

**30<sup>th</sup>  
ANNUAL REPORT  
2023-2024**



**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. Miss. Sridevi Madati, Independent Director 6. Sri. P. C. Sai Babu, Director 7. 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, Sangareddy District, Telangana.
Factories	: Unit - I S.No. 530 & 534, Bonthapally - 502 313, Gummadidala Mandal, Sangareddy District, Telangana.  Unit - II S.No.42, Ali Nagar, Gummadidala Mandal, Sangareddy District, Telangana.
Corporate Office and Place where books of account are maintained	: 402, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001.
Auditors	: NSVR & Associates, LLP, Chartered Accountants, Hyderabad - 500 081.
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 Private Limited “Aurum” Door No. 4-50/P-II/57/4F & 5F, 4th & 5th Floors, Plot No.57, Jayabheri Enclave Phase – II, Gachibowli, Hyderabad – 500 032. Phone No: 040-23818475 / 23818476. e-mail: investor.relations@vccipl.com Website: www.vccipl.com

**NOTICE**

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of SIGACHI LABORATORIES LIMITED will be held on Monday, the 9<sup>th</sup> day of September, 2024 at 4.00 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, 2024, together with the Reports of Board of Directors and Auditors' thereon.
2. To appoint a Director in the place of Sri. P.C. Sai Babu, (DIN: 10275666), 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, Board of Directors and applicable regulations of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time 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 made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) 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 11.06.2024 to 10.06.2027 on the following remuneration and other terms and conditions:

**I. Salary:**

Basic Salary of Rs.1,32,000/- (Rupees One Lakh Thirty Two Thousand only) per month with annual increment of 7.50% 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 (in addition to the usual public and bank holidays). 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 Executive Director shall be paid/reimbursed by the Company for all the entertainment expenses and travelling expenses (whether in India or abroad) along with reasonable out of pocket expenses incurred pertaining to or in connection with the performance of his duties.

The Executive Director is not entitled to any sitting fees for attending any meetings of Board of Directors or committee 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, 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 reappointment 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, deemed 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".

"FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto."

4. 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 provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Companies Act, 2013 and applicable Regulations of 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, Mr. G. Mohan Rao (DIN: 08535558) who was appointed as an Independent Director and who holds office upto 26<sup>th</sup> September, 2024 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and being eligible, be and is hereby reappointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years with effect from 27<sup>th</sup> September, 2024 to 26<sup>th</sup> September, 2029 and shall not be liable to retire by rotation."

5. 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 provisions of Section 180(1)(a) read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other approvals, consents and permissions being obtained from the appropriate authorities etc., to the extent applicable and necessary, consent of the members be and is hereby accorded to lease the undertaking(s)/factory/factories of the company, first factory situated at Survey No. 530 & 534,

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Bonthapally - 502 313, Gummadidala Mandal, Sangareddy District, Telangana and second factory situated at Survey no. 42, Alinagar, Kazipally, Gummadidala Mandal, Sangareddy District, Telangana for such period and on such terms and conditions as the Board of Directors of the Company deems fit and appropriate in the interests of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to finalize the manner and method of lease and to execute all necessary agreements, deeds and documents and subsequent modifications thereto, and to do all such acts and things as may be deemed necessary and/or expedient in the interests of the Company including without limitation, to settle any questions, difficulties, doubts that may arise in this regard, as it may in its absolute discretion deem fit, and also to further delegate from time to time, all or any of the powers conferred herein to any Committee of the Board or individuals."

By Order of the Board of Directors  
for Sigachi Laboratories Limited

Place : Hyderabad  
Date : 9.08.2024

(Lekha Sai Surapaneni)  
Company Secretary

**NOTES**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item Nos. 3, 4 and 5 of the accompanying Notice, is annexed hereto. The Explanatory Statement also contains the relevant details of the Director as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard – 2 ("SS-2") on General Meetings issued by the Institute of Company Secretaries of India ("ICSI").
2. Ministry of Corporate Affairs ("MCA") vide its General Circular Nos.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 05, 2020, Circular No.02/2021 dated January 13, 2021, Circular No.19/2021 dated December 08, 2021, Circular No.21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 and Circular No. 9/2023 dated September 25, 2023 ("MCA Circulars") and SEBI Circulars SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022 and SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 has permitted to conduct the Annual General Meeting through video conferencing ("VC") or other audio visual means ("OAVM") up to September 30, 2024. 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 30<sup>th</sup> Annual General Meeting and the attendant enablers for conducting of the AGM. The registered office of the Company shall be deemed to be the venue for the AGM. Hence, members can attend and participate in the ensuing AGM through VC/OAVM.
3. 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 Circulars 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.



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4. Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRI 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](mailto:dvratnam97@gmail.com) and to the Company at the email address viz., [sigachilaboratories@yahoo.co.in](mailto:sigachilaboratories@yahoo.co.in).
5. Members seeking any information or clarification on the accounts are requested to send queries to the Company, at least one week before the date of the Meeting to enable the Company to keep the information ready at the Meeting.
6. The Register of Members and Share Transfer Books will remain closed from Tuesday, 3<sup>rd</sup> September, 2024 to Monday, 9<sup>th</sup> September, 2024 (both days inclusive).
7. 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 Share Transfer Agents, M/s. Venture Capital and Corporate Investments Private Limited in this regard.
8. The Company's Shares have been listed at Metropolitan Stock Exchange of India Limited (MSEI) and the listing fee has been paid up to the year 2024 - 2025.
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 Agents 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. In case any member is desirous of obtaining hard copy of the Annual Report for the Financial Year ended March 31, 2024 and Notice of the 30<sup>th</sup> AGM of the Company, may send request to the Company's email address at [sigachilaboratories@yahoo.co.in](mailto:sigachilaboratories@yahoo.co.in). mentioning Folio No./ DP ID and Client ID.

11. Members may also note that the notice of the 30<sup>th</sup> Annual General Meeting is available on the Company's website: [www.slllab.com](http://www.slllab.com). All documents referred to in the accompanying notice and the statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection by the Members by writing an e-mail to the Company at: [sigachilaboratories@yahoo.co.in](mailto:sigachilaboratories@yahoo.co.in).
12. The members of the company are requested to furnish their respective PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account detail, specimen signature) and nomination details.
13. Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2 (SS-2) on General meetings, brief profile of Sri. P.C. Sai Babu, Director liable for retirement by rotation and Sri. T.R. Sekhar, who is proposed to be reappointed as a Whole-Time Director of the company and Sri. G. Mohan Rao, who is proposed to be appointed as an Independent Director of the company for second term, is furnished as Annexure to the notice. The first term of Sri. G. Mohan Rao as Independent Director of the company comes to an end after business hours on 26.9.2024.

Except Sri. T.R. Sekhar, who is proposed to be reappointed as Whole Time Director in the designation and Capacity of Executive Director and who is the Son of Sri. T. Adinarayana, 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.3 of the Notice as a Special resolution.

Except Sri. G. Mohan Rao, who is proposed to be reappointed as an Independent 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. 4 of the Notice as Special resolution.

14. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
15. In compliance with the MCA Circulars and SEBI Circulars issued from time to time, the Notice of the Annual General Meeting along with the Annual Report for the financial year 2023-2024 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2023-2024 will also be available on the Company's website [www.slllab.com](http://www.slllab.com) and website of the Stock Exchange i.e., Metropolitan Stock Exchange of

India Limited (MSEI) at [www.msei.in](http://www.msei.in), respectively and the AGM Notice is also available on the website of CDSL <https://www.evotingindia.com>.

