members of the Board are committed to ensure that the Company is in compliance with the standards of corporate governance.

List of skills/competencies required in Relation to business operations	Names of Directors having such skills/ competencies
Finance, Law, Management, Administration	Sri. T. Adinarayana, Sri. G Mohan Rao, Ms. K Suneetha
Technical knowledge on operations	Sri. T. Raja Sekhar
Corporate Governance, Strategic Management	Smt. Shilpa Bung, Sri. T. Govardhana Rao, Sri. P.L.V. Subba Rao

The current composition of your Company's Board includes directors with industry experience and has the requisite skills and experience mentioned above.

**Relationship among Directors**

Sri. T. Adinarayana is the father of Sri. T. Rajasekhar and are related to each other. Further, none of the other directors are related to each other.

**Details of attendance of Directors at the AGM, Board Meetings with particulars of their Directorship and Chairmanship/Membership of Board/Committees in other Public/Listed Companies are as under**

Name	Name Attendance in the Board meetings		Attendance at AGM held on 26 <sup>th</sup> September 2020	Other		
	Held	Present		Directorships	Committee	
					Membership	Chairman
T. Adinarayana	5	4	Y	1	1	0
T. Rajasekhar	5	5	Y	1	2	0
T. Govardhana Rao	5	5	Y	0	0	0
P.L.V. Subba Rao	5	5	Y	0	0	0
G. Mohan Rao	5	5	Y	0	0	0
Suneetha Kadiyala (Resigned on 10-2-2021)	4	4	Y	0	0	0
Shilpa Bung (Appointed w.e.f. 10 -2-2021)	2	2	NA	0	0	0

The Directorships held by Directors in other Companies, as mentioned above do not include Directorships in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

None of the Directors on the Board holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director on more than seven listed entities. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the companies in which they are directors.

None of the Independent Directors are Promoters or related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

In the opinion of the Board, all the Independent directors fulfill the conditions specified in the Companies Act, 2013, including amendments there under and SEBI Listing Regulations, 2015, as amended from time to time, and are independent of the management.

**DATES OF BOARD MEETINGS**

The Board met 5 times in the financial year 2020-21 on the following dates:

Date	Board Strength	No. of Directors Present
31.07.2020	6	5
15.09.2020	6	6
13.11.2020	6	6
10.02.2021	7	7
30.03.2021	6	6

**COMMITTEES OF THE BOARD**

Currently, there are 3 Board Committees – The Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee. The terms of reference of the Board Committees are determined by the Board from time to time. Meetings of each Board, Committee are convened by the Chairman of the respective Committees. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below:

**Audit Committee**

The Company has a Audit Committee comprising of three Independent Directors and one Non- Executive Director, constituted in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee is empowered with the powers as prescribed under the said Regulation 18 and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions if any, as given by the Board from time to time.

**Details on composition of the Audit Committee and the attendance by each Member of the Audit Committee are as under**

Name of the Member	Category	No. of Meetings held during the Year	No. of meetings Attended
T. Govardhana Rao	Independent Director	5	5
K. Suneetha	Independent Director	4	4
G. Mohan Rao	Independent Director	5	5
Shilpa Bung	Independent Director	1	1
T. Adinarayana	Promoter- Non Executive	5	4

All the members of the Audit Committee are financially literate and have expertise in accounting/ financial management. The Company Secretary of the Company acts as the Secretary of the said Committee.

**Terms of Reference**

The terms of reference of the Audit Committee is as per the guidelines set out in the Regulation 18 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee is mainly responsible for:

1. Monitoring of the Company's financial reporting process, disclosure of its financial information and to ensure the correctness & credibility of the financial statements;
2. Recommending the appointment, remuneration and terms of appointment of statutory, internal auditors of the Company;
3. Reviewing with the Management, the quarterly and annual financial statements and auditor's report thereon before submission to the board for its approval;
4. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
5. Reviewing and providing its recommendations to the board w.r.t., transactions of the Company with related parties;
6. Evaluation of internal financial controls and risk management systems;

7. Reviewing with the Management, performance of statutory and internal auditors and the adequacy of the internal control systems;
8. 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;
9. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern; and,
10. Reviewing the functioning of the Whistle Blower mechanism.

#### Meetings of Audit Committee

The Audit Committee met five times during the previous year. The said committee met at the following dates.

Date	Committee Strength	No. of Directors Present
31.07.2020	4	3
15.09.2020	4	4
13.11.2020	4	4
10.02.2021	4	4
30.03.2021	4	4

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been formed in compliance of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013 comprising of two Independent Directors and one Non-Executive Director.

#### Details on composition of the Nomination and Remuneration Committee and the attendance by each Member of the Committee are as under

Name of the Director	Category	No. of Meetings held during the Year	No. of meetings Attended
T. Govardhana Rao	Independent Director	4	4
P.L.V. Subba Rao	Non Executive Director	4	4
K. Suneetha	Independent Director	3	3
Shilpa Bung	Independent Director	1	1

#### Meetings of Nomination and Remuneration Committee

The members of the Committee met four times during the previous year. The said committee met at the following dates.

Date	Committee Strength	No. of Directors Present
31.07.2020	3	3
13.11.2020	3	3
10.02.2021	3	3
30.03.2021	3	3

The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and recommend the remuneration package of both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior

## SIGACHI LABORATORIES LIMITED

Management. The Nominations & Remuneration Committee has reviewed and evaluated the performance evaluation criteria for Board and its Committees and Directors. The Committee reviews the remuneration package payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

### Terms of reference

The terms of reference of the Nomination and Remuneration Committee are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. To recommend/review remuneration of Key Managerial Personnel based on their performance and defined assessment criteria.
6. To decide on the elements of remuneration package of all the Key Managerial Personnel i.e., salary, benefits etc.,
7. Recommendation of fee/compensation if any, to be paid to Non-Executive Directors, including Independent Directors of the Board.
8. Payment / revision of remuneration payable to Managerial Personnel.
9. While approving the remuneration, the committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
10. The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and shareholders.
11. Any other functions /powers /duties as may be entrusted by the Board from time to time.

The Company has adopted a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company [www.sillab.com](http://www.sillab.com).

### REMUNERATION OF DIRECTORS

The details of remuneration to the Directors for the financial year ended March 31, 2021.

(Rs. in Lakhs)

Name of Director	Salary	Perquisites and other benefits	Commission	Sitting fee	Total
T. Rajasekhar, Whole Time Director in the designation and capacity of Executive Director	11.81	0.40	-	-	12.21

**All pecuniary relationship or transactions of the Non-Executive Directors**

The Company has not entered into any pecuniary transactions with the Non-Executive Directors. During the year, the Company has paid sitting fee to the Non-Executive Directors and the same has been disclosed under notes to financial statements.

**Non-Executive Directors' compensation and disclosures**

All fees/compensation paid to the Non-Executive Directors (including Independent Directors) are recommended by the Nomination and Remuneration Committee.

**Shareholding of Non-Executive Directors**

Particulars	No. of Shares
T. Govardhana Rao	NIL
P.L.V. Subba Rao	NIL
G. Mohan Rao	NIL
K. Suneetha	NIL
Shilpa Bung	NIL

**Stakeholders Relationship Committee**

The Committee met four times during the previous year. The said committee met at the following dates.

Date	Committee Strength	No. of Directors Present
31.07.2020	3	2
13.11.2020	3	3
10.02.2021	3	3
30.03.2021	3	3

The Stakeholders Relationship Committee has been formed in compliance of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013 comprising of two Independent Directors and one Non-Executive Director.

The composition of the Stakeholders Relationship Committee and the attendance of each Member of the said Committee are as under:

Name of the Director	Category	No. of Meetings held during the Year	No. of meetings Attended
T. Govardhana Rao	Independent Director	4	4
K. Suneetha	Independent Director	3	3
Shilpa Bung	Independent Director	1	1
T. Adinarayana	Non Executive Director	4	3

The Committee reviews the security transfers/transmissions, process of dematerialization and the Investor's grievances and the systems dealing with these issues. Ms. Lekha Sai Surapaneni, Company Secretary is appointed as the Compliance Officer of the Company. All investor complaints, which cannot be settled at the level of the Compliance Officer, will be placed before the Committee for final settlement. There were no pending complaints and transfers as on 31<sup>st</sup> March, 2021.

#### **Terms of reference**

The terms of reference of the Stakeholders Relationship Committee are as under:

1. Redressal of grievances of shareholders and other security holders.
2. Transfer and transmission of securities.
3. Dealing with complaints related to transfer of shares, non-receipt of declared dividend, non-receipt of Annual Report etc.,
4. Issuance of duplicate shares certificates.
5. Review of dematerialization of shares and related matters.
6. Performing various functions relating to the interests of shareholders/investors of the Company as may be required under the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 with the Stock Exchanges and regulations/guidelines issued by the SEBI or any other regulatory authority.

The Committee reviews the complaints and the company secretary along with the Registrars and Share Transfer Agents of the Company follows the policy of attending to the complaints. There are no complaints which are pending for redressal as at 31-3-2021.

As mandated by SEBI, the Quarterly Reconciliation of Share Capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis - à - vis the total issued and listed capital is being carried out by a Practicing Company Secretary. This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

#### **COMPLIANCE OFFICER**

Ms. Lekha Sai Surapaneni, Company Secretary, is the Compliance Officer for complying with the requirements of the Securities Laws, Listing Agreements with the Stock Exchanges and SEBI Listing Regulations, 2015. She acts as the Secretary to all the mandatory sub-committees of the Board.

#### **CODE OF CONDUCT**

All the Directors and senior management confirmed the compliance of code of conduct. The Company has posted the Code of Conduct for Directors and Senior Management on the website [www.slilab.com](http://www.slilab.com).

#### **MEETING OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors met on 30<sup>th</sup> March, 2021, 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 the 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.

The details of such familiarization programs for Independent Directors are posted on the website of the Company [www.slilab.com](http://www.slilab.com).

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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

**GENERAL BODY MEETINGS**

Details of Last 3 Annual General Meetings (AGMs) were as under:

Financial Year ended	Date, Day and Time of AGM	Venue	Special Resolutions passed at the AGM by the Shareholders
31 <sup>st</sup> March, 2020	Saturday, 26 <sup>th</sup> September, 2020 at 4.00 PM	Video Conference	1. To Reappoint Sri. T. Govardhana Rao, (DIN:07162634) as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years.
31 <sup>st</sup> March, 2019	Friday, 27 <sup>th</sup> September, 2019 at 4.00 PM	S.No: 530 & 534, Bonthapally - 502 313, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana	1. Re-appointment of Ms. K. Suneetha (DIN:03291895) as an Independent director for a second term of 5 years.
31 <sup>st</sup> March, 2018	Friday, 7 <sup>th</sup> September, 2018 at 4.00 PM	S.No: 530 & 534, Bonthapally - 502 313, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana	1. Appointment of Sri. T. Raja Sekhar (DIN:02943146) as Whole-Time Director of the company. 2. To consider and approve making Investments in Securities, giving Loans and Advances and providing Guarantees and Security in excess of limits specified under section 186 of the Companies Act, 2013.

The Company had not conducted any postal ballot during the previous financial year.

**DISCLOSURES**

- a. The particulars of transactions between the Company and its related parties are set out at Notes to financial statements. However, these transactions are not likely to have any conflict with the Company's interest.

The Policy on Related Party Transactions as approved by the Board is uploaded on the website of the Company [www.sillab.com](http://www.sillab.com).

- b. There was no non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- c. The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee.  
The Policy covers malpractices and events which have taken place/suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The Whistle Blower Policy of the Company is also posted on the website of the Company [www.slilab.com](http://www.slilab.com).
- d. There was no non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- e. The Company does not have any Material Subsidiary.
- f. The Executive Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2) (a) of SEBI Listing Regulations pertaining to CEO/ CFO certification for the Financial Year ended 31<sup>st</sup> March, 2021.
- g. The Company has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has complied with the Discretionary Requirements as specified by Regulation 27(1) of SEBI Listing Regulations which are as under:  
\* Reporting of the Internal Auditor: The internal auditor of the company reports directly to the Audit Committee.
- h. There are no Shares lying in Demat Suspense Account.
- i. Company's practices and procedures meet the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- j. Total fees for all services paid/provided by the listed entity to the statutory auditor FY 2020-2021 is set out in the Notes to the Financial Statements, forming part of the Annual Report.
- k. disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a. number of complaints filed during the financial year: Nil
  - b. number of complaints disposed of during the financial year: Nil
  - c. number of complaints pending as on end of the financial year: Nil
- l. The Company also complies with the following non-mandatory requirements of Regulation 27 of the SEBI Listing Regulations, 2015.