16. 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.
17. The 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 shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the 30<sup>th</sup> AGM.
18. E-Voting
  - a. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 05, 2020, Circular No.02/2021 dated January 13, 2021, Circular No.19/2021 dated December 08, 2021, Circular No.21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022 and Circular No. 9/2023 dated September 25, 2023 ("MCA Circulars") and SEBI Circulars SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022 and SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 has permitted to conduct the Annual General Meeting through video conferencing ("VC") or other audio visual means ("OAVM") up to September 30, 2024. The forth coming 30<sup>th</sup> AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
  - b. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and various MCA Circulars as mentioned above the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. 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.
  - 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. The voting rights of members shall be in proportion to their shareholding in the paid up equity share capital of the company as on 2<sup>nd</sup> September, 2024, being the cut-off date.

d. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

e. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the body corporate(s) can attend the AGM through VC/OAVM and cast their votes through e-voting.

f. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.slilab.com](http://www.slilab.com). The Notice can also be accessed from the website of the Stock Exchange i.e., Metropolitan Stock Exchange of India Limited (MSEI) at [www.msei.in](http://www.msei.in). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e., [www.evotingindia.com](http://www.evotingindia.com).

g. The Board has appointed Mr. D. Venkata Ratnam, Chartered Accountant, partner 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.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- i. The voting period begins on Friday, 6<sup>th</sup> September, 2024 (9:00 a.m. IST) and ends on Sunday, 8<sup>th</sup> September, 2024 (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., 2<sup>nd</sup> September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii 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.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- 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 <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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. 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 e-voting 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 <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.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> </ol>

	<p>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/SecureWebIdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWebIdeasDirectReg.jsp</a>.</p> <p>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.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<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 above mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with 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 toll free no. 1800 22 55 33
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: 022 - 4886 7000 and 022- 2499 7000

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Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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)	<p>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.</p> <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 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. There is also an optional provision to upload Board Resolution/Power of Attorney if any uploaded, which will be made available to scrutinizer for verification.
- xvii. 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 will be mapped automatically & can be delinked in case of any wrong mapping.
- \* It is Mandatory that, 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 mandatorily 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](mailto: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 request in advance at least seven days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at

sigachilaboratories@yahoo.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance seven 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 may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**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 or contact at toll free no. 1800 22 55 33.

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 or call toll free no. 1800 22 55 33.

**SIGACHI LABORATORIES LIMITED**

**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 at least two witnesses, not in the employment of the company, not later than two working days of conclusion of the AGM, make a consolidated Scrutiniser's Report of the total votes cast in favour 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.sllab.com](http://www.sllab.com) and on the website of CDSL i.e., [www.evotingindia.com](http://www.evotingindia.com). The Company shall simultaneously forward the results to MSEI 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 have been passed on the date of the Annual General Meeting i.e., on 9<sup>th</sup> September, 2024.

By Order of the Board of Directors  
for Sigachi Laboratories Limited

Place : Hyderabad  
Date : 9.08.2024

(Lekha Sai Surapaneni)  
Company Secretary

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. Further Sri. T. Raja Sekhar was reappointed for a further period of three years on 11<sup>th</sup> June, 2021 by the Board of Directors with effect from 11<sup>th</sup> June, 2021 to 10 June, 2024 and his reappointment was approved by members at the 27<sup>th</sup> Annual General Meeting of the company held on 24<sup>th</sup> September, 2021.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 25<sup>th</sup> May, 2024, 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, 2024 to 10<sup>th</sup> June, 2027 on a remuneration and other terms and conditions mentioned in the proposed special resolution.

Sri. T. Raja Sekhar holds 31,200 (Thirty One Thousand Two Hundred Only) equity shares constituting 0.46% of total equity share capital of the Company. Except Sri. T. Raja Sekhar and Sri. T. Adinarayana, Director(s) 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.

**SIGACHI LABORATORIES LIMITED****4. Financial performance:**

(Rs. In Lakhs)

Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023	Year Ended 31.03.2022
Turnover/Gross Revenue	436.00	244.96	303.78
Profit/(Loss) before Interest, Depreciation and Tax	304.10	192.12	254.21
Net Profit/(Loss)	197.46	131.00	199.64

The effective capital of the Company based on the latest audited accounts of the Company for the year ended 31<sup>st</sup> March, 2024 was Rs.3,600.90 Lakhs.

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 41 years, has studied BE., and did his Masters in Engineering in USA.

2. Past remuneration: Rs.16.57 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 6 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 the company is mainly dependent on the lease rents and 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

Mr. Gurram Mohan Rao had been appointed as an Independent Director for a term of five consecutive years by the members of the company at the 25<sup>th</sup> Annual General Meeting held on 27.9.2019 based on the recommendation of the Nomination and Remuneration Committee and the Board at its meetings held on 14.08.2019.

The Nomination and Remuneration Committee and the Board of Directors at its meetings held on 9.8.2024 considered and recommended, the reappointment of Sri. Gurram Mohan Rao as an independent director for a further period of five consecutive years commencing from 27.9.2024 till 26.9.2029, subject to the approval of the members. He has about 35 years of rich Experience in A.P. State Financial Corporation and retired as Manager (Law) and at present he is practicing as an advocate.

Mr. Gurram Mohan Rao is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director. The Company has also received declaration from Mr. Gurram Mohan Rao that he 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, Mr. Gurram Mohan Rao fulfills 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,

**SIGACHI LABORATORIES LIMITED**

the board recommends to the members to pass the resolution as set out at item No.4 of the Notice, as a Special resolution for the approval of the Members.

**Item No. 5**

It is brought to the notice of the members that the Company at present owns two factories ("Undertakings") first factory situated at Survey No. 530 & 534, Bonthapally - 502313, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana State and second factory situated at Survey no. 42, Alinagar, Kazipally, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana State. The said factories were leased out for a period of seven and half years whose lease period started from 1.11.2017 and comes to an end on 30.4.2025.

**Disclosure under regulation 37A:**

It is also brought to the notice of the members that most of the resources of the above-mentioned factories were not being optimally utilized, hence the management of the company proposed to lease out both the factories along with the plant & machinery etc., to the suitable parties and the proceeds/lease rents will be used for demolition of old factory buildings and construction of new factory buildings in the place of old buildings and for overseeing the factory premises, plant and machinery etc., so as to meet the uncertainties in future. As per explanation to Section 180(1)(a) of the Companies Act, 2013 ("Act"), the said factories may be deemed to be an Undertaking(s) of the Company and hence consent of the members would be required by way of a Special Resolution to lease the factories of the company.

The board based on the recommendation of audit committee, approved the leasing of both the factories at its meeting held on 9.08.2024, subject to the approval of members at the ensuing Annual General meeting of the company.

None of the 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 Resolutions at Item no.5 is in the best interests of the Company and its members and hence, recommends for your approval.

By Order of the Board of Directors  
for Sigachi Laboratories Limited

Place : Hyderabad  
Date : 9.08.2024

(Lekha Sai Surapaneni)  
Company Secretary



**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).

<b>Particulars</b>	<b>Director</b>	<b>Executive Director</b>
Name	P.C.Sai Babu	T. Raja Sekhar
Date of Birth	10/08/1953	21-12-1982
Nationality	Indian	Indian
Age	70 years	41 years
Date of Appointment	27/09/2023	10/07/2018
DIN	10275666	02943146
Experience and expertise in specific functional areas and Brief Profile	He is a practicing Chartered Accountant with about 36 years of experience. Earlier he had worked in AP Civil Supplies Corporation Limited and in AP Construction Corporation Limited for about 8 years and thus he is having varied experience.	He is working as Executive Director of Sigachi Laboratories Limited since 6 years. Earlier he has worked at USA for about 1 year and 2 years in India in software companies. He has also worked in a granite company for about 4 years.
No. of equity shares held in the Company (as on 31 <sup>st</sup> March, 2024)	NIL	31,200
Qualifications	B.Com., FCA.,	B.E., MS(USA),
Directorships of other Public Companies (excluding Foreign, Private and Section.8 Companies)	NA	Ushakiran Finance Ltd.,
Membership/Chairman ship of Committees of other Public Companies	NA	Member of Nomination and Remuneration Committee in Ushakiran Finance Ltd.,
Relationships, if any, between Directors inter-se	NA	Son of Mr.T. Adinarayana, Director
Remuneration Sought to be paid per annum	Sitting Fees as may be approved by the Board of Directors.	As proposed in the special resolution
Remuneration last drawn Nature of appointment	Sitting Fees of Rs.0.06 Lakhs	Rs. 16.57 Lakhs
Terms and conditions of reappointment	Liable to retire by rotation	Not Liable to retire by rotation
Number of board meetings attended during the year	3 out of 3	5 out of 5

**SIGACHI LABORATORIES LIMITED**

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	Independent Director
Name	G. Mohan Rao
Date of Birth	29/04/1958
Nationality	Indian
Age	66 years
Date of first appointment	27-9-2019
DIN	08535558
Experience and expertise in specific functional areas and Brief Profile	He has worked at Andhra Pradesh State Financial Corporation for about 35 Years in various departments and cadres and retired as Manager (Law) during the year 2016. At present he is Practicing as an Advocate.
No. of equity shares held in the Company (as on 31 <sup>st</sup> March, 2024)	NIL
Qualifications	M.Com., MBA., BL.,
Directorships other Public Companies (excluding Foreign, Private and Section. 8 Companies)	NA
Membership/Chairmanship of Committees of other Public Companies	NA
Relationships, if any, between	NA
Remuneration Sought to be paid per annum	Sitting Fees as may be approved by the Board of Directors.
Remuneration last drawn per annum	Sitting Fees of Rs.0.12 lakhs
Nature of appointment and Terms and conditions of reappointment	Not Liable to retire by rotation
Number of board meetings attended during the year	5 out 5

**DIRECTORS' REPORT**

To  
The Members,

Your Directors have pleasure in presenting the Thirtieth 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, 2024 along with Auditors' Report thereon.

**1. FINANCIAL HIGHLIGHTS**

(Rs. in lakhs)

Particulars	2023-2024	2022-2023
Sales/Income from operations	436.00	244.96
Profit before Depreciation and Amortization and Tax	304.10	192.12
Depreciation and Amortization	22.51	18.88
Profit before Tax	281.59	173.24
Provision for Taxation:		
Current Tax	40.95	46.45
Deferred Tax	43.18	(4.21)
Profit after Tax	197.46	131.00

**2. OPERATING RESULTS**

Your company has generated total Gross Income of Rs.436 lakhs during the financial year 2023-2024 as against Rs. 244.96 lakhs during the financial year 2022-2023 and has earned net profit of Rs.197.46 lakhs for the financial year 2023-2024 as against Rs. 131.00 lakhs for the financial year 2022-2023 respectively as per IND AS. The Company has leased its two factories with effect from 01-11-2017 with due approvals. The Company has provided Demand Loans/(ICDs) to various parties the company is regularly receiving the interest and there are no overdue loans/(ICDs).

**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 2023-2024.

**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, 2024.

**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, 2024 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.C. Sai Babu, Director will retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment and the Board recommends his reappointment. The Board based on the recommendation of Nomination and Remuneration Committee, approved and recommended the reappointment of Sri. T.R. Sekhar (DIN: 02943146) as Whole Time Director of the Company, not liable to retire by rotation, subject to the approval of the members at the ensuing AGM.

The tenure of Sri. G. Mohan Rao, Independent Director of the Company comes to an end on 27.9.2024 and being eligible offers himself for reappointment and the Board on the recommendation of the Nomination and Remuneration Committee approved and recommended the reappointment of Sri. G. Mohan Rao as Independent Director of the Company for a second term of 5 consecutive years, not liable to retire by rotation, subject to the approval of members at the ensuing AGM.

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 judgment 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 2023-2024, Five Board Meetings were properly convened and held on 30<sup>th</sup> May, 2023, 14<sup>th</sup> August, 2023, 10<sup>th</sup> November, 2023, 9<sup>th</sup> February, 2024 and 30<sup>th</sup> March, 2024. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

**9. BOARD 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 the Board and has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and all other committees.

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.

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

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole and the Chairman of your Company was evaluated, taking into account the views of the Executive Director and Non-Executive Directors. The Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.,

#### **10. FAMILIARIZATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS**

The Members of the Board have been provided opportunities to familiarize themselves with the Company, its Management and its operations. All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. Manager and Senior Management provide an overview of the operations and familiarize the Directors with matters related to the Company's values and commitments. They are also introduced to the organization structure, constitution of various committees, board procedures etc.,

#### **11. 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.

#### **12. 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.

### **13. 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.

### **14. 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.

### **15. 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 (Ind As) 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.

### **16. 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, 2024, 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, 2024 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.

**17. AUDITORS**

M/s. NSVR & Associates LLP, Chartered Accountants, Hyderabad (ICAI Firm Registration No. 008801S/S200060), were appointed as statutory auditors of the Company for a period of 5 years at the 28<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2022, till the conclusion of 33<sup>rd</sup> Annual General Meeting.

The Statutory Auditors' were present in the last AGM held on 27<sup>th</sup> September, 2023.

**18. AUDITORS' REPORT**

There are no qualifications or adverse remarks made by M/s. NSVR & Associates LLP, Chartered Accountants, Statutory Auditors' in their report for the Financial Year ended 31<sup>st</sup> March, 2024.

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.

**19. 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 Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year 2023-2024 is annexed herewith as Annexure - I to this Report.

**20. SECRETARIAL AUDIT REPORT**

There are no qualifications, reservations or adverse remarks made by M/s. P.S. Rao & Associates, Practicing Company Secretaries in their report for the financial year ended 31<sup>st</sup> March, 2024.

**21. 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 on quarterly basis.

**22. AUDIT COMMITTEE**

The audit committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure requirements)

regulations, 2015 read with Section 177 of the Companies Act, 2013. The following is the composition of Audit Committee as at 31<sup>st</sup> March, 2024:

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.

### **23. NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors had reconstituted the Nomination and Remuneration Committee during the year, under review. The following is the constitution of Nomination and Remuneration Committee as at 31<sup>st</sup> March, 2024:

1. Sri. T. Govardhana Rao, Chairman
2. Smt. Shilpa Bung
3. Sri. P.C. Sai Babu
4. Ms. Sridevi Madati

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).

### **24. STAKE HOLDERS RELATIONSHIP COMMITTEE**

The following is the composition of Stake Holders Relationship Committee as at 31<sup>st</sup> March, 2024:

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, 2024.

#### **25. 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.

#### **26. MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors of the company have met separately on 30<sup>th</sup> March, 2024 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.

#### **27. RISK MANAGEMENT POLICY**

The Company has developed and is implementing a risk management policy which includes the identification of risk, governance of risk and assessment and control of risk. The risks have been prioritized through a company-wide exercise. Members of senior management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments and insurance coverage.

#### **28. 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 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).

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

Your Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to employees at the work place and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. During the financial year 2023-2024, the Company has not received any complaint of sexual harassment against any employees of the Company.

**30. ANNUAL RETURN**

As required pursuant to Section 92(3) read with section 134 (2)(a) of the Companies Act, 2013, a copy of the Annual Return of the Company has been placed on the Website of the Company at [www.slllab.com](http://www.slllab.com).

**31. 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 as Annexure – II 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. The policy on the related party transactions is also posted at the Company's website [www.slllab.com](http://www.slllab.com).

**32. 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.

**33. 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 2024-2025.

**34. INSIDER TRADING REGULATIONS**

The Company has adopted an '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).

**35. DECLARATION OF COMPLIANCE OF CODE OF CONDUCT**

The Company has adopted a Code of Business Conduct (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 2023-2024. A Declaration in this regard is annexed as Annexure III.

### **36. 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 as Annexure-IV.

### **37. 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 as Annexure- V to this report.

### **38. 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 annexed as Annexure - VI.

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.8.50 Lakhs or more per month.

### **39. CORPORATE GOVERNANCE**

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

### **40. 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.

### **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. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

No application was made or any proceedings pending under the IBC, 2016 during the year ended on 31<sup>st</sup> March, 2024.

**44. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

Not Applicable

**45. ACKNOWLEDGEMENTS**

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 : 9.08.2024

(T. Adinarayana)

Chairman

DIN:00917498

**SIGACHI LABORATORIES LIMITED**

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, 2024

*[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-502 313  
Gummadidala Mandal,  
Sangareddy District, Telangana, India.

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, 2024 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, 2024 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.
  - \* Essential Commodities Act, 1955.

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

**MB Suneel**  
Company Secretary  
ACS No: 31197; C.P.No.14449  
PR No.710/2020  
ICSI Unique Code: P2001TL078000  
UDIN:A031197F000447591

Date : 25.05.2024  
Place : Hyderabad

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 -502 313,  
Gummadidala Mandal,  
Sangareddy District, Telangana, India.