- There are no audit qualifications during the year under review.
- The Internal auditors report to the Audit Committee every quarter.

#### **MEANS OF COMMUNICATION**

The Quarterly/Half-yearly/Annual Financial results of the Company are published in the newspapers within 48 hours from the conclusion of the Board meeting.

The Results are generally published in Business Standard, Nava Telangana and Such other News Papers from time to time within 48 Hours from time of Board Meeting.

Financial results and other information are displayed in the Investors section on the company's website [www.slllab.com](http://www.slllab.com)

#### **GENERAL SHAREHOLDER INFORMATION**

The 27<sup>th</sup> Annual General Meeting of the company will be held on Friday, 24<sup>th</sup> day of September, 2021 at 3.00 P.M through Video Conferencing/ Other Audio Visual Means.

Financial Calendar: The Company follows April to March as its financial year.

Results for the quarter ending:

30 <sup>th</sup> June, 2021	: On or before 14 <sup>th</sup> August, 2021.
30 <sup>th</sup> September, 2021	: On or before 14 <sup>th</sup> November, 2021.
31 <sup>st</sup> December, 2021	: On or before 14 <sup>th</sup> February, 2022.
31 <sup>st</sup> March, 2022	: On or before 30 <sup>th</sup> May, 2022.

Dates of Book closure: Saturday, 18<sup>th</sup> day of September, 2021 to Friday, 24<sup>th</sup> day of September 2021 (both days inclusive).

Dividend Payment Date: Not Applicable

Listing on Stock Exchanges: Metropolitan Stock Exchange of India Limited, Vibgyor Towers, 4<sup>th</sup> Floor, Plot No.62, G- Block, Opp Trident Hotel, Bandra Kurla Complex, Bandra (E) Mumbai – 400098, Maharashtra, India.

Stock Code (MSEI Ltd) : SIGACHI

ISIN : INE368H01018

The Annual Listing fees for the year 2021-2022 has been paid to the Stock Exchange.

#### **MARKET PRICE DATA AND SHARE PRICE PERFORMANCE**

No trades were executed at Metropolitan Stock Exchange of India Limited in the shares of the company during the period April 01, 2020 to March 31, 2021.

The securities of the Company are not suspended from trading during the financial year ended March 31, 2021.

**DISTRIBUTION OF SHAREHOLDING**

Sl. No.	Category	Holders		Amount	
		Number	% To Total	Rs.	% To Total
1.	1-5000	302	12.39	813270	1.2
2.	5001- 10000	1010	41.43	9972180	14.77
3.	10001- 20000	390	16	6622650	9.81
4.	20001- 30000	604	24.77	15401000	22.81
5.	30001- 40000	26	1.07	973000	1.44
6.	40001- 50000	62	2.54	3080000	4.56
7.	50001- 100000	21	0.86	1867000	2.76
8.	100001 & Above	23	0.94	28801900	42.65
	Total	2438	100	67531000	100

**CATEGORIES OF SHAREHOLDERS AS ON 31<sup>st</sup> MARCH, 2021**

Sl. No	Category of Shareholders	No. of Shares	Percentage (%)
1	Promoter & Promoter Group	2484180	36.79
2	Mutual Funds	-	-
3	Alternate Investment Funds	-	-
4	Foreign Portfolio Investors	-	-
5	Financial Institutions & Banks	-	-
6	Other Bodies Corporate	133900	1.98
7	Resident Individuals	2681570	39.71
8	Non-Resident Individuals	1453450	21.52
9	Clearing Members	-	-
10	IEPF	-	-
	Total	<b>6753100</b>	<b>100.00</b>

**Dematerialization of shares and liquidity**

The shares of the Company are under compulsory demat trading. The Company has made necessary arrangements with NSDL and CDSL for demat facility. As on 31<sup>st</sup> March, 2021, 41.92 % of the Company's Shares are dematerialized.

**Dematerialization mandatory for effecting share transfers**

SEBI has vide proviso to Regulation 40(I) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandated that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In view of the same, the Company shall not process any requests for transfer of shares in physical mode. Shareholders who desire to demat their shares can get in touch with any Depository Participant having registration with SEBI to open a demat account and follow the procedure for share transfers.

**Permanent Account Number (PAN)**

Shareholders holding shares in the physical form are mandatorily required to furnish copy of

PAN Card in the following transactions:

- i) Transfer of shares – Transferee and Transferor
- ii) Transmission of shares - Legal heirs' or Nominees'
- iii) Transposition of shares - Joint holders' and
- iv) In case of decease of shareholder - Surviving joint holders'

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion and likely impact on equity : Nil

**Commodity price risk or foreign risk and hedging activities**

The Company does not have commodity price risk nor does the Company engage in hedging activities.

**Plant Location**

Unit - I: S.No. 530 & 534, Bonthapally - 502 313, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana.

Unit - II: S.No.42, Ali Nagar, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana.

Address for Correspondence & Any query on Annual Report:	Lekha Sai Surapaneni, Company Secretary & Compliance Officer, Corporate office: 402, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500001, India. Email: sigachilaboratories@yahoo.co.in Phone: 040 23204230
Registrar and Transfer Agents:	Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad - 500 018. Tel: 040-23818475/76. Email: investor.relations@vccipl.com
Contact Person:	Mr. E.S.K. Prasad, Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad - 500 018. Tel: 040-23818475/76. Email: investor.relations@vccipl.com
Share Transfer System:	The Share transfers are affected within one month from the date of lodgment for transfer, transmission, Sub-division, consolidation, renewal etc., Such modified share certificates are delivered to the shareholders immediately.
Compliance Certificate:	Certificate from P.S.Rao & Associates, Company Secretaries, confirming compliance with the Conditions of Corporate Governance as stipulated Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Directors' Report and forms part of this 27 <sup>th</sup> Annual Report.

**Credit Ratings:** NIL

**Secretarial Audit**

1. M/s. P.S. Rao & Associates, Practicing Company Secretaries have conducted Secretarial Audit of the Company for the year 2020-21. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, SEBI Listing Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Director's Report.

2. Pursuant to Regulation 40 (9) of the SEBI Listing Regulations, certificates have been issued on a half-yearly basis, by M/s. P. S. Rao & Associates, Practicing Company Secretaries, certifying due compliance of share transfer formalities by the Company.

3. M/s. Sunil Kacham & Associates, Company Secretaries, Practicing Company Secretaries carry out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd., (NSDL) and Central Depository Services (India) Ltd., (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

4. Compliance under SEBI Listing Regulations pertaining to mandatory requirements and Practicing Company Secretaries Certificate on Corporate Governance is attached herewith.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

In terms of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Code of Conduct, as applicable to them for the year ended 31<sup>st</sup> March, 2021.

For Sigachi Laboratories Limited

Place : Hyderabad  
Date : 31.07.2021

(T. Adinarayana)  
Chairman  
DIN: 00917498

**CEO/CFO CERTIFICATION**

We, T. R. Sekhar, Executive Director and B. Kumar, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements including cash flow statement for the financial year ended 31<sup>st</sup> March, 2021 and to the best of our knowledge and belief :
  - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. 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, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. 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 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 address these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
  - I. Significant changes in the internal control over financial reporting during the year;
  - II. Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. That there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Sigachi Laboratories Limited

Place: Hyderabad  
Date : 31.07.2021

(T. R. Sekhar)  
Executive Director  
DIN: 02943146

(B. Kumar)  
Chief Financial Officer  
PAN: BBVPB6289B

**SIGACHI LABORATORIES LIMITED**

P.S. RAO & ASSOCIATES  
Company Secretaries

Flat No.10, 4<sup>th</sup> Floor,  
# 6-3-347/22/2,  
Ishwarya Nilayam,  
Opp: Sai Baba Temple,  
Dwarakapuri Colony,  
Panjagutta, Hyderabad-500082.

**CERTIFICATE**

*(Pursuant to Schedule V(C)(10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To  
The Members of  
**Sigachi Laboratories Limited**  
S.No. 530 & 534, Bonthapally - 502 313,  
Gummadidala Mandal, (formerly Jinnaram mandal),  
Sangareddy District, (formerly Medak District),  
Telangana.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Sigachi Laboratories Limited having CIN: L24230TG1994PLC018786 and having registered office situated at S. No.530 & 534, Bonthapally - 502 313, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No	Name of the Director	Designation	DIN
1	Mr. Adinarayana Tunuguntla	Chairman & Director	00917498
2	Mr. Rajasekhar Tunuguntla	Whole-Time Director	02943146
3	Mr. Tadepalli Govardhana Rao	Non-Executive Director (Independent Director)	07162634
4	Mr. Lakshmana Venkata Subba Rao Patchipulusu	Non-Executive Director	07268648
5	Mrs. Shilpa Bung	Non-Executive Director (Independent Director)	08257931
6	Mr. Mohan Rao Gurram	Non-Executive Director (Independent Director)	08535558

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P S Rao & Associates**  
Company Secretaries

**MB Suneel**  
Company Secretary

Place: Hyderabad  
Date : 31.07.2021

C.P. No.: 14449  
UDIN:A031197C000718433

**SIGACHI LABORATORIES LIMITED**

P.S. RAO & ASSOCIATES  
Company Secretaries

Flat No.10, 4th Floor,  
# 6-3-347/22/2,  
Ishwarya Nilayam,  
Opp: Sai Baba Temple,  
Dwarakapuri Colony,  
Panjagutta, Hyderabad-500082.

**CERTIFICATE ON CORPORATE GOVERNANCE**

*(Pursuant to Schedule V(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To

The Members

**Sigachi Laboratories Limited**

S.No. 530 & 534, Bonthapally - 502 313,  
Gummadidala Mandal, (formerly Jinnaram mandal),  
Sangareddy District, (formerly Medak District), Telangana.

We have examined the compliance of conditions of Corporate Governance by M/s. Sigachi Laboratories Limited ('the Company') for the year ended 31<sup>st</sup> March, 2021 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations. The compliance of conditions of Corporate Governance is the responsibility of management. Our examination 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 the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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 P S Rao & Associates**  
Company Secretaries

**MB Suneel**

Company Secretary  
C.P. No.: 14449

UDIN:A031197C000718466

Place: Hyderabad  
Date: 31.07.2021

**SIGACHI LABORATORIES LIMITED**

NIRANJAN & NARAYAN,  
CHARTERED ACCOUNTANTS

First Floor, H.No.7-1-28/1/A/21,  
Shyamkaran Road,  
Ameerpet, Hyderabad - 500 016.

**Independent Auditors' Report**

To  
The Members of  
Sigachi Laboratories Limited,

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Sigachi Laboratories Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, and the Statement of Profit and Loss, (including other comprehensive income) the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw attention to point no. 1.19 of Notes forming part of Financial Statements to the accompanying financial statements, which describe the effects of uncertainties relating to Covid-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying financial statements as at 31<sup>st</sup> March, 2021, the impact of which is dependent on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

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

Key Audit Matters	Auditor's Response / Procedures
The Company has invested into various financial instruments such as quoted shares, mutual funds, Bonds and Debentures etc., as at 31 <sup>st</sup> March 2021, financial instruments carried at fair value through profit and loss and also through OCI as per Ind AS Financial Statements. These financial instruments are recorded at fair value as required by the relevant accounting standard. We have focused on this area due to the complexities associated with the valuation and accounting for these financial instruments.	<p>Our procedures included but were not limited to</p> <ul style="list-style-type: none"> <li>* Obtaining an understanding of the internal risk management procedures and the systems and controls associated with the origination and maintenance of complete and accurate information relating to financial instruments;</li> <li>* We also tested on a sample basis the existence and valuation of such financial instruments as at 31<sup>st</sup> March 2021. Our audit procedures focused on the integrity of the valuation models; and</li> <li>* Obtaining an understanding of key financial instrument contract terms to assess the appropriateness of accounting reflected in the financial report.</li> </ul>

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

The Company's Board of Directors are responsible for other information. The other information comprises the information included in the Directors' report and Management Discussion and Analysis and Corporate Governance Report but does not include the financial statements and our auditor's report thereon and we do not express any form of assurance conclusion thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance

including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", to this Report, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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 B".
- g) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2021 has been paid/provided by the company to its Directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the information and explanations given to us:
  - i. The Company do not have pending litigations which would impact its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There are no funds, required to be transferred, to the Investor Education and Protection Fund by the Company.

for Niranjan and Narayan  
Chartered Accountants  
Firm Registration Number: 005899S

(M. Niranjan)  
Partner  
Membership No. 029552  
UDIN:21029552AAAAGK2759

Place: Hyderabad  
Date : 30<sup>th</sup> June, 2021.

**ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of Sigachi Laboratories Limited on the Ind AS Financial Statements as of and for the year ended 31<sup>st</sup> March, 2021.

1. In Respect of Fixed Assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the Management at reasonable intervals, and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.

2. The Inventory has been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. Thus paragraphs 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) are not applicable to the company.

4. In our opinion and according to the information and explanations given to us, during the year, the Company has not given any loan to any director in accordance with the provisions of Section 185 of the Companies Act, 2013. The Company has complied with the provisions of 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities as applicable. Hence the Company has complied with the provisions of Section 185 and 186 of the Act, as applicable.

5. During the year the company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly the provisions of clause 3(v) of the order are not applicable.

6. In our opinion and according to the explanation given to us the maintenance of Cost records under section 148 (1) of the Companies Act, 2013, as prescribed by the Central Government are not applicable to the Company. Thus paragraph 3(vi) is not applicable to the company.

7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, duty of customs, duty of excise, Goods and Services tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income

**SIGACHI LABORATORIES LIMITED**

tax, duty of customs, duty of excise, Goods and Services tax, cess and any other statutory dues were in arrears as at 31<sup>st</sup> March, 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following are the particulars of disputed dues on account of Income Tax as at 31<sup>st</sup> March, 2021:

Nature of Statute	Nature of Demand	Period for which Relates (Assessment Year)	Amount (Rs. In Lakhs)	Forum Where dispute is Pending
Income Tax Act, 1961	Income Tax	1998-1999	6.54	Hon'ble High Court of Telangana at Hyderabad

8. According to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institutions, banks, government or debenture holders. The Company has not obtained any loan from financial institutions, banks, government and debenture holders during the year.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Companies Act, 2013.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

15. According to the information and explanations given to us and based on our examination of records of the company, the Company has not entered into non-cash transactions with

**SIGACHI LABORATORIES LIMITED**

directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for Niranjan & Narayan  
Chartered Accountants  
Firm Registration Number: 005899S

Place: Hyderabad  
Date : 30<sup>th</sup> June, 2021.

(M. Niranjan)  
Partner  
Membership No. 029552

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

(Referred to in paragraph 2(f) of the Independent Auditors’ Report of even date to the members of Sigachi Laboratories Limited on the Financial Statements for the year ended 31<sup>st</sup> March, 2021.)

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 Sigachi Laboratories Limited (“the Company”) as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

### Opinion

In our opinion, the Company has maintained, 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 31<sup>st</sup> March, 2021, 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 Niranjan & Narayan  
Chartered Accountants  
Firm Registration Number: 005899S

(M. Niranjan)  
Partner  
Membership No. 029552

Place: Hyderabad  
Date : 30<sup>th</sup> June, 2021.

**SIGACHI LABORATORIES LIMITED**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2021**

Particulars	Note No.	As at 31 <sup>st</sup> March, 2021 Rs.	As at 31 <sup>st</sup> March, 2020 Rs.
<b>A. ASSETS</b>			
1. Non-Current Assets			
(a) Property, Plant and Equipment	2	2,45,78,531.74	2,61,64,995.58
(b) Financial Assets			
(i) Investments	3	18,87,12,816.20	12,39,05,135.79
(ii) Other Financial Assets	4	43,52,899.00	43,52,899.00
(c) Other non current assets	5	-	-
Total Non - Current Assets		21,76,44,246.94	15,44,23,030.37
2. Current Assets			
(a) Financial Assets			
(i) Investments	6	38,38,850.22	21,25,687.01
(ii) Trade Receivables	7	-	20,85,132.04
(iii) Cash and Cash Equivalents	8	2,42,97,351.14	2,10,16,618.04
(iv) Other Financial Assets	9	1,69,16,250.00	1,72,29,250.00
(b) Other Current Assets	10	1,11,18,744.39	76,05,503.67
Total Current Assets		5,61,71,195.75	5,00,62,190.76
Total Assets		27,38,15,442.69	20,44,85,221.13
<b>B. EQUITY AND LIABILITIES</b>			
1. Equity			
(a) Equity Share Capital	11	7,31,05,500.00	7,31,05,500.00
(b) Other Equity	12	19,46,18,703.78	12,56,33,564.80
Total Equity		26,77,24,203.78	19,87,39,064.80
2. Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities		-	-
(b) Deferred Tax Liabilities (net)	13	17,67,751.00	19,31,359.00
(c) Other Non - Current Liabilities	14	25,00,000.00	25,00,000.00
Total Non - Current Liabilities		42,67,751.00	44,31,359.00
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables	15	-	-
(a) total outstanding dues of microenterprises and small enterprises; and		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(iii) Other Financial Liabilities	16	13,94,768.91	11,18,297.33
(b) Provisions	17	4,28,719.00	1,96,500.00
(c) Other Current Liabilities		-	-
Total Current Liabilities		18,23,487.91	13,14,797.33
Total Equity and Liabilities		27,38,15,442.69	20,44,85,221.13

The accompanying notes are an integral part of the financial statements

Per our report of even date annexed  
for Niranjana and Narayan

Chartered Accountants  
(Firm Regn. No.005899S)

(M. Niranjana)  
Partner  
Membership No.029552

Place: Hyderabad  
Date : 30.06.2021

For and on behalf of the Board

(T.R.Sekhar)  
Executive Director  
DIN:02943146

(T.Govardhana Rao)  
Director  
DIN:07162634

(S.Lekha Sai)  
Company Secretary  
ACS:57228

(B.Kumar)  
Chief Financial Officer

**SIGACHI LABORATORIES LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2021**

Particulars	Note No.	For the Year ended 31 <sup>st</sup> March, 2021 Rs.	For the Year ended 31 <sup>st</sup> March, 2020 Rs.
Income			
I. Revenue from operations	18	<b>3,47,60,519.57</b>	66,51,032.17
II. Other income	19	<b>38,09,180.26</b>	1,06,06,628.24
III. Total Revenue (I+II)		<b>3,85,69,699.83</b>	1,72,57,660.41
IV. Expenses			
Cost of materials consumed		-	-
Changes in inventories		-	-
Employee benefits expense	20	<b>28,97,067.00</b>	27,98,860.50
Finance costs	21	-	-
Depreciation and amortization expense	22	<b>16,57,631.84</b>	15,32,395.00
Other expenses	23	<b>26,50,340.76</b>	12,64,398.84
Total Expenses (IV)		<b>72,05,039.60</b>	55,95,654.34
V. Profit before tax (III-IV)		<b>3,13,64,660.23</b>	1,16,62,006.07
VI. Tax expense			
(1) Current tax	24	<b>39,88,170.00</b>	44,02,843.00
(2) Deferred tax		<b>(1,64,363.00)</b>	1,93,511.00
Total Tax Expense		<b>38,23,807.00</b>	45,96,354.00
VII. Profit for the year (V-VI)		<b>2,75,40,853.23</b>	70,65,652.07
VIII. Other comprehensive income (OCI)			
Equity Instruments through other comprehensive income that will not be reclassified to profit or (loss)		<b>4,14,42,040.75</b>	(2,26,96,451.13)
Remeasurment of gains/(losses) on defined benefit plans		<b>3,000.00</b>	-
Tax on items that will not be reclassified to profit or (loss)		<b>(755.00)</b>	-
		<b>4,14,44,285.75</b>	(2,26,96,451.13)
Items that will be reclassified to profit or (loss):			
Tax on items that may be reclassified to profit or (loss)		-	-
Items that may be reclassified subsequently to profit or (loss)		-	-
Total other comprehensive income/(loss) for the year, net of tax		<b>4,14,44,285.75</b>	(2,26,96,451.13)
IX. Total comprehensive income/(loss) for the year (VII+VIII)		<b>6,89,85,138.98</b>	(1,56,30,799.06)
Earnings per equity share: (par value of Rs.10/- each)			
Basic		<b>4.08</b>	1.05
Diluted		<b>4.08</b>	1.05

The accompanying notes are an integral part of the financial statements

Per our report of even date annexed  
for Niranjana and Narayan

Chartered Accountants  
(Firm Regn. No.005899S)

(M. Niranjana)  
Partner  
Membership No.029552

Place: Hyderabad  
Date : 30.06.2021

For and on behalf of the Board

(T.R.Sekhar)  
Executive Director  
DIN:02943146

(S.Lekha Sai)  
Company Secretary  
ACS:57228

(T.Govardhana Rao)  
Director  
DIN:07162634

(B.Kumar)  
Chief Financial Officer

**SIGACHI LABORATORIES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2021**

Particulars	For the Year ended 31.03.2021 Rs.	For the Year ended 31.03.2020 Rs.
Cash Flows from Operating Activities		
Net profit before tax	3,13,64,660.23	1,16,62,006.07
Adjustments for :		
Depreciation and amortization expenses	16,57,631.84	15,32,395.00
Dividend Received	(28,12,900.26)	(26,95,452.52)
Provision for Gratuity & Leave Encashment	2,35,219.00	94,500.00
Profit on Margadarshi Chit	-	(3,34,242.00)
Bad Debts/Deposits Recovery	-	(61,000.72)
Profit on sale of Property, Plant and Equipment	-	(63,15,548.00)
Interest	(69,68,504.56)	(65,71,557.60)
Fair Value (Gains)/Losses	(1,71,38,295.01)	97,70,140.43
Operating profit before working capital changes	63,37,811.24	70,81,240.66
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	20,85,132.04	(6,17,490.88)
(Increase)/Decrease in Other Financial Assets	3,13,000.00	(1,07,29,250.00)
(Increase)/Decrease in Other Current Assets	(35,13,240.72)	(76,05,400.00)
(Increase)/Decrease in Other Non Current Assets	-	26,11,788.00
Increase/(Decrease) in Other Financial Liabilities	97,884.83	(38,96,148.19)
Increase/(Decrease) in Other Non Current Liabilities	-	-
Changes in Working Capital	(10,17,223.85)	(2,02,36,501.07)
Cash generated from operations	53,20,587.39	(1,31,55,260.41)
Direct Taxes Paid	38,09,583.25	35,16,598.00
Net Cash from operating activities (A)	15,11,004.14	(1,66,71,858.41)
Cash flows from Investing Activities		
(Purchase) of Property, Plant and Equipment	(71,168.00)	(21,52,767.18)
Sale of Property, Plant and Equipment	-	16,04,452.00
(Purchase)/Sale of Investments (Net Aggregate)	(60,48,250.95)	(1,23,48,913.39)
Dividend Received	28,12,900.26	26,95,452.52
Profit on Margadarshi Chit	-	3,34,242.00
Bad Debts/Deposits Recovery	-	61,000.72
Profit on sale of Property, Plant and Equipment	-	63,15,548.00
Interest	69,68,504.56	65,71,557.60
(Increase)/Decrease in other term deposits	(18,92,256.91)	1,43,19,734.89
Net Cash used in Investing Activities (B)	17,69,728.96	1,74,00,307.16
Cash flows from/(used in) Financing Activities		
Proceeds from Long term borrowings	-	-
Repayment/(Proceeds) of/from Short-term borrowings	-	-
Dividend paid	-	-
Corporate Dividend tax	-	-
Net Cash used in Financing Activities (C)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	32,80,733.10	7,28,448.75
Cash and Cash Equivalents at the beginning of the year	2,10,16,618.04	2,02,88,169.29
Cash and Cash Equivalents at the ending of the year	2,42,97,351.14	2,10,16,618.04

Notes :-

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard on "Cash Flow Statements" (Ind AS-7).
- The accompanying notes are an integral part of the financial statements.