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

**MB Suneel**  
Company Secretary  
ACS No: 31197; C.P.No.14449  
PR No.710/2020  
ICSI Unique Code: P2001TL078000  
UDIN:A031197F000447591

Date : 25.05.2024  
Place : Hyderabad



**SIGACHI LABORATORIES LIMITED**

Annexure – II

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:

(Rs. in lakhs)

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
T. R. Sekhar, Executive Director	Remuneration & Perquisites	3 years w.e.f. 11-6-2021	N.A.	30-05-2023	16.57
Lekha Sai Surapaneni, Company Secretary	Remuneration & Perquisites	Regular Employee	N.A.	31-03-2023	5.40
B. Kumar, Chief Financial Officer	Remuneration & Perquisites	Regular Employee	N.A.	14-08-2023	3.44

Thus other than payment of remuneration to the Key Managerial Personnel amounting to **Rs.25.41** lakhs(Rs.23.64 lakhs) and sitting fee to non executive directors there are no other contracts or arrangements with the related parties.

Annexure - III

**DECLARATION OF CODE OF CONDUCT**

The Company has adopted a Code Conduct (the Code) which applies to all the employees and Directors of the Company, as provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 2023-2024.

For Sigachi Laboratories Limited

Place : Hyderabad  
Date : 9.08.2024

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

## ANNEXURE - IV

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY STRUCTURE AND DEVELOPMENTS:

The global economy continues to navigate a complex landscape, marked by geopolitical tensions and mounting cost-of-living concerns. Nevertheless, its resilience remains evident, with inflation receding more rapidly than anticipated, mostly owing to supply chain efficiencies and decisive monetary policies, including interest rate adjustments by central banks aimed at curbing inflation. Despite these encouraging signs, potential slowdowns loom in 2024, triggered largely by persistently high interest rates and scaled-back government spending in response to national debt levels.

The decline in inflation reflects both receding energy shocks and easing labour market tightness. Although job vacancies have seen a dip and unemployment rates are marginally rising, an increase in labour supply including immigration, is contributing to the overall picture. Despite these favorable trends, the challenge of high long-term borrowing costs persists, fuelled by escalating government debts. Monetary policies continue to vary significantly across different countries, with some central banks lowering rates and others maintaining them to ensure economic stability. More importantly, controlled wage growth is preventing a wage-price spiral, ensuring that both near-term and long-term inflation expectations are anchored.

## OPPORTUNITIES AND THREATS:

## Opportunities:

Economic growth, rising incidence of diseases, increase in healthcare access and expected growth in per capita income would drive further expansion of the healthcare segment. Both the domestic and the global pharmaceutical markets present good opportunities for the Indian industry including immense potential of outsourcing contracted business.

## Threats:

Due to spread of different variants of covid 19 virus across the world and subsequent disruption in economic activities may impact economic growth across countries and could indirectly impact pharmaceutical consumption.

## 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, 2024.

## 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 Company strives to identify opportunities that enhance organizational values while managing or mitigating risks that can adversely impact its future performance through:

- Integrated process for identification, assessment and reporting
- Decentralized management of specific opportunities and risks
- Aggregation at corporate level monitored by the Board with the overall direction and control.

The Company continues its initiatives aimed at assessment and avoidance or minimisation of various risks affecting its business and towards cost control and efficiency across its businesses and functions, taking appropriate measures and reviewing them from time to time.

#### Internal Control Systems and Adequacy:

A strong internal control framework is among the important pillars of corporate governance and the Company strives to enhance it consistently. 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.436 lakhs during the financial year 2023-2024 as against Rs. 244.96 lakhs during the financial year 2022-2023 and has earned net profit of Rs.197.46 lakhs for the the financial year 2023-2024 as against Rs. 131.00 lakhs for the financial year 2022-2023 respectively as per IND AS

#### Human Resources:

We consider employees as an integral part of our operations and we put in place appropriate feedback process and upgradation of skills in their functional areas. Employee relations are affable and harmonious with safe and healthy working environment and all-round contribution and participation in the growth. 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.

**SIGACHI LABORATORIES LIMITED**

Details of Key Financial Ratios:

Sl. No.	Particulars	As at 31.3.2024	As at 31.3.2023	%Change
1	Debtors Turnover(Lease rents/Average Debtors)	12.83	0.15	8453.33
2	Inventory Turnover	NA	NA	NA
3	Interest Coverage Ratio	NA	NA	NA
4	Current Ratio(Current Assets/Current Liabilities)	37.32	69.21	(46.08)
5	Debt Equity Ratio	NA	NA	NA
6	Operating Profit Margin (%) (PBIT/Total Revenue)	64.58	70.72	(8.68)
7	Net Profit Margin (%) (Net Profit/Total Revenue)	45.29	53.48	(15.31)
8	Return on Net Worth (%) (Net Profit/Net Worth)	5.48	4.26	28.64

Reasons for changes in more than 25%:

1. The Increase in Trade Receivables Turnover ratio is due to delay in realisation of debtors when compared to last year.
2. The Decrease in Current ratio is due to delay in realization of debtors when compared to last year and also due to decrease in cash and cash equivalents and current investments.
3. The Increase on Return on Net worth is due to increase in the fair value gains and OCI.

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 – V

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, 2024:

## 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:

	2023-2024	2022-2023
Expenditure incurred on Research and Development:	Nil	Nil
C) FOREIGN EXCHANGE EARNINGS AND OUTGO:		
	2023-2024	2022-2023
i) Foreign Exchange earnings :	Nil	Nil
ii) Foreign Exchange out go :	Nil	Nil

**SIGACHI LABORATORIES LIMITED**

**Annexure - VI**

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:

(Rs. in lakhs)

Name	Age (years)	Qualifications	Designation	Date of Commencement of employment	Experience (years)	Gross Remuneration (CTC)	Previous Employment	Previous Designation
T.R. Sekhar	41	B.E., MS (USA),	Executive Director	11-6-2018	13	16.57	Krishnasai Granites (India) Private Limited	Business Development Manager
B. Kumar	43	B. Com.,	CFO	01-10-2014	16	3.44	Kids Fun Pvt Ltd.,	Accountant
Lekha Sai Surapaneni	30	B. Com., ACS.,	Company Secretary and Compliance Officer	11-03-2020	5	5.40	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	7.33
Sridevi Madati	0.05
T. Govardhana Rao	0.05
P.L.V. Subba Rao	NA
G. Mohan Rao	0.05
Shilpa Bung	0.05
P.C. Sai Babu	0.03

- 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	(4%)
T. Govardhana Rao	Non Executive & Independent Director	NIL
Shilpa Bung	Non Executive & Independent Director	NIL
G. Mohan Rao	Non Executive & Independent Director	NIL
Sridevi Madati	Non Executive & Independent Director	NIL
P.L.V. Subba Rao	Non Executive & Non Independent Director	He has not attended any Board Committee meeting, hence no sitting fee was paid

**SIGACHI LABORATORIES LIMITED**

P.C. Sai Babu	Non Executive & Non Independent Director	He was appointed at 29 <sup>th</sup> AGM held on 27.9.2023
Lekha Sai Surapaneni	Company Secretary	80%
B. Kumar	Chief Financial Officer	1.78%

Sri. T.R. Sekhar had been reappointed by the members of the company at the 27<sup>th</sup> AGM held on 24.9.2021.

- iii) There is increase of 2.26% (excluding Executive Director) in the median remuneration of the employees during the financial year 2023-2024.
- iv) The number of permanent employees on the rolls of the company are 8 as on 31<sup>st</sup> March, 2024.
- 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 percentage increase in salaries of employees, other than managerial personnel during the Financial Year 2023-2024 is around 18.93% and there is an increase of 7.49% in the managerial remuneration (KMPs) for the said Financial Year. The increase in the remuneration of employees other than managerial personnel was due to annual increments of the employees and the increase in the remuneration is reasonable. The remuneration of managerial personnel is as per the provisions of the Companies Act, 2013 and the increase in the remuneration of managerial personnel was due to annual increments and revised salaries of the managerial personnel and taking into account the absolute salaries paid, the increase in remuneration of KMPs is reasonable. The increase in the percentage of remuneration of company secretary by 80% is due to increase in her salary as her salary was not increased since joining in the company.