Per our report of even date annexed  
for Niranjana and Narayan  
Chartered Accountants  
(Firm Regn. No.005899S)  
(M. Niranjana)  
Partner  
Membership No.029552

Place: Hyderabad  
Date : 30.06.2021

For and on behalf of the Board

(T.R.Sekhar) Executive Director DIN:02943146	(T.Govardhana Rao) Director DIN:07162634
(S.Lekha Sai) Company Secretary ACS:57228	(B.Kumar) Chief Financial Officer

## 1. Notes forming part of Financial Statements

### 1.1 Corporate Information

Sigachi Laboratories Limited ("the Company") having its registered office at Bonthapally, Telangana State, India. The Company is engaged in manufacturing of Bulk drugs or drug intermediates and the Company has leased its two factories. The shares of the Company are listed on the Metropolitan Stock Exchange of India Limited. The principal accounting policies applied in the preparation of the financial statements are set out below.

### 1.2 Basis of Preparation and Presentation of Financial Statements

The financial statements of the Company for the year ended 31<sup>st</sup> March, 2021 have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Financial Statements have been prepared on historical cost convention on accrual basis of accounting except for certain financial instruments that are measured at fair value. GAAPs of Indian Accounting Standards as specified in Section 133 of the Act read together with Rule 4 of Companies (Indian Accounting Standard) Amendment Rules, 2016 to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting Policies have been consistently applied except where a newly issued Accounting Standards is initially adopted or revision to existing Accounting Standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised Accounting Standards on an on-going basis.

### 1.3 Basis of measurement

All assets and liabilities are classified into current and non-current based on the operating cycle of twelve months or based on the criteria of realisation/settlement within twelve months period from the reporting/balance sheet date.

**Assets:** An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:** A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include the current portion of noncurrent assets/liabilities respectively. All other assets/liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

### 1.4 Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as

at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

- a. **Depreciation and amortization:** Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.
- b. **Provisions and contingencies:** Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.
- c. **Fair valuation:**  
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or reassessed in line with the Company's Accounting Policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 1.5 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees.

### 1.6 Property, Plant & Equipment

#### Recognition and measurement

Property, Plant and Equipment are stated at purchase price or cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continuous use of the asset.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up. Property, Plant and Equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital Work-in-Progress". Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

#### **Depreciation**

Depreciation is recognized in the statement of profit and loss on Straight line basis over the estimated useful lives of property, plant and equipment based on Schedule - II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets and useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate. For assets acquired or disposed off during the year, depreciation is provided on prorata basis. Land is not depreciated.

#### **1.7 Financial Instruments**

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

##### **A. Financial Assets**

##### **1. Initial Recognition**

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### **2. Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in the following categories:

##### **a. Financial Assets at Amortised Cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, loans, is included in finance income

using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

**b. Financial Assets measured at Fair Value**

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Investment in Equity Instruments are designated as Financial Assets measured at fair value through OCI and Investments in Mutual Funds, Bonds, Debentures etc., are designated as Financial Assets measured at fair value through statement of Profit & Loss on date of transition.

**c. Impairment of Financial Assets**

In accordance with Ind AS 109, expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. As Company trade receivables are realised within normal credit period adopted by the company, hence the financial assets are not impaired.

**d. De-recognition of Financial Assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**B. Financial Liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**1. Initial Recognition**

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**2. Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**a. Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**3. De-recognition of Financial Liabilities**

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**1.8 Impairment of non-financial assets**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the 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 Generated Units (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**1.9 Cash and Cash Equivalents**

Cash and Bank balances comprise of cash balance in hand, in current accounts with banks and Bank Fixed Deposits with original maturity of 3 months or less than 3 months. Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of no cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year is classified by operating, investing and financing activities.

**1.10 Employee Benefits****Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Defined Contribution Plan**

Employee State Insurance is a defined contribution scheme of the Government of India under which both the employer and employee contribute on a monthly basis at a pre-determined rate and the Company has no further obligation.

**Defined Contribution Benefits**

The Company has an obligation towards gratuity and leave encashment, a defined benefit plan covering eligible employees. The plan provides for lump sum payment on retirement, death while in employment or on separation. The company is making provisions for Gratuity and leave encashment for eligible employees but the estimated provision may differ with the actual amount payable and the difference is adjusted to the statement of profit and loss in the year of actual payment.

**1.11 Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

**Contingent Liabilities**

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

**Contingent Assets**

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

**1.12 Revenue recognition****Sale of goods and Services**

Revenue from goods and services is recognized, when the company satisfies a performance obligation by transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Goods & services Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/discounts. Accumulated experience is used to estimate and provide for the discounts/right of return, using the expected value method.

The Company has leased its two factories and is recognising the lease amount on a monthly basis and is impaired if there is any uncertainty in receipt of lease rents. Interest income from a financial asset (loans), is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time proportionate basis, by reference to the principle outstanding and at the effective interest rate applicable.

**Other Income**

Other income includes Dividend, Interest, Profit/(Loss) on sale of Investments and other miscellaneous receipts if any. Dividend income from investments is recognized when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

**1.13 Income Tax****Current Tax**

Current Tax expenses are accounted in the same period to which the revenue and expenses relate. Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances, deductions and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**Deferred Tax**

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**1.14 Earnings Per Share**

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**1.15 Borrowing Cost**

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities.

Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed to Profit & Loss statement in the period in which they occur.

#### **1.16 Trade Receivables**

Trade receivables are initially recognized at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment, if any.

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

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

#### **1.18 Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

#### **1.19 Global Health Pandemic on COVID-19**

The Covid-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a decrease in the economic activities. Given the virulent nature of the pandemic situation, the carrying value of the company's Investments as at 31<sup>st</sup> March, 2021, have been effected by the severity and duration of the outbreak; however the Company believes that it has taken into account all the possible impact of known events arising out of Covid-19 pandemic in the preparation of financial results resulting out of fair valuation of these investments. The Loans have also been subjected to impairment losses. However, the impact assessment of Covid-19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes in this regard. The ongoing COVID-19 situation may result in some changes in the overall economic and market conditions, which may intern have an impact on the operations of the Company.

#### **1.20 Code on Security, 2020**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Note 2: Property, Plant and Equipment**

Sl. No.	Particulars	Gross carrying value				Accumulated depreciation/impairment					Net carrying value	
		As at 1 <sup>st</sup> April, 2020	Additions	Disposals	As at 31 <sup>st</sup> March, 2021	As at 1 <sup>st</sup> April, 2020	For the year	Impairment for the year	Disposals	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
1	Freehold Land	75,32,001.40	71,168.00	-	<b>76,03,169.40</b>	-	-	-	-	-	<b>76,03,169.40</b>	75,32,001.40
2	Buildings	81,50,300.00	-	-	<b>81,50,300.00</b>	19,14,907.00	3,92,912.64	-	-	<b>23,07,819.64</b>	<b>58,42,480.36</b>	62,35,393.00
3	Plant and Equipment	1,15,44,017.99	-	-	<b>1,15,44,017.99</b>	27,25,520.99	7,48,052.00	-	-	<b>34,73,572.99</b>	<b>80,70,445.00</b>	88,18,497.00
4	Vehicles	43,31,164.00	-	-	<b>43,31,164.00</b>	7,91,713.00	5,06,264.00	-	-	<b>12,97,977.00</b>	<b>30,33,187.00</b>	35,39,451.00
5	Office Equipment	68,082.04	-	-	<b>68,082.04</b>	28,428.86	10,403.20	-	-	<b>38,832.06</b>	<b>29,249.98</b>	39,653.18
	Total	3,16,25,565.43	71,168.00	-	<b>3,16,96,733.43</b>	54,60,569.85	16,57,631.84	-	-	<b>71,18,201.69</b>	<b>2,45,78,531.74</b>	2,61,64,995.58

Sl. No.	Particulars	Gross carrying value				Accumulated depreciation/impairment					Net carrying value	
		As at 1 <sup>st</sup> April, 2019	Additions	Disposals	As at 31 <sup>st</sup> March, 2020	As at 1 <sup>st</sup> April, 2019	For the year	Impairment for the year	Disposals	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
1	Freehold Land	89,36,453.40	2,00,000.00	16,04,452.00	75,32,001.40	-	-	-	-	-	75,32,001.40	89,36,453.40
2	Buildings	81,50,300.00	-	-	81,50,300.00	15,22,079.00	3,92,828.00	-	-	19,14,907.00	62,35,393.00	66,28,221.00
3	Plant and Equipment	1,15,44,017.99	-	-	1,15,44,017.99	19,68,584.99	7,56,936.00	-	-	27,25,520.99	88,18,497.00	95,75,433.00
4	Vehicles	23,92,168.00	19,38,996.00	-	43,31,164.00	4,17,024.00	3,74,689.00	-	-	7,91,713.00	35,39,451.00	19,75,144.00
5	Office Equipment	54,310.86	13,771.18	-	68,082.04	20,486.86	7,942.00	-	-	28,428.86	39,653.18	33,824.00
	Total	3,10,77,250.25	21,52,767.18	16,04,452.00	3,16,25,565.43	39,28,174.85	15,32,395.00	-	-	54,60,569.85	2,61,64,995.58	2,71,49,075.40

**SIGACHI LABORATORIES LIMITED**

**Note 3: Investments (Non Current)**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Investments Outside India	-	-
Investment in India		
A. Investments Carried at fair value through OCI		
Investments in Quoted Equity Instruments	<b>10,30,00,189.55</b>	5,94,46,696.04
B. Investments designated as fair value through Profit & Loss		
Investments other than Equity	<b>5,69,03,524.91</b>	3,75,41,594.92
Aggregate amount of Investments	<b>15,99,03,714.46</b>	9,69,88,290.96
C. Fixed Deposits with Banks	<b>2,88,09,101.74</b>	2,69,16,844.83
Total Non Current Investments (A+B+C)	<b>18,87,12,816.20</b>	12,39,05,135.79

**SIGACHI LABORATORIES LIMITED**

**Note 3(i): Investments**

Sl. No.	INVESTMENTS (LONG TERM) in Equity Instruments Quoted, at Fair Value	No. of Shares as at 31.03.2021	As at 31 <sup>st</sup> March, 2021 Rs.	No. of Shares as at 31.03.2020	As at 31 <sup>st</sup> March, 2020 Rs.
1	Accelya Solutions India Limited Equity Shares of Rs.10/- each	1,100	9,52,435.00	1,100	9,33,570.00
2	Adani Ports and Special Economic Zone Limited Equity shares of Rs.2/- each	1,635	11,60,523.00	1,635	4,10,875.50
3	Aurobindo Pharma Limited Equity shares of Rs.1/- each	600	5,22,090.00	600	2,47,830.00
4	Axis Bank Limited Equity shares of Rs.2/- each	500	3,47,550.00	-	-
5	Bank of Baroda Equity Shares of Rs.2/- each	8,200	5,92,860.00	8,200	4,39,110.00
6	Bharat Petroleum Corporation Limited Equity Shares of Rs.10/- each	3,996	17,20,078.20	3,996	12,62,935.79
7	Canara Bank (Syndicate Bank) Equity Shares of Rs.10/- each	5,214	7,65,675.90	32,000	4,84,800.00
8	Century Enka Limited Equity Shares of Rs.10/- each	-	-	1,000	1,18,400.00
9	Chennai Super Kings Cricket Limited Equity Shares of Rs.0.10 each	500	50.00	500	50.00
10	Cigniti Technologies Limited Equity Shares of Rs.10/- each	300	95,670.00	300	58,365.00
11	Classic Diamonds (India) Limited Equity Shares of Rs.2/- each	6,980	3,210.80	6,980	3,210.80
12	Dewan Housing Finance Corporation Limited Equity Shares of Rs.10/- each	500	8,025.00	500	4,325.00
13	DCB Bank Limited Equity Shares of Rs.10/- each	2,000	2,11,700.00	2,000	1,90,000.00
14	Divis Laboratories Limited Equity Shares of Rs.2/- each	3,000	1,07,48,100.00	3,000	59,62,650.00
15	Edelweiss Financial Services Limited Equity Shares of Rs.1/- each	1,730	1,15,564.00	1,730	65,999.50
16	Escorts Limited Equity Shares of Rs.10/- each	1,000	12,73,250.00	1,000	6,62,950.00
17	Finolex Cables Limited Equity shares of Rs.2/- each	500	1,94,725.00	-	-
18	First Source Solutions Limited Equity shares of Rs.10/- each	3,000	3,32,400.00	3,000	82,500.00
19	Gennex Laboratories Limited Equity shares of Rs.1/- each	-	-	70,000	1,30,200.00
20	Glenmark Pharmaceuticals Limited Equity Shares of Rs.1/- each	4,200	19,39,980.00	4,200	8,65,410.00
21	GMR Infrastructure Limited Equity shares of Rs.1/- each	-	-	2,200	35,750.00
22	GNA Axles Limited Equity shares of Rs.10/- each	-	-	500	70,025.00
23	GOCL Corporation Limited Equity Shares of Rs.2/- each	2,000	4,44,500.00	2,000	2,56,000.00
24	Gujarat State Petronet Limited Equity Shares of Rs.10/- each	1,218	3,24,901.50	1,218	2,10,714.00