- 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 Per Annum (Rs. in lakhs)	Previous Employment	Relative of Director, if any	% of Share holding
T. R. Sekhar	41	B.E., MS (USA), & 13 years	Executive Director	11-6-2018	Regular Employee	16.57	Krishna Sai Granites (India) Private Ltd.,	Son of Sri. T. Adinarayana, Director	0.46
Ch. V. Uma maheswara Rao	67	ITI & 40 years	Maintenance Manager	1-6-2020	Regular Employee	5.96	Sigachi Laboratories Ltd.,	---	---
Lekha Sai Surapaneni	30	B. Com., ACS., & 4 years	Company Secretary & Compliance officer	11-3-2020	Regular Employee	5.40	NA	---	---
B. Kumar	43	B.Com., & 16 years	Chief Financial Officer	1-10-2014	Regular Employee	3.44	Kids fun Pvt Ltd.,	---	100 shares
T. Soundarya	29	M. Com., & 4 years	Office Assistant	2-3-2020	Regular Employee	1.28	NA	---	---
A. Naresh	36	- & 4 years	Office Attender	1-08-2020	Regular Employee	1.39	NA	---	---
K. Rashmitha	29	M. Com., & 4 years	Office Assistant	1-08-2020	Regular Employee	1.55	Ushakiran Finance Ltd.,	---	---
M. Shankar	52	7 <sup>th</sup> Class	Driver	09.07.2022	Regular Employee	2.26	worked as a driver to an individual	---	---

There is no employee who is drawing annual salary of Rs. 102 lakhs and more and monthly salary of Rs.8.50 lakhs and more.

## Annexure – VII

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

Sigachi Laboratories Limited's ("the Company") believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing shareholders' value while safeguarding the interests of all stakeholders. The Company is committed to adhere to the code of corporate governance as it means adoption of best business practices aimed at growth of the Company coupled with bringing benefits to all stake holders and the society at large.

The Company believes in complying with the spirit of the law and not just the letter of the law and follows the policy of continual disclosure of accurate financial and governance information to ensure investors awareness and protection.

**GOVERNANCE STRUCTURE**

The Corporate Governance structure of the Company is as follows:

**1) 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, 2024, the Company's Board of Directors consists of Seven directors, out of which Four are 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 (Non Executive Director)
T. R. Sekhar	Promoter-Executive	Executive Director	31,200 (0.46%)	Ushakiran Finance Limited (Non Executive Director)
P.C. Sai Babu	Non Executive	Non Executive Director	NIL	NIL
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	Virya Resources Limited
Sridevi Madati	Non Executive	Independent Director	NIL	Danlaw Technologies India Limited (Non Executive Director) TGV SRAAC Limited (Independent Director)

\* Sri. P.L.V Subba Rao has vacated office of Directorship with effect from 27.9.2023

## SIGACHI LABORATORIES LIMITED

In terms of Regulation 25(8) of SEBI Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

### Details of Directors proposed for Re-Appointment at the Annual General Meeting

(i) Sri. P.C. Sai Babu shall retire by rotation and being eligible, offers himself for re-appointment. Board recommends the reappointment of Sri. P.C. Sai Babu as Director of the company, liable to retire by rotation.

The Nomination and Remuneration Committee recommended and the Board considered and approved at its respective meetings held on 9-08-2024, the reappointment of Sri. T.R Sekhar, as Whole-Time Director in the designation and capacity of Executive Director, not liable to retire by rotation which is subject to the approval of members at the ensuing AGM.

The first term of five consecutive years as Independent Director of Sri. G. Mohan Rao, comes to an end on 26.9.2024 and being eligible, offers himself for reappointment as Independent Director and the Nomination and Remuneration Committee and the Board at their respective meetings held on 9-08-2024 recommended the reappointment of Sri. G. Mohan Rao as Independent Director of the company for a second term of five consecutive years.

### 2) 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.

### 3) 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. Sridevi Madati, Sri. P.C. Sai Babu
Technical knowledge on operations	Sri. T. R. Sekhar
Corporate Governance, Strategic Management	Smt. Shilpa Bung, Sri. T. Govardhana Rao, Ms. Sridevi Madati

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

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### 4) Relationship among Directors

Sri. T. Adinarayana, Director is the father of Sri. T.R. Sekhar, Executive Director and thus are related to each other. Further, none of the other directors are related to each other.

### 5) 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	Attendance in the Board meetings		Attendance at AGM held on 27 <sup>th</sup> September 2023	In other Public Companies		
	Held	Present		Directorships	Membership	Chairman
T. Adinarayana	5	4	Yes	1	2	0
T. R. Sekhar	5	5	Yes	1	1	0
T. Govardhana Rao	5	5	Yes	0	0	0
P.C. Sai Babu	3	2	NA	0	-	0
G. Mohan Rao	5	5	Yes	0	0	0
Shilpa Bung	5	5	No	3	2	0
Sridevi Madati	5	5	Yes	2	5	1
*P.L.V. Subba Rao	2	0	Yes	0	0	0

\* Sri. P.L. V Subba Rao has vacated office of Directorship with effect from 27.9.2023

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, 2024 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. None of the Independent Directors of the Company is a non-independent Director of another Company on the Board of which any non-independent Director of the listed entity is an independent Director.

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.

### 6) DATES OF BOARD MEETINGS

The Board met 5 times during the financial year 2023-2024 on the following dates:

Date	Board Strength	No. of Directors Present
30.05.2023	7	5
14.08.2023	7	6
10.11.2023	7	7
09.02.2024	7	6
30.03.2024	7	7

**7) Committees of the Board**

Currently, there are 3 Board Committees – The Audit Committee, Nomination and Remuneration Committee and 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:

**8) Audit Committee**

The Company has an 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
G. Mohan Rao	Independent Director	5	5
Shilpa Bung	Independent Director	5	5
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:

**Role of the Audit Committee includes:**

1. Oversight of Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv) Significant adjustments made in the financial statements arising out of audit findings.
  - v) Compliance with listing and other legal requirements relating to financial statements.

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- vi) Disclosure of any related party transactions.
- vii) Review of draft Auditors Report, in particular qualifications / remarks / observations made by the Auditors on the financial statements.
- viii) Management Discussion and Analysis of financial conditions and result of operations.
- 3. Monitoring of the Company's financial reporting process, disclosure of its financial information and to ensure the correctness & credibility of the financial statements;
- 4. Recommending the appointment, remuneration and terms of appointment of statutory, internal auditors of the Company;
- 5. Reviewing with the Management, the quarterly and annual financial statements/results and auditor's report thereon before submission to the board for its approval;
- 6. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 7. Reviewing and providing its recommendations to the board w.r.t., transactions of the Company with related parties;
- 8. Evaluation of internal financial controls and risk management systems;
- 9. Reviewing with the Management, performance of statutory and internal auditors and the adequacy of the internal control systems;
- 10. Reviewing the risk management policies, practices and 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;
- 11. 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;
- 12. Scrutiny of inter-corporate loans and investments: and,
- 13. Reviewing the functioning of the Whistle Blower mechanism.

### 9) Meetings of Audit Committee

The Audit Committee met Five times during the year 2023-2024. The said committee met at the following dates.

Date	Committee Strength	No. of Directors Present
30.05.2023	4	3
14.08.2023	4	4
10.11.2023	4	4
09.02.2024	4	4
30-03-2024	4	4

### 10) 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 Four Independent Directors and one Non-Executive Director. During the year, under review the board had reconstituted the Nomination and Remuneration committee.

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### 11) 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	3	3
P.L.V. Subba Rao	Non Executive Director	2	-
P.C. Sai Babu (Appointed at the 29 <sup>th</sup> AGM held on 27.9.2023)	Non Executive Director	1	1
Shilpa Bung	Independent Director	3	3
Sridevi Madati	Independent Director	3	3

\* Sri. P.L.V Subba Rao has vacated office of Directorship with effect from 27.9.2023

### 12) Meetings of Nomination and Remuneration Committee

The members of the Committee met Three times during the year 2023-24. The said committee met at the following dates.