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25	Gulf Oil Lubricants India Limited Equity Shares of Rs.2/- each	2,000	14,69,400.00	2,000	10,40,900.00
26	HCL Technologies Limited Equity Shares of Rs.2/- each	3,592	35,78,889.20	3,592	15,68,806.00
27	HDFC Bank Limited Equity Shares of Rs.1/- each	14,000	2,17,49,700.00	14,000	1,20,68,000.00
28	Heidelberg Cement India Limited Equity Shares of Rs.10/- each	1,000	2,30,600.00	1,000	1,42,100.00
29	Hindustan Petroleum Corporation Limited Equity shares of Rs.10/- each	1,350	3,10,500.00	1,350	2,56,702.50
30	ICICI Bank Limited Equity shares of Rs.2/- each	700	4,13,945.00	-	-
31	IDBI Bank Limited Equity shares of Rs.10/- each	2,500	96,625.00	2,500	48,250.00
32	IDFC First Bank Limited Equity Shares of Rs.10/- each	14,765	8,60,799.50	14,765	3,11,541.50
33	IDFC Limited Equity Shares of Rs.10/- each	-	-	2,265	33,635.25
34	India Cements Limited Equity Shares of Rs.10/- each	-	-	500	52,975.00
35	Indian Overseas Bank Equity Shares of Rs.10/- each	-	-	1,700	12,053.00
36	Indraprastha Gas Limited Equity Shares of Rs.2/- each	6,000	30,64,200.00	6,000	23,33,100.00
37	Infosys Limited Equity Shares of Rs.5/- each	1,380	19,12,059.00	1,380	8,83,614.00
38	Integrated Hi-Tech Limited Equity Shares of Rs.10/- each	700	3,199.00	700	3,199.00
39	ITC Limited Equity Shares of Rs.1/- each	9,000	19,31,400.00	9,000	15,48,000.00
40	Kotak Mahindra Bank Limited Equity Shares of Rs.5/- each	600	10,68,480.00	600	7,77,810.00
41	Larsen & Toubro Limited Equity shares of Rs.2/- each	562	7,99,810.30	562	4,53,449.70
42	Laurus Labs Limited Equity Shares of Rs.2/- (Rs.10/-) each	4,600	16,57,150.00	100	32,260.00
43	Mahindra & Mahindra Financial Services Limited Equity shares of Rs.2/- each	2,038	4,07,803.80	-	-
44	Mahindra & Mahindra Limited Equity Shares of Rs.5/- each	2,400	19,08,000.00	2,400	6,84,000.00
45	Manappuram Finance Limited Equity Shares of Rs.2/- each	1,000	1,49,950.00	1,000	94,750.00
46	Maruti Suzuki India Limited Equity Shares of Rs.5/- each	300	20,55,780.00	300	12,86,325.00
47	Mukand Limited Equity Shares of Rs.10/- each	-	-	2,100	28,560.00
48	NCC Limited Equity Shares of Rs.2/- each	2,000	1,60,400.00	2,000	37,600.00
49	NHPC Limited Equity Shares of Rs.10/- each	3,500	88,025.00	3,500	69,825.00
50	NTPC Limited Equity Shares of Rs.10/- each	10,894	11,73,283.80	10,894	9,17,274.80

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51	Oil and Natural Gas Corporation Limited Equity Shares of Rs.5/- each	900	93,420.00	900	61,470.00
52	Petronet LNG Limited Equity Shares of Rs.10/- each	60,250	1,36,73,737.50	60,250	1,20,40,962.50
53	Power Grid Corporation of India Limited Equity Shares of Rs.10/- each	873	1,93,500.45	873	1,38,807.00
54	PTC India Financial Services Limited Equity Shares of Rs.10/- each	35,500	6,37,225.00	35,500	2,77,965.00
55	PTC India Limited Equity Shares of Rs.10/- each	2,100	1,67,265.00	2,100	81,060.00
56	Rallis India Limited Equity Shares of Rs.1/- each	3,000	7,83,600.00	3,000	5,26,800.00
57	Raymond Limited Equity shares of Rs.10/- each	500	1,79,375.00	-	-
58	RBL Bank Limited Equity Shares of Rs.10/- each	-	-	65	8,817.25
59	REC Limited Equity Shares of Rs.10/- each	2,000	2,56,900.00	2,000	1,77,500.00
60	Reliance Industries Limited Equity shares of Rs.10/- each	1,920	38,94,912.00	1,920	21,35,904.00
61	Reliance Industries Limited Equity shares of Rs.10/- each (Partly Paid up shares)	142	1,58,308.70	-	-
62	Sadbhav Engineering Limited Equity Shares of Rs.1/- each	-	-	2,180	61,694.00
63	Sahara Housingfina Corporation Limited Equity shares of Rs.10/- each	-	-	250	5,250.00
64	SMS Lifesciences India Limited Equity Shares of Rs.10/- each	357	1,74,537.30	357	62,475.00
65	SMS Pharmaceuticals Limited Equity Shares of Rs.1/- each	10,000	12,23,500.00	10,000	2,66,500.00
66	Snowman Logistics Limited Equity Shares of Rs.10/- each	500	22,200.00	500	15,825.00
67	Steel Authority of India Limited Equity Shares of Rs.10/- each	-	-	2,000	46,100.00
68	Sun Pharmaceutical Industries Limited Equity Shares of Rs.1/- each	500	2,98,775.00	500	1,76,100.00
69	Suzlon Energy Limited Equity Shares of Rs.2/- each	-	-	1,000	2,000.00
70	Tata Coffee Limited Equity shares of Rs.1/- each	2,500	3,04,750.00	2,500	1,40,375.00
71	Tata Consultancy Services Limited Equity shares of Rs.1/- each	496	15,67,335.20	496	9,04,232.80
72	Tata Steel Limited Equity shares of Rs.10/- each (Partly paid up shares)	250	58,325.00	250	7,400.00
73	Tata Steel Limited Equity shares of Rs.10/- each	3,184	25,46,404.00	3,184	8,58,884.00
74	Tech Mahindra Limited Equity Shares of Rs.5/- each	2,532	25,74,284.40	2,032	11,47,978.40
75	The Indian Hume Pipe Company Limited Equity Shares of Rs.2/- each	1,000	1,70,000.00	1,000	1,18,350.00

**SIGACHI LABORATORIES LIMITED**

76	The Karnataka Bank Limited Equity Shares of Rs.10/- each	4,305	2,60,022.00	4,305	1,81,455.75
77	Tilaknagar Industries Limited Equity Shares of Rs.10/- each	35,000	10,46,500.00	-	-
78	The KCP Limited Equity Shares of Rs.1/- each	-	-	1,000	43,400.00
79	UCO Bank Equity Shares of Rs.10/- each	11,900	1,30,305.00	11,900	1,07,814.00
80	Union Bank of India Equity Shares of Rs.10/- each	-	-	1,004	28,865.00
81	Vedanta Limited Equity Shares of Rs.1/- each	3,000	6,90,150.00	3,000	1,94,250.00
82	Virgo Global Media Limited Equity Shares of Rs.4/- each	20,000	8,600.00	20,000	13,400.00
83	Voltas Limited Equity Shares of Rs.1/- each	5,000	49,64,250.00	5,000	23,94,250.00
84	Yes Bank Limited Equity Shares of Rs.2/- each	4,800	78,720.00	1,800	40,410.00
	Total (A)		10,30,00,189.55		5,94,46,696.04

Preference Shares at Fair Value:

Sl. No.	INVESTMENTS (LONG TERM) in Preference Shares Quoted, at Fair Value	No. of Shares as at 31.03.2021	As at 31 <sup>st</sup> March, 2021 Rs.	No. of Shares as at 31.03.2020	As at 31 <sup>st</sup> March, 2020 Rs.
1	Mukand Limited 0.01% Preference Shares of Rs.10/- each	400	2,360.00	400	1,040.00
	Total (B)		2,360.00		1,040.00

Debentures at Fair Value

Sl. No.	INVESTMENTS (LONG TERM) in Non Convertible Debentures Quoted, at Fair Value	No. of Debentures as at 31.03.2021	As at 31 <sup>st</sup> March, 2021 Rs.	No. of Debentures as at 31.03.2020	As at 31 <sup>st</sup> March, 2020 Rs.
1	NTPC Limited 8.49% Non Convertible Debentures of Rs.12.50 each	9,079	1,24,019.14	9,079	1,18,662.53
	Total (C)		1,24,019.14		1,18,662.53

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**Bonds - at Fair Value**

Sl. No.	INVESTMENTS (LONG TERM) in Bonds Quoted, at Fair Value	No. of Bonds as at 31.03.2021	As at 31 <sup>st</sup> March, 2021 Rs.	No. of Bonds as at 31.03.2020	As at 31 <sup>st</sup> March, 2020 Rs.
1	National Highways Authority of India 8.20% Tax Free Bonds of Rs.1,000/- each	500	5,36,500.00	500	5,39,050.00
2	REC Limited 5.75% Capital gain Bonds of Rs.10,000/- each	170	17,00,000.00	170	17,00,000.00
3	State Bank of India 9.45% Perpetual Bonds of Rs.10,00,000/- each	1	10,50,000.00	1	10,05,530.20
4	State Bank of India 9.56% Perpetual Bonds of Rs.10,00,000/- each	1	10,61,747.00	1	10,40,000.00
5	Canara Bank (Syndicate Bank) 11.25% Tier II Bonds of Rs.10,00,000/- each	1	10,00,000.00	1	10,00,000.00
6	The Lakshmi Vilas Bank Limited 10.70% Tier II Bonds of Rs.5,00,000/- each	-	-	2	10,00,000.00
7	Yes Bank Limited 9.50% Perpetual Bonds of Rs.10,00,000/- each	-	-	1	5,00,000.00
	<b>Total (D)</b>		<b>53,48,247.00</b>		<b>67,84,580.20</b>