Date	Committee Strength	No. of Directors Present
30.05.2023	4	3
14.08.2023	4	3
30.03.2024	4	4

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 Management. The Nominations and Remuneration Committee has reviewed and evaluated the performance evaluation criteria for Board 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. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions if any, given by the Board from time to time.

### 13) 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.

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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 senior management of the Company which is disclosed on the website of the Company [www.sillab.com](http://www.sillab.com).

### 14) REMUNERATION OF DIRECTORS

The details of remuneration to the Directors for the financial year ended March 31, 2024.

(Rs. in Lakhs)

Name of Director	Salary	Perquisites and other benefits	Commission	Sitting fee	Total
T. R. Sekhar, Whole Time Director in the designation and capacity of Executive Director	16.17	0.40	-	-	16.57

### 15) 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.

### 16) 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.

### 17) Stakeholders Relationship Committee

The Committee met 7 times during the year 2023-2024. The said committee met at the following dates.

Date	Committee Strength	No. of Directors Present
11.04.2023	3	3
04.05.2023	3	3
12.06.2023	3	3
14.08.2023	3	3
10.11.2023	3	3
19.12.2023	3	3
30.03.2024	3	3



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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.

**18) 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 Chairman	Independent Director	7	7
Shilpa Bung	Independent Director	7	7
T. Adinarayana	Non-Executive Director	7	7

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. During the year under review, Company has not received any complaints from investors. All were replied/resolved to the satisfaction of the investors and no complaints were pending.

**19) 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 share 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 31-3-2024.

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-a-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.

**20) RISK MANAGEMENT**

The Company has developed and is implementing a risk management policy which includes the identification of risk, governance of risk and assessment and control of risk. The risks have been prioritized through a company-wide exercise. Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Audit Committee and Board.

**21) 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 committees of the Board.

**22) 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.sllab.com](http://www.sllab.com).

**23) MEETING OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors met on 30<sup>th</sup> March, 2024, 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.sllab.com](http://www.sllab.com).

**24) 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.

The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

**25) 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, 2023	Wednesday, 27 <sup>th</sup> September, 2023 at 4.00 PM	Video Conference	--
31 <sup>st</sup> March, 2022	Wednesday, 28 <sup>th</sup> September, 2022 at 4.00 PM	Video Conference	--
31 <sup>st</sup> March, 2021	Friday, 24 <sup>th</sup> September, 2021 at 3.00 PM	Video Conference	1. Reappointment of Sri. T.R. Sekhar (DIN:02943146) as Whole-Time Director in the capacity and designation of Executive Director of the company.

No Extraordinary General Meeting was held during the past 3 years.

Whether any special resolution passed last year through postal ballot - No

Details of Voting Pattern – Not applicable

Person who conducted Postal Ballot – Not applicable

Whether any special resolution is proposed to be conducted through postal ballot - No

Procedure for Postal Ballot: As per Rule 22 of Companies (Management and Administration) Rules, 2014.

Mr. N. Mallikarjuna Rao, Chartered Accountant, Partner, M/s. Mallikarjun Rao and Associates, Chartered Accountants, conducted the e-voting process and the Poll during the previous Annual General Meeting in accordance with the law and in a fair and transparent manner.

**26) 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.slllab.com](http://www.slllab.com).
- b. There was no non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange 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 Code 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.slllab.com](http://www.slllab.com).
- d. The Company does not have any Material Subsidiary.
- e. 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, 2024.
- f. The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- g. There are no Shares lying in Demat Suspense Account.
- h. Company's practices and procedures meet the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.
- i. The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended March 31, 2024.
- j. During the year ended March 31, 2024, there were no proceeds from public issues, rights issues, preferential issues etc.,
- k. Total fees for all services paid/provided by the listed entity to the statutory auditor for the financial year 2023-2024 is set out in the Notes to the Financial Statements, forming part of the Annual Report.
- l. disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2024:
  - 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 at the end of the financial year: Nil
- m. The Company also complies with the following non-mandatory requirements of Regulation 27 of the SEBI Listing Regulations, 2015:
- The Company does not maintain an office for the Non-Executive Chairman.
  - The Company's quarterly and half-yearly results are furnished to the Stock Exchange, also published in the newspapers and also displayed on the website of the Company.
  - The Internal Auditors' reports to the Audit Committee.
  - The Company is having separate post for Chairman and Managing Director.

**27) The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 are as follows:**

Regulation	Particulars of Regulations	Compliance Status (Yes/No)
17	Board of Directors	Yes
17A	Maximum number of Directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	NA
24A	Secretarial Audit and Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i) and (t)	Website	Yes

## 28) MEANS OF COMMUNICATION

Official press releases/news/Financial Results are uploaded in Metropolitan Stock Exchange of India Limited, the Stock Exchange website [www.msei.in](http://www.msei.in), where the shares of your Company are listed and the same are hosted on the website of your Company. No presentations were made to the Institutional Investors or to Analysts.

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 and Nava Telangana and such other News Papers from time to time within 48 Hours from the conclusion of Board Meeting.

## SIGACHI LABORATORIES LIMITED

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

Annual reports with audited financial statements are sent to the shareholders through permitted mode.

### 29) GENERAL SHAREHOLDER INFORMATION

The 30<sup>th</sup> Annual General Meeting of the company will be held on Monday, 9<sup>th</sup> day of September, 2024 at 4.00 P.M. through Video Conferencing/Other Audio Visual Means.

### 30) Financial Calendar: 1<sup>st</sup> of April, 2024 to 31<sup>st</sup> of March, 2025.

Results for the quarter ending:

30 <sup>th</sup> June, 2024	:	On or before 14 <sup>th</sup> August, 2024.
30 <sup>th</sup> September, 2024	:	On or before 14 <sup>th</sup> November, 2024.
31 <sup>st</sup> December, 2024	:	On or before 14 <sup>th</sup> February, 2025.
31 <sup>st</sup> March, 2025	:	On or before 30 <sup>th</sup> May, 2025.
Dates of Book closure	:	Tuesday, 3 <sup>rd</sup> September, 2024 to Monday 9 <sup>th</sup> September, 2024 (both days inclusive).

Dividend Payment Date : NotApplicable

Listing on Stock Exchanges : Metropolitan Stock Exchange of India Limited,  
205(A), 2nd floor, Piramal Agastya Corporate Park, Kamani  
Junction, LBS Road, Kurla (West), Mumbai - 400070.

Stock Code (MSEI Ltd) : SIGACHI

ISIN : INE368H01018

The Annual Listing fees for the year 2024-2025 has been paid to the Stock Exchange.

### 31) MARKET PRICE DATA - HIGH LOW DURING EACH MONTH IN LAST FINANCIAL YEAR

As per the available information, No trades were executed at Metropolitan Stock Exchange of India Limited in the shares of the company during the period from April 01, 2023 to March 31, 2024. The securities of the Company are not suspended from trading during the financial year ended March 31, 2024.

The securities of the Company are not suspended from trading during the financial year ended March 31, 2024.

**32) DISTRIBUTION OF SHAREHOLDING**

Sl. No.	Category	Holders		Amount	
		Number	% To Total	Rs.	% To Total
1.	Upto - 5000	363	14.55	10,04,650	1.49
2.	5001 - 10000	1014	40.66	99,94,450	14.8
3.	10001 - 20000	394	15.80	66,42,030	9.84
4.	20001 - 30000	591	23.70	1,50,73,570	22.32
5.	30001 - 40000	25	1.00	9,42,000	1.39
6.	40001 - 50000	62	2.49	30,80,000	4.56
7.	50001 - 100000	22	0.88	19,45,400	2.88
8.	100001 & Above	23	0.92	2,88,48,900	42.72
	Total	2494	100	6,75,31,000	100

**33) CATEGORIES OF SHAREHOLDERS AS ON 31<sup>st</sup> MARCH, 2024**

Sl. No.	Category of Shareholders	No. of Shares	Percentage (%)
1.	Promoter & Promoter Group	24,88,880	36.86
2.	Mutual Funds	-	-
3.	Alternate Investment Funds	-	-
4.	Foreign Portfolio Investors	-	-
5.	Financial Institutions & Banks	-	-
6.	Other Bodies Corporate	1,33,292	1.97
7.	Resident Individuals	27,34,978	40.50
8.	Non-Resident Individuals	13,95,950	20.67
9.	Clearing Members	-	-
10.	IEPF	-	-
	Total	67,53,100	100.00

**34) 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, 2024, 44.31% of the Company's Shares are dematerialized.

**35) Dematerialization mandatory for effecting share transfers**

SEBI has vide proviso to Regulation 40 (1) 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.

**36) Share Transfer System**

The requests received for Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are processed and dispatched to the shareholders within a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. All the valid Deletion of Name, Transmission of Shares, Split and issue of duplicate share certificates are noted at Board Meetings.

## SIGACHI LABORATORIES LIMITED

### 37) 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) Transmission of shares - Legal heirs' or Nominees'
- ii) Transposition of shares - Joint holders' and
- iii) In case of decease of shareholder - Surviving joint holders'

There are no outstanding Global Depository Receipts / American Depository Receipts or Warrants or any convertible instruments as on March 31, 2024.

The company has not entered into any agreement with shareholder(s), promoter(s), promoter group entities, related parties, directors, key managerial personnel, employees of your company or with holding, subsidiary or associate company, or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon your company. This disclosure is pursuant under clause 5A of paragraph A of Part A of Schedule III of SEBI (LODR) Regulations, 2015.

### 38) 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.

### 39) Plant Location

Unit - I: S. No. 530 & 534, Bonthapally - 502 313, Gummadidala Mandal, Sangareddy District, Telangana.

Unit - II: S.No.42, Ali Nagar, Gummadidala Mandal, Sangareddy 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 Share Transfer Agents:	Venture Capital and Corporate Investments Private Limited, "Aurum" Door No. 4-50/P-II/57/4F & 5F, 4th & 5th Floors, Plot No.57, Jayabheri Enclave Phase-II, Gachibowli, Hyderabad- 500 032. Phone No: +91 040-23818475 / 23818476. e-mail:investor.relations@vccipl.com, Website: www.vccipl.com
Contact Person:	Mr. E.S.K. Prasad, Venture Capital and Corporate Investments Private Limited, "Aurum" Door No. 4-50/P-II/57/4F & 5F, 4th & 5th Floors, Plot No.57, Jayabheri Enclave Phase-II, Gachibowli, Hyderabad - 500 032. Phone No: +91 040-23818475 / 23818476. e-mail:investor.relations@vccipl.com, Website: www.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 30 <sup>th</sup> Annual Report.



**40) Credit Ratings: NIL****41) Secretarial Audit**

1. M/s. P.S. Rao & Associates, Practicing Company Secretaries have conducted Secretarial Audit of the Company for the year 2023-24. 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.

**42) Code of Conduct**

All the Directors and senior management confirmed the compliance of the code of conduct. The Company has posted the Code of Conduct for Directors and Senior Management on the website of the company.

**43) Familiarization Programme for Board Members**

A formal familiarization programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company.

**44) Prohibition of Insider trading**

In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct for regulating, monitoring and reporting of trading by insiders.

The code is applicable to designated persons and their immediate relatives who are likely or may reasonably be expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.

For Sigachi Laboratories Limited

Place : Hyderabad  
Date : 9.08.2024

(T. Adinarayana)  
Chairman  
DIN: 00917498

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)  
CERTIFICATION**

- a. We have reviewed the financial statements and cash flow statement for the financial year ended 31<sup>st</sup> March, 2024 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 we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
  - i. Significant changes, if any, in the internal control over financial reporting during the year;
  - ii. Significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and involvement therein, if any, 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 : 9.08.2024

(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, 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,  
Sangareddy District, Telangana, India.

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, 2024 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  
PR No. 710/2020  
UDIN:A031197F000447536

Place : Hyderabad  
Date : 25.05.2024

**SIGACHI LABORATORIES LIMITED**

PS.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**

*(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, Sangareddy District, Telangana, India.

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 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, 2024 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. China Sai Babu Puppala	Non-Executive Director	10275666
5	Mrs. Shilpa Bung	Non-Executive Director (Independent Director)	08257931
6	Mr. Mohan Rao Gurram	Non-Executive Director (Independent Director)	08535558
7	Ms. Sridevi Madati	Non-Executive Director (Independent Director)	02446610
8	Mr. Lakshmana Venkata Subba Rao Patchipulusu*	Non-Executive Director	07268648

\* Sri. Lakshmana Venkata Subba Rao Patchipulusu has vacated office of Directorship with effect from 27.9.2023.

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  
C.P. No:14449

PR No. 710/2020

UDIN: A031197F000447536

Place : Hyderabad  
Date : 25.05.2024

**SIGACHI LABORATORIES LIMITED**

NSVR&ASSOCIATESLLP  
Chartered Accountants

2nd Floor, H.No.1-89/1/42,  
Plot No.41 and 43,  
Sri Ram Nagar colony,  
Kavuri Hills, Madhapur,  
Hyderabad-500081.

**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, 2024, 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 material 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, 2024 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 of the financial statements 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 audit opinion on the financial statements.

**Key Audit Matters**

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

Key Audit Matters	How our audit addressed the key audit matter
<p>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, 2024, financial instruments carried at fair value through OCI and fair value through profit and loss as per Ind AS Financial Statements. These financial instruments are recorded at fair value as required by the relevant accounting standards.</p> <p>We have focused on this area due to the complexities associated with the valuation and accounting for these financial instruments.</p>	<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, 2024. 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 is responsible for other information. The other information comprises the information included in the Directors' report, Management Discussion and Analysis Report and Corporate Governance Report but does not include the Ind AS financial statements and our auditor's report 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 during the course of our audit or otherwise appears to be materially misstated.

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

**Responsibilities of management and those charged with governance for the financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Ind AS and other 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.

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

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2020, ("the Order") issued by the Central Government of India in terms of 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.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to 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.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company hasn't declared any dividend and hence the provisions of the section 123 of the Companies Act is not applicable.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For NSVR & ASSOCIATES LLP  
Chartered Accountants  
(Firm Regn. No: 008801S/S200060)

(V Gangadhara Rao N)  
Partner

Membership No. 219486  
UDIN: 24219486BKFB AJ2872

Place : Hyderabad  
Date : 25-5-2024

**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 Financial Statements for the year ended 31<sup>st</sup> March, 2024.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment and its intangible assets.
- (b) The Property, Plant and Equipment 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.
- (d) According to the information and explanations given to us and on the basis of our examination of the Records, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the Records of the Company, no proceedings have been initiated against the Company during the year or are pending against the Company as at 31<sup>st</sup> March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The company does not have inventories and hence the reporting under this clause is not applicable.
- (b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits from banks or financial institutions at any point of time during the year under audit.
- (iii) (a) The Company has made investments in, provided/ stood guarantee and granted unsecured loans during the year and details of which are given below:

**SIGACHI LABORATORIES LIMITED**

(Rs. in lakhs)

	Investments	Loans/ICDs	Guarantees
A. Aggregate amount granted/provided during the year:			
Subsidiaries	-	-	-
Associates	-	-	-
Others	127.78	100.00	-
B. Balance outstanding as at balance sheet date in respect of above cases:			
Subsidiaries	-	-	-
Associates	-	-	-
Others	2,381.83	170.98	-

- (b) The investments made, guarantees provided and the terms and conditions of the grant of all the above mentioned loans during the year are in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans (all are demand loans), the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular during the year.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) In our opinion and according to the information and explanations given to us, the Company has not granted any loans which are either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013 and hence reporting under clause (iii) (f) of the Order is not applicable.
- (iv) The Company has not advanced loans or made investments in or provided guarantee and security to parties covered by section 185, however the company has complied with the provisions of section 186 in respect of the loans and advances granted to the other parties.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Thus clause (v) of the order is not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

- (vi) 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 clause (vi) is not applicable to the company.
- (vii) (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 Goods and Services Tax, provident fund, employees state insurance, income tax, duty of customs, duty of excise, value added 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 tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears as at 31<sup>st</sup> March, 2024, for a period of more than six months from the date they became payable.  
 (b) According to the information and explanations given to us, there are no statutory dues which have not been deposited as on 31<sup>st</sup> March, 2024, on account of any dispute.
- (viii) According to the information and explanations given to us, the Company does not have any transactions not recorded in books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961. Accordingly, clause (viii) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable.  
 (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority. Hence reporting under clause (ix)(b) of the Order is not applicable.  
 (c) The Company has not taken any term loan during the year and there are no outstanding term loans. Hence reporting under clause (ix)(c) of the Order is not applicable.  
 (d) On an overall examination of the financial statements of the Company, no funds were raised on short term basis by the Company. Hence reporting on clause (ix)(d) is not applicable.  
 (e) According to information and explanation given to us, the Company has not taken any fund from any entity or from any person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence clause (ix)(e) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company.  
 (f) According to information and explanation given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence clause (ix)(f) of the Companies (Auditor's Report) Order, 2020 ("the Order") is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting under clause (x)(a) of the Order is not applicable.