**Mutual Funds - At Fair Value**

Sl. No.	INVESTMENTS (LONG TERM) in Mutual Funds Quoted, at Fair Value	No. of Units as at 31.03.2021	As at 31 <sup>st</sup> March, 2021 Rs.	No. of Units as at 31.03.2020	As at 31 <sup>st</sup> March, 2020 Rs.
1	Aditya Birla Sun Life Dividend Yield Fund - Growth - Regular Plan Units of Rs.10/- each	4,045.221	7,88,009.05	4,045.221	4,87,732.30
2	Aditya Birla Sun Life Frontline Equity Fund - Reinvestment - IDCW Units of Rs.10/- each	11,688.965	3,38,979.99	11,098.562	2,00,218.06
3	Axis Mid Cap Fund - Regular Growth Units of Rs.10/- each	13,376.137	7,30,604.60	13,376.137	4,35,527.02
4	DSP Flexi Cap Fund - Regular Plan - IDCW Units of Rs.10/- each	76,357.206	36,99,812.06	69,154.419	21,99,456.30
5	Franklin India Blue Chip Fund - Growth Units of Rs.10/- each	2,238.138	13,35,061.18	2,238.138	7,54,334.20
6	Templeton India Value Fund Units of Rs.10/- each	36,446.711	23,04,882.71	33,636.920	11,82,092.19
7	ICICI Prudential Blue Chip Fund - IDCW Units of Rs.10/- each	74,193.792	16,58,231.25	67,393.521	9,89,336.88
8	ICICI Prudential Value Discovery Fund - IDCW Units of Rs.10/- each	79,224.034	20,23,381.83	69,974.351	11,20,989.10
9	IRB Invit Fund Units of Rs.102/- each	10,000.000	5,32,600.00	10,000.000	2,55,400.00
10	L&T Flexi Cap Fund - Growth Units of Rs.10/- each	23,949.364	23,96,301.51	23,949.364	14,30,184.17
11	L & T Large and Midcap Fund - Growth Units of Rs.10/- each	48,899.756	28,19,511.03	48,899.756	17,60,831.31
12	Nippon India Value Fund - Growth Plan Units of Rs.10/- each	15,757.882	15,19,923.36	15,757.882	8,33,503.71

**SIGACHI LABORATORIES LIMITED**

**Mutual Funds - At Fair Value**

13	SBI Contra Fund - Regular Plan - IDCW Units of Rs.10/- each	<b>43,545.477</b>	<b>11,57,804.56</b>	43,545.477	5,70,049.48
14	UTI - Corporate Bond Fund - Direct Growth Plan Units of Rs.10/- each	<b>1,27,380.728</b>	<b>16,31,263.08</b>	87,864.197	10,38,475.73
15	UTI - Master Share Unit Scheme - Regular Plan Reinvestment Units of Rs.10/- each	<b>7,216.816</b>	<b>2,71,605.59</b>	6,886.427	1,61,233.98
16	UTI - Master Share Unit Scheme - Regular Growth Plan Units of Rs.10/- each	<b>18,759.762</b>	<b>30,34,607.24</b>	18,759.762	17,95,476.19
17	UTI Banking & Financial Services Fund - Regular Plan Reinvestment Units of Rs.10/- each	<b>2,961.261</b>	<b>1,18,954.45</b>	2,961.261	68,313.63
18	UTI Banking & Financial Services Fund - Regular Growth Plan Units of Rs.10/- each	<b>13,287.561</b>	<b>13,71,457.01</b>	13,287.561	7,87,598.92
19	UTI Banking & Financial Services Fund - Regular Growth Plan Units of Rs.10/- each	<b>20,070.570</b>	<b>20,71,555.78</b>	20,070.570	11,89,650.92
20	UTI Dividend Yield Fund - Direct Growth Plan Units of Rs.10/- each	<b>5,773.639</b>	<b>5,11,940.49</b>	5,773.639	3,08,751.12
21	UTI Dividend Yield Fund - Regular Growth Plan Units of Rs.10/- each	<b>23,783.312</b>	<b>20,05,213.84</b>	23,783.312	12,16,178.69
22	UTI Mid Cap Fund - Regular Plan Reinvestment Units of Rs.10/- each	<b>6,822.258</b>	<b>4,76,450.81</b>	6,475.002	2,46,377.06
23	UTI Mid Cap Fund - Direct Growth Plan Units of Rs.10/- each	<b>33,483.126</b>	<b>52,87,511.28</b>	33,483.126	27,00,116.11
24	UTI MNC Fund - Regular Growth Plan Units of Rs.10/- each	<b>11,058.991</b>	<b>26,02,250.25</b>	11,058.991	18,00,863.79
25	UTI Money Market Fund - Direct Growth Plan Units of Rs.10/- each	<b>3,465.386</b>	<b>83,00,197.25</b>	2,540.108	57,60,347.95
26	UTI Transportation & Logistics Fund - Direct Growth Plan Units of Rs.10/- each	<b>2,793.837</b>	<b>3,50,852.29</b>	2,793.837	1,72,283.08
27	UTI Transportation & Logistics Fund - Direct Growth Plan Units of Rs.10/- each	<b>649.674</b>	<b>81,586.58</b>	649.674	40,062.41
28	UTI Value Opportunities Fund - Direct Growth Plan Units of Rs.10/- each	<b>22,822.415</b>	<b>20,08,349.70</b>	22,822.415	11,31,927.88
	Total (E)		<b>5,14,28,898.77</b>		3,06,37,312.19
	Total (B+C+D+E)		<b>5,69,03,524.91</b>		3,75,41,594.92
	Grand Total (A+B+C+D+E)		<b>15,99,03,714.46</b>		9,69,88,290.96

**SIGACHI LABORATORIES LIMITED**

**Note 4: Other Financial Assets (Non Current)**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Sales Tax Deposit	5,000.00	5,000.00
Security Deposit - TSSPDCL	42,84,149.00	42,84,149.00
Rental Deposit	21,000.00	21,000.00
Other - Deposits	42,750.00	42,750.00
Total	43,52,899.00	43,52,899.00

**Note 5: Other Non Current Assets**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i) Loans & Advances	-	-
(ii) Subscription to Chits	-	-
Total	-	-

**Note 6: Investments (Current)**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
A. Investments designated at fair value through Profit & Loss		
UTI Liquid Cash Plan - Direct Growth Plan		
1,138.960 (2,085.140) Units of 1,000/- each,	38,38,850.22	21,25,687.01
	38,38,850.22	21,25,687.01
B. Fixed Deposits with Banks	-	-
Total Current Investments (A+B)	38,38,850.22	21,25,687.01

**Note 7: Trade Receivables**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(I) Trade receivables		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	-	20,85,132.04
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	-
(II) Other Receivables		
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	-	-
Receivables which have significant increase in Credit Risk	-	-
Receivables - credit impaired	-	-
Total	-	20,85,132.04

**SIGACHI LABORATORIES LIMITED**

**Note 8: Cash and Cash Equivalents**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
a) Cash and Cash Equivalents		
i) Cash on hand	<b>30,475.93</b>	15,905.30
ii) Balances with banks		
- Current Accounts	<b>46,26,830.57</b>	10,20,663.75
iii) Fixed Deposits with original maturity of 3 months or less than 3 months.	<b>1,96,40,044.64</b>	1,99,80,048.99
Total	<b>2,42,97,351.14</b>	2,10,16,618.04

**Note 9: Other Financial Assets**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Loans/ICDs Receivables considered good - Secured	-	-
Loans/ICDs Receivables considered good - Unsecured	<b>1,69,16,250.00</b>	1,72,29,250.00
Loans/ICDs Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
Total (A)	<b>1,69,16,250.00</b>	1,72,29,250.00
Less:		
Provision for Impairment on Loans/ICDs	-	-
Total (B)	-	-
Total Loans (A-B) - Net	<b>1,69,16,250.00</b>	1,72,29,250.00

**Note 10: Other Current Assets**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Other Advances, Unsecured	<b>1,11,18,744.39</b>	76,05,503.67
Total	<b>1,11,18,744.39</b>	76,05,503.67

**SIGACHI LABORATORIES LIMITED**

**Note 11: Share Capital**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Authorized Share Capital 1,20,00,000 Equity Shares of Rs.10/- each	<b>12,00,00,000.00</b>	12,00,00,000.00
Issued, Subscribed & Called Up Capital: 89,82,900 Equity Shares of Rs.10/- each	<b>8,98,29,000.00</b>	8,98,29,000.00
Paid up Capital: 67,53,100 Equity Shares of Rs.10/- each	<b>6,75,31,000.00</b>	6,75,31,000.00
Forfeiture of Shares	<b>55,74,500.00</b>	55,74,500.00
	<b>7,31,05,500.00</b>	7,31,05,500.00

**a) Reconciliation of Number of Shares:**

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Number of Shares at the beginning of the year	<b>67,53,100</b>	67,53,100
Add : Shares issued during the year	-	-
Number of Shares at the end of the year	<b>67,53,100</b>	67,53,100

**b) Terms/Rights attached**

The Company has issued only one class of shares having par value of Rs.10/- per share. Each holder of equity shares who has paid total amount of Rs.10/- per share is entitled to one vote per share. In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) The Details of shareholders holding more than 5% shares:**

Name of the Shareholder	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	% Holding	No. of shares	% Holding
1. Krishnaraj Securities Private Limited	<b>15,18,530</b>	<b>22.49%</b>	15,18,530	22.49%
2. T. Adinarayana	<b>7,53,530</b>	<b>11.16%</b>	7,53,530	11.16%

**Note 12: Other equity  
Statement of Changes**

(Rs.)

Particulars	Retained Earnings	General Reserve	Capital Reserve	Acturial Gains or (Losses)	Other Comprehensive Income	Total
Balance as at 1/4/2020	8,00,03,326.06	-	13,22,000.00	-	4,43,08,238.74	<b>12,56,33,564.80</b>
Profit/(Loss) for the year	2,75,40,853.23	-	-	-	-	<b>2,75,40,853.23</b>
Transfer to general reserve	-	-	-	-	-	-
Net change in fair value of FVTOCI investments and others	-	-	-	2,245.00	* 4,14,42,040.75	<b>4,14,44,285.75</b>
Balance as at 31/03/2021	10,75,44,179.29	-	13,22,000.00	2,245.00	8,57,50,279.49	<b>19,46,18,703.78</b>

\* Other comprehensive income of Rs. 4,14,42,040.75 includes profit on sale of Equity Shares of Rs. 2,55,661.44

(Rs.)

Particulars	Retained Earnings	General Reserve	Capital Reserve	Acturial Gains or (Losses)	Other Comprehensive Income	Total
Balance as at 1/4/2019	7,25,22,293.09	-	13,22,000.00	-	6,70,04,689.87	14,08,48,982.96
Profit/(Loss) for the year	70,65,652.07	-	-	-	-	70,65,652.07
Cenvat Credit	4,15,380.90	-	-	-	-	4,15,380.90
Transfer to general reserve	-	-	-	-	-	-
Net change in fair value of FVTOCI investments and others	-	-	-	-	(2,26,96,451.13)	(2,26,96,451.13)
Balance as at 31/03/2020	8,00,03,326.06	-	13,22,000.00	-	4,43,08,238.74	12,56,33,564.80

**SIGACHI LABORATORIES LIMITED**

**Note 13: Deferred Tax Liabilities (net)**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Opening Balance	19,31,359.00	17,56,332.00
Add : On account of IND AS Adjustment	-	-
Add : On account of depreciation	(1,63,608.00)	1,93,511.00
Less : MAT Credit	-	(18,484.00)
Closing Balance	17,67,751.00	19,31,359.00

**Note 14: Other Non Current Liabilities**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Others - Deposits from Customers	25,00,000.00	25,00,000.00
Total	25,00,000.00	25,00,000.00

**Note 15: Trade Payables**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Dues to Micro & Small Enterprises	-	-
Others	-	-
Total	-	-

**Note 16: Other Financial Liabilities (Current)**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Liability for expenses	3,50,596.16	2,75,089.01
Other Payables - GST	7,27,252.00	3,50,531.32
TDS Payable	1,18,917.00	58,260.00
Income Tax Payable - F.Y. 2019-2020	19,417.00	4,34,417.00
Income Tax Payable - F.Y. 2020-2021	1,78,586.75	-
Total	13,94,768.91	11,18,297.33

**Note 17: Short Term Provisions**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Leave Encashment	2,80,219.00	94,500.00
Gratuity	1,48,500.00	1,02,000.00
Total	4,28,719.00	1,96,500.00

**SIGACHI LABORATORIES LIMITED**

**Note 18: Revenue from Operations**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Bulk Drugs and Intermediates - Lease Rents	1,16,50,000.00	1,10,50,000.00
Income from Other Operations		
a) Interest on Fixed Deposits	30,02,224.56	34,71,172.60
b) Interest on ICD's/Loans	29,70,000.00	19,00,000.00
(a+b)	59,72,224.56	53,71,172.60
Revenue from Operations (Fair Value Gains/(Losses))	1,71,38,295.01	(97,70,140.43)
Total	3,47,60,519.57	66,51,032.17

**Note 19: Other Income**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Dividend Income:		
Equities	17,08,023.06	15,75,135.38
Mutual Funds	11,04,877.20	11,20,317.14
	28,12,900.26	26,95,452.52
Interest (Tax Free Bonds)	41,000.00	41,000.00
Interest on Deposit with TSSPDCL	4,94,070.00	5,72,140.00
Bad Debts/Deposits Recovery	-	61,000.72
Profit on Margadarshi Chit Fund	-	3,34,242.00
Profit on Sale of Land	-	63,15,548.00
Interest from Bonds	4,61,210.00	5,87,245.00
Total	38,09,180.26	1,06,06,628.24

**Note 20: Employee Benefits Expense**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Salaries and Wages	25,98,748.00	26,30,166.00
Leave Encashment	1,85,719.00	94,500.00
ESI	28,423.00	27,712.00
Staff Welfare	34,677.00	46,482.50
Gratuity	49,500.00	-
Total	28,97,067.00	27,98,860.50

**Note 21: Finance Costs**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Interest Paid to Bank	-	-
Total	-	-

**SIGACHI LABORATORIES LIMITED**

**Note 22: Depreciation and Amortization Expense**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Depreciation	16,57,631.84	15,32,395.00
Total	16,57,631.84	15,32,395.00

**Note 23: Other Expenses**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Power and Fuel	7,073.00	8,910.31
Rent	1,32,000.00	1,40,000.00
Advertisement Expenses	46,249.00	46,700.00
Audit Fee	24,100.00	23,400.00
Bank Charges	5,932.62	2,741.70
Communication Expenses	29,244.66	31,557.67
Conveyance Expenses	69,024.30	1,10,150.22
Commission/Brokerage	-	1,05,600.00
Insurance	1,30,689.00	1,75,985.00
Listing Fee	55,000.00	55,000.00
Miscellaneous Expenses	1,60,781.03	1,27,873.50
Office Maintenance	35,046.00	65,299.00
Postage & Telegrams	459.00	39,157.70
Printing & Stationary	35,422.02	29,626.01
Professional charges	2,47,600.00	66,600.00
Repairs and Maintenance	66,000.00	69,000.00
Secretarial Audit Fee	25,000.00	25,000.00
Share Transfer & Depository Fee	45,082.13	47,374.73
Sitting Fee & Incidental Expenses	48,000.00	48,000.00
Vehicles Maintenance	87,638.00	46,423.00
Bad Bonds	14,00,000.00	-
Total	26,50,340.76	12,64,398.84

**Note 24: Current Tax**

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Current Tax	39,88,170.00	42,62,400.00
Prior period Tax	-	1,40,443.00
Total	39,88,170.00	44,02,843.00

**SIGACHI LABORATORIES LIMITED**

**Note 25: Auditors Remuneration**

Particulars	For the year ended 31 <sup>st</sup> March, 2021 Rs.	For the year ended 31 <sup>st</sup> March, 2020 Rs.
Audit fee	23,600.00	23,400.00
Reimbursement of out of pocket expenses	500.00	-
Total	24,100.00	23,400.00

**Note 26: Earnings per Share**

Particulars	For the year ended 31 <sup>st</sup> March, 2021 Rs.	For the year ended 31 <sup>st</sup> March, 2020 Rs.
Earnings		
Profit attributable to equity holders	2,75,40,853.23	70,65,652.07
Shares		
Number of shares at the beginning of the year	67,53,100	67,53,100
Add: Equity Shares issued	-	-
Less: Buy back of Equity shares	-	-
Total number of equity shares outstanding at the end of the year	67,53,100	67,53,100
Weighted average number of equity shares outstanding during the year – Basic	67,53,100	67,53,100
Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
Weighted average number of equity shares outstanding during the year – Diluted	67,53,100	67,53,100
Earnings per share of par value Rs.10/- Basic	4.08	1.05
Earnings per share of par value Rs.10/- Diluted	4.08	1.05

**Note 27: Related Parties**

In accordance with the provisions of Ind AS 24 “Related Party Disclosures” and the Companies Act, 2013, Company's Directors, members of the Company's Management and Key Managerial Personnel are considered. List of related parties of the Company is as below:

Sl. No.	Name of the Related Party	Nature of Relationship
1	Sri. T. Adinarayana	Chairman
2	Sri. T. Govardhana Rao	Independent Director
3	Ms. K. Suneetha	Independent Director
4	Sri. G. Mohan Rao	Independent Director
5	Smt. Shilpa Bung	Independent Director
6	Sri. P.L.V. Subba Rao	Director
7	Sri. T. R. Sekhar	Executive Director
8	Sri. B. Kumar	Chief Financial Officer
9	Ms. Lekha Sai Surapaneni	Company Secretary

**SIGACHI LABORATORIES LIMITED**

**Related Party Transactions**

Sl. No.	Nature of Transaction	As at 31 <sup>st</sup> March, 2021 Rs.	Total Rs.	As at 31 <sup>st</sup> March, 2020 Rs.	Total Rs.
1	Directors Remuneration/Salary and Perquisites (Executive Director)	12,21,059.00	12,21,059.00	11,63,100.00	11,63,100.00
2	Fee for attending Board/ Committee meetings				
	T. Govardhana Rao	12,000.00	12,000.00	12,000.00	12,000.00
	B.S.S. Murthy	-	-	6,000.00	6,000.00
	P. L.V. Subba Rao	12,000.00	12,000.00	12,000.00	12,000.00
	K. Suneetha	12,000.00	12,000.00	12,000.00	12,000.00
	G. Mohan Rao	12,000.00	12,000.00	6,000.00	6,000.00
3	Salary (CFO)	2,77,156.00	2,77,156.00	2,53,775.00	2,53,775.00
4	Salary (Company Secretary)	3,00,000.00	3,00,000.00	1,96,935.00	1,96,935.00

Enterprises related to promoters/directors or their relatives:

M/s.Ushakiran Finance Limited and M/s.Krishnaraj Securities Private Limited.

**Note 28: Segment Reporting**

Segments have been identified in line with the Indian Accounting Standard on Segment Reporting (Ind AS 108) considering the organization structure and the differential risks and returns of these segments. Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and **services**. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the Significant Accounting Policies.

**Segment wise Revenue, Results and Capital Employed for the year ended 31<sup>st</sup> March, 2021**

Particulars	For the year ended	
	31 <sup>st</sup> March, 2021 Rs.	31 <sup>st</sup> March, 2020 Rs.
Segment Revenue		
a) Bulk Drugs and Intermediates (lease rents)	1,16,50,000.00	1,10,50,000.00
b) Investments	2,69,19,699.83	62,07,660.41
Total	3,85,69,699.83	1,72,57,660.41
Less: Inter Segment Revenue	-	-
Net sales/Income from Operations	3,85,69,699.83	1,72,57,660.41
Segment Results Profit/(Loss) before tax and finance cost from each segment		
a) Bulk Drugs and Intermediates (lease rents)	98,55,874.16	93,54,721.00
b) Investments	2,69,19,699.83	62,07,660.41
Total	3,67,75,573.99	1,55,62,381.41
Less: (i) Finance Costs	-	-
(ii) Other Un-allocable Expenditure net off	54,10,913.76	39,00,375.34
(iii) Un-allocable income	-	-
Total Profit Before Tax	3,13,64,660.23	1,16,62,006.07
Capital Employed (Segment Assets – Segment Liabilities)		
a) Bulk Drugs and Intermediates	6,20,95,137.58	5,76,04,679.01
b) Investments	20,56,29,066.20	14,11,34,385.79
Total	26,77,24,203.78	19,87,39,064.80

**Note 29: Employee benefits****a. Defined Benefit Plans:**

The Company operates defined contribution schemes like Employee State Insurance Scheme. For this scheme contributions are made by the company and employees at a predetermined rate based on current salaries.

**b. Defined Benefit Plans:****i. Gratuity:**

The company has covered its gratuity liability for eligible employees. The benefits are determined and carried out at each Balance Sheet date.

**ii. Leave Encashment:**

The Company has created provision for leave encashment liability for eligible employees. The benefits are determined and carried out at each Balance Sheet date.

Components of Defined Benefit Cost:

## Gratuity

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Employee benefit expense		
Opening Service cost	1,02,000.00	-
Current Service Cost	49,500.00	1,02,000.00
Actuarial (gain)/loss on obligation	(3,000.00)	-
Total	1,48,500.00	1,02,000.00

## Leave Encashment

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Employee benefit expense		
Opening Service cost	94,500.00	-
Current Service Cost	99,000.00	94,500.00
Actuarial (gain)/loss on obligation	86,719.00	-
Total	2,80,219.00	94,500.00

## Amount recognised in the Balance Sheet

(Rs.)

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Provision for Gratuity	1,48,500.00	1,02,000.00
Provision for Leave Encashment	2,80,219.00	94,500.00
Total	4,28,719.00	1,96,500.00

**SIGACHI LABORATORIES LIMITED**

**Note 30: Income Taxes**

**a. Income tax expense/(benefit) recognized in the statement of profit and loss:**

Income tax expense/(benefit) recognized in the statement of profit and loss consists of the following:

(Rs.)

Particulars	For the Year Ended 31 <sup>st</sup> March	
	2021	2020
Current taxes expense		
Domestic	<b>39,88,170.00</b>	44,02,843.00
Deferred taxes expense/(benefit)		
Domestic	<b>(1,64,363.00)</b>	1,93,511.00
Total income tax expense/(benefit) recognized in the statement of profit and loss	<b>38,23,807.00</b>	45,96,354.00

**b. Reconciliation of Effective tax rate**

(Rs.)

Particulars	For the Year Ended 31 <sup>st</sup> March	
	2021	2020
Profit before income taxes	<b>3,13,64,660.23</b>	1,16,62,006.07
Enacted tax rate in India	<b>25.168%</b>	27.82%
Computed expected tax benefit/(expense)	<b>78,93,858.00</b>	32,44,370.00
Effect of: Expenses not deductible for Tax purposes	<b>8,29,089.00</b>	6,06,791.00
Expenses deductible for Tax purposes	<b>4,20,973.00</b>	4,96,880.00
Items not subjected to Tax purposes	<b>43,23,685.00</b>	(1,99,786.00)
Taxable at Special Rates	-	6,62,055.00
Income tax benefit/(expense)	<b>39,78,288.00</b>	42,62,400.00
Effective tax rate	<b>12.68%</b>	36.55%

The Company's average effective tax rate for the years ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 were 12.68% and 36.55%, respectively.

**c. Deferred tax Assets & Liabilities**

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

(Rs.)

Particulars	For the Year Ended 31 <sup>st</sup> March	
	2021	2020
Deferred tax assets/(liabilities):		
Property, plant and equipment	<b>(17,67,751.00)</b>	(19,49,843.00)
MAT Credit Entitlement	-	18,484.00
Net deferred tax assets/(liabilities)	<b>(17,67,751.00)</b>	(19,31,359.00)

**SIGACHI LABORATORIES LIMITED**

**d. Movement in deferred tax assets and liabilities during the year ended 31<sup>st</sup> March, 2020 & 31<sup>st</sup> March, 2021** (Rs.)

Particulars	As at 1 <sup>st</sup> April, 2019	Recognized in statement of profit and loss	Recognized in equity	As at 31 <sup>st</sup> March, 2020
Deferred tax assets/(liabilities)				
Property, plant and equipment	(17,56,332.00)	(1,93,511.00)	-	(19,49,843.00)
Others – MAT Credit	9,04,729.00	(8,86,245.00)	-	18,484.00
Net deferred tax assets/(liabilities)	(8,51,603.00)	(10,79,756.00)	-	(19,31,359.00)

(Rs.)

Particulars	As at 1 <sup>st</sup> April, 2020	Recognized in statement of profit and loss	Recognized in equity	As at 31 <sup>st</sup> March, 2021
Deferred tax assets/(liabilities)	(19,31,359.00)	1,63,608.00	-	<b>(17,67,751.00)</b>
Property, plant and equipment	-	-	-	-
Others – MAT Credit	-	-	-	-
Net deferred tax assets/(liabilities)	(19,31,359.00)	1,63,608.00	-	<b>(17,67,751.00)</b>

**Note 31: Investments**

Investments consist of investments in Mutual funds, Bonds, Preference Shares and Debentures measured at Fair value through Profit & Loss Account and investment in equity instruments measured at Fair Value through Other Comprehensive Income. The election made at the time of transition to Ind AS is irrevocable.

The details of such Investments in Mutual Funds, Debentures, Bonds, Preference Shares and other than Equity as of 31<sup>st</sup> March, 2021 are as follows:

**Financial Investments Measured at Fair Value** (Rs.)

As at 31 <sup>st</sup> March, 2021	Cost	Fair Value	Level 1	Level 2	Level 3	Total
Financial Assets Measured at FVTPL						
Investments in Mutual Funds	3,23,09,270.52	5,14,28,898.77	5,14,28,898.77	-	-	<b>5,14,28,898.77</b>
Investments in Bonds	53,54,700.90	53,48,247.00	53,48,247.00	-	-	<b>53,48,247.00</b>
Investments in Debentures	-	1,24,019.14	1,24,019.14	-	-	<b>1,24,019.14</b>
Investments in Preference Shares	400.00	2,360.00	2,360.00	-	-	<b>2,360.00</b>
UTI Liquid Cash Plan	38,38,850.22	38,38,850.22	38,38,850.22	-	-	<b>38,38,850.22</b>
Total	4,15,03,221.64	6,07,42,375.13	6,07,42,375.13	-	-	<b>6,07,42,375.13</b>

(Rs.)

As at 31 <sup>st</sup> March, 2020	Cost	Fair Value	Level 1	Level 2	Level 3	Total
Financial Assets Measured at FVTPL						
Investments in Mutual Funds	2,86,36,008.45	3,06,37,312.19	3,06,37,312.19	-	-	3,06,37,312.19
Investments in Bonds	74,43,133.37	67,84,580.20	67,84,580.20	-	-	67,84,580.20
Investments in Debentures	-	1,18,662.53	1,18,662.53	-	-	1,18,662.53
Investments in Preference Shares	400.00	1,040.00	1,040.00	-	-	1,040.00
UTI Liquid Cash Plan	21,25,687.01	21,25,687.01	21,25,687.01	-	-	21,25,687.01
Total	3,82,05,228.83	3,96,67,281.93	3,96,67,281.93	-	-	3,96,67,281.93

**SIGACHI LABORATORIES LIMITED**

(Rs.)

As at 31 <sup>st</sup> March, 2021	Cost	Fair Value	Level 1	Level 2	Level 3	Total
Financial Assets Measured at FVTOCI						
Investments in Equity Instruments	1,69,45,626.95	10,30,00,189.55	10,30,00,189.55	-	-	<b>10,30,00,189.55</b>
Total	1,69,45,626.95	10,30,00,189.55	10,30,00,189.55	-	-	<b>10,30,00,189.55</b>

(Rs.)

As at 31 <sup>st</sup> March, 2020	Cost	Fair Value	Level 1	Level 2	Level 3	Total
Financial Assets Measured at FVTOCI						
Investments in Equity Instruments	1,45,65,110.35	5,94,46,696.04	5,94,46,696.04	-	-	5,94,46,696.04
Total	1,45,65,110.35	5,94,46,696.04	5,94,46,696.04	-	-	5,94,46,696.04

Level 1: Fair Value measurements are based on quoted prices. This includes listed equity instruments, Bonds, Debentures, Preference Shares and mutual funds that have quoted price. The fair values of equity are traded in the stock exchanges are valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

(Rs.)

Particulars	Carrying value		Fair value	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Financial assets				
Cash and cash equivalents	<b>2,42,97,351.14</b>	2,10,16,618.04	<b>2,42,97,351.14</b>	2,10,16,618.04
Trade receivables	-	20,85,132.04	-	20,85,132.04
Other financial assets	<b>1,69,16,250.00</b>	1,72,29,250.00	<b>1,69,16,250.00</b>	1,72,29,250.00
Total	<b>4,12,13,601.14</b>	4,03,31,000.08	<b>4,12,13,601.14</b>	4,03,31,000.08
Financial liabilities				
Borrowings	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	<b>13,94,768.91</b>	11,18,297.33	<b>13,94,768.91</b>	11,18,297.33
Total	<b>13,94,768.91</b>	11,18,297.33	<b>13,94,768.91</b>	11,18,297.33

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the Asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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Fair value hierarchy of financial assets and financial liabilities measured at amortised cost (Rs.)

As at 31 <sup>st</sup> March, 2021	Level 1	Level 2	Level 3	Total	Valuation Technique for Level 3 items
Financial Assets					Carrying value approximately equal to fair value
Non Current Assets					
Investments	15,99,03,714.46	-	2,88,09,101.74	<b>18,87,12,816.20</b>	
Other Financial Assets	-	-	43,52,899.00	<b>43,52,899.00</b>	
Current Assets					
Investments	38,38,850.22	-	-	<b>38,38,850.22</b>	
Trade Receivables	-	-	-		
Cash and Cash Equivalents	-	-	2,42,97,351.14	<b>2,42,97,351.14</b>	
Other Financial Assets	-	-	1,69,16,250.00	<b>1,69,16,250.00</b>	
Other Current Assets	-	-	1,11,18,744.39	<b>1,11,18,744.39</b>	
Total Financial Assets	<b>16,37,42,564.68</b>	-	<b>8,54,94,346.27</b>	<b>24,92,36,910.95</b>	
Financial Liabilities					
Other Financial Liabilities	-	-	13,94,768.91	<b>13,94,768.91</b>	
Total Financial Liabilities	-	-	13,94,768.91	<b>13,94,768.91</b>	

(Rs.)

As at 31 <sup>st</sup> March, 2020	Level 1	Level 2	Level 3	Total	Valuation Technique for Level 3 items
Financial Assets					Carrying value approximately equal to fair value
Non Current Assets					
Investments	9,69,88,290.96	-	2,69,16,844.83	12,39,05,135.79	
Other Financial Assets	-	-	43,52,899.00	43,52,899.00	
Current Assets					
Investments	21,25,687.01	-	-	21,25,687.01	
Trade Receivables	-	-	20,85,132.04	20,85,132.04	
Cash and Cash Equivalents	-	-	2,10,16,618.04	2,10,16,618.04	
Other Financial Assets	-	-	1,72,29,250.00	1,72,29,250.00	
Other Current Assets	-	-	76,05,503.67	76,05,503.67	
Total Financial Assets	<b>9,91,13,977.97</b>	-	<b>7,92,06,247.58</b>	<b>17,83,20,225.55</b>	
Financial Liabilities					
Other Financial Liabilities	-	-	11,18,297.33	11,18,297.33	
Total Financial Liabilities	-	-	11,18,297.33	11,18,297.33	

**Note 32: Financial Risk Management**

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

**a) Credit Risk**

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Risk principally consists of investments classified as loans and receivables, trade receivables, loans and advances and other financial assets.

Trade Receivables - The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. The Company has leased out its two factories to one entity and thus there is significant concentration risk. As Company trade receivables are realised within normal credit period adopted by the company, hence the financial assets are not impaired.

An analysis of age-wise trade receivables at each reporting date is summarised as under:  
For the year ended 31<sup>st</sup> March, 2021

(Rs.)

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two years	More than three years
Gross Carrying Amount	-	-	-	-	-
Expected Credit loss	-	-	-	-	-
Carrying amount (net of impairment)	-	-	-	-	-

For the year ended 31<sup>st</sup> March, 2020

(Rs.)

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two years	More than three years
Gross Carrying Amount	20,85,132.04	20,85,132.04	-	-	-
Expected Credit loss	-	-	-	-	-
Carrying amount (net of impairment)	20,85,132.04	20,85,132.04	-	-	-

Financial assets that are neither past due nor impaired - None of the Company's cash and cash equivalents, including deposits with banks, were past due or impaired as at 31<sup>st</sup> March, 2021.

**b) Liquidity Risks**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure.

**SIGACHI LABORATORIES LIMITED**

As of 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020, the Company had unutilized credit limits from banks of NIL and NIL respectively.

As of 31<sup>st</sup> March, 2021, the Company had working capital (current assets less current liabilities) of Rs.5,47,76,426.84 including cash and cash equivalents of Rs.2,42,97,351.14, as of 31<sup>st</sup> March, 2020, the Company had working capital (current assets less current liabilities) of Rs.4,89,43,893.43 including cash and cash equivalents of Rs.2,10,16,618.04.

The following table shows the maturity analysis of the Companies Financial Liabilities based on contractually agreed, undiscounted cash flows as at the balance sheet date.

For the year ended 31<sup>st</sup> March, 2021

(Rs.)

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two years	More than three years
Trade Payables	-	-	-	-	-
Other Current Financial Liabilities	13,94,768.91	13,94,768.91	-	-	-
Other Non-Current Liabilities-Deposits	25,00,000.00	-	-	-	25,00,000.00

For the year ended 31<sup>st</sup> March, 2020

(Rs.)

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two years	More than three years
Trade Payables	-	-	-	-	-
Other Current Financial Liabilities	11,18,297.33	11,18,297.33	-	-	-
Other Non-Current Liabilities-Deposits	25,00,000.00	-	-	-	25,00,000.00

**c) Market Risks**

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments. Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of risk: Interest Rate Risk, Foreign Currency Risk and Commodity Risk.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in Market Interest Rates. The Company is not having any debt obligations with floating interest rates.

**Foreign Currency Risk**

Foreign Currency Risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is not having any foreign exchange exposure.

**Commodity Price Risk**

The Commodity Price Risk is affected by the price volatility of certain commodities. The Company is not having any exposure for any commodity.

**Note 33: Capital Management**

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The funding requirements are met through equity, borrowings and operating cash flows required. The Company's capital comprises Equity Share Capital, Retained Earnings and other equity attributable to equity holders.

**Note 34: Contingent Liabilities and Commitments****a. Claims against the company:**

Income Tax department has filed an appeal with the Hon'ble High Court of Telangana at Hyderabad against the orders of Hon'ble ITAT for the Assessment year 1998-1999 and the amount under appeal by the Income Tax Department is Rs.6.54 Lakhs.

**b. Partly paidup shares:**

An amount of Rs.1,15,250/- is payable towards 250 partly paid equity shares as and when called by Tata Steel Limited.

An amount of Rs.1,33,870.50 is payable towards 142 partly paid equity shares as and when called by Reliance Industries Limited.

**Note 35:** No amount is due or payable by any of the directors, firms, private companies in which any Director is a partner/director/manager or companies under the same management towards sundry debtors/loans and advances in the Company. Maximum amount outstanding from the above - Nil (Nil).

**Note 36:** The company has no amount due to suppliers under the Micro, Small and medium Enterprises Development Act, 2006 as at 31<sup>st</sup> March, 2021.

**Note 37:** Previous year's figures have been regrouped/reclassified/recasted wherever necessary to conform to the current year's presentation.

**Note 38:** The Financial Statements were approved for issue by the Board of Directors on 30<sup>th</sup> June, 2021.

Per our report of even date annexed  
For Niranjana and Narayan  
Chartered Accountants  
(Firm Regn. No.005899S)

(M. Niranjana)  
Partner  
Membership No.029552

Place: Hyderabad  
Date: 30.06.2021

for and on behalf of the Board

(T.R. Sekhar)  
Executive Director  
DIN:02943146

(S. Lekha Sai)  
Company Secretary  
ACS:57228

(T. Govardhana Rao)  
Director  
DIN:07162634

(B. Kumar)  
Chief Financial Officer  
DIN:07162634



**SIGACHI LABORATORIES LIMITED**

## NOTES

NOTES



**PRINTED MATTER**

**SIGACHI LABORATORIES LIMITED**

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