- (b) The Company has not made preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year under review. Hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.  
 (b) To the best of our knowledge, No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.  
 (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Act wherever applicable and details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with its size and the nature of its business.  
 (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) 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 any non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of the Order is not applicable and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.  
 (b) The Group does not have any core investment company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements

**SIGACHI LABORATORIES LIMITED**

and our knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of Corporate Social Responsibility (CSR) is not applicable to the Company. Accordingly, clause (xx)(a) of the Order is not applicable for the year.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company the provisions of Corporate Social Responsibility (CSR) is not applicable to the Company. Accordingly, clause (xx)(b) of the Order is not applicable.

For NSVR & ASSOCIATES LLP  
Chartered Accountants  
(Firm Regn. No: 008801S/S200060)

(V Gangadhara Rao N)  
Partner  
Membership No. 219486  
UDIN: 24219486BKFB AJ2872

Place : Hyderabad  
Date : 25-5-2024

**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, 2024.)

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, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2024, 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.

**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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of



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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

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

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

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

For NSVR & ASSOCIATES LLP  
Chartered Accountants  
(Firm Regn. No: 008801S/S200060)

(V Gangadhara Rao N)  
Partner

Membership No. 219486  
UDIN: 24219486BKFB AJ2872

Place : Hyderabad  
Date : 25-5-2024

**SIGACHI LABORATORIES LIMITED**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2024**

(Rs. in lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
<b>A. ASSETS</b>			
1. Non-Current Assets			
(a) Property, Plant and Equipment	2	321.59	236.71
(b) Financial Assets			
(i) Investments	3	2,611.38	1,957.24
(ii) Other Financial Assets	4	43.62	43.53
(c) Other non Current Assets	5	470.50	285.50
Total Non - Current Assets		3,447.09	2,522.98
2. Current Assets			
(a) Financial Assets			
(i) Investments	6	51.54	9.04
(ii) Trade Receivables	7	20.21	0.76
(iii) Cash and Cash Equivalents	8	44.53	371.25
(iv) Other Financial Assets	9	170.98	221.75
(b) Other Current Assets	10	0.11	0.11
Total Current Assets		287.37	602.91
Total Assets		3,734.46	3,125.89
<b>B. EQUITY AND LIABILITIES</b>			
1. Equity			
(a) Equity Share Capital	11	731.06	731.06
(b) Other Equity	12	2,869.84	2,342.90
Total Equity		3,600.90	3,073.96
2. Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities		-	-
(b) Provisions	13	7.89	6.71
(c) Deferred Tax Liabilities (net)	14	92.97	11.51
(d) Other Non - Current Liabilities	15	25.00	25.00
Total Non - Current Liabilities		125.86	43.22
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables	16	-	-
(a) total outstanding dues of Micro and Small Enterprises	-	-	-
(b) total outstanding dues of creditors other than Micro and Small Enterprises	17	6.07	6.43
(iii) Other Financial Liabilities	18	-	-
(b) Other Current Liabilities	19	1.63	2.28
(c) Provisions		7.70	8.71
Total Current Liabilities		7.70	8.71
Total Equity and Liabilities		3,734.46	3,125.89

The accompanying notes form an integral part of these financial statements.  
This is the Balance Sheet referred to in our report of even date.

for NSVR & ASSOCIATES LLP  
Chartered Accountants  
(Firm Regn. No.008801S/S200060)

For and on behalf of the Board

(V Gangadhara Rao N)  
Partner  
Membership No.219486  
UDIN:24219486BKFB AJ2872

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

(T.Govardhana Rao)  
Director  
DIN:07162634

Place: Hyderabad  
Date : 25.05.2024

(S.Lekha Sai)  
Company Secretary

(B.Kumar)  
Chief Financial Officer

**SIGACHI LABORATORIES LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2024**

(Rs. in lakhs)

Particulars	Note No.	For the Year ended 31 <sup>st</sup> March, 2024	For the Year ended 31 <sup>st</sup> March, 2023
Income			
I. Revenue from operations	20	374.14	194.70
II. Other income	21	61.86	50.26
III. Total Income (I+II)		436.00	244.96
IV. Expenses			
Cost of materials consumed		-	-
Impairment on Advances	22	75.00	-
Changes in inventories		-	-
Employee benefits expense	23	39.37	35.79
Finance costs	24	-	-
Depreciation and amortization expense	25	22.51	18.88
Other expenses	26	17.53	17.05
Total Expenses (IV)		154.41	71.72
V. Profit before tax (III-IV)		281.59	173.24
VI. Tax expense			
(1) Current tax	27	40.95	46.45
(2) Deferred tax		43.18	(4.21)
Income Tax Expense		84.13	42.24
VII. Profit for the year (V-VI)		197.46	131.00
VIII. Other comprehensive income (OCI)			
Equity Instruments through other comprehensive income that will not be reclassified to profit or (loss)		367.56	(31.97)
Remeasurment of gains/(losses) on defined benefit plans		0.20	0.14
Tax on items that will not be reclassified to profit or (loss)		(38.28)	-
		329.48	(31.83)
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		329.48	(31.83)
IX. Total comprehensive income/(loss) for the year (VII+VIII)		526.94	99.17
X. Earnings per equity share: (par value of Rs. 10/- each)			
Basic (in Rs.)		2.92	1.94
Diluted (in Rs.)		2.92	1.94

The accompanying notes form an integral part of these financial statements.  
This is the statement of Profit & Loss referred to in our report of even date.

for NSVR & ASSOCIATES LLP  
Chartered Accountants  
(Firm Regn. No.008801S/S200060)

For and on behalf of the Board

(V Gangadhara Rao N)  
Partner  
Membership No.219486  
UDIN:24219486BKFB AJ2872

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

(T.Govardhana Rao)  
Director  
DIN:07162634

Place: Hyderabad  
Date : 25.05.2024

(S.Lekha Sai)  
Company Secretary

(B.Kumar)  
Chief Financial Officer

**SIGACHI LABORATORIES LIMITED**

**Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2024**

**a) Equity share capital** (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023		Changes in equity Share Capital during the year		As at 31 <sup>st</sup> March, 2024	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
a) Paid up Share Capital	67,53,100	675.31	-	-	67,53,100	675.31
b) Forfeited Shares	-	55.75	-	-	-	55.75
	67,53,100	731.06	-	-	67,53,100	731.06

**b) Other Equity** (Rs. in lakhs)

Particulars	Reserves and surplus		Other Comprehensive Income	Total
	Retained Earnings	Capital Reserve		
Balance as at 31/03/2022	1,275.08	13.22	955.43	2,243.73
Profit/(Loss) for the year	131.00	-	-	131.00
Additions during the year	-	-	(31.83)	(31.83)
Balance as at 31/03/2023	1,406.08	13.22	923.60	2,342.90
Profit/(Loss) for the year	197.46	-	-	197.46
Additions during the year	-	-	329.48	329.48
Balance as at 31/03/2024	1,603.54	13.22	1,253.08	2,869.84

The accompanying notes form an integral part of these financial statements.  
This is the statement of changes in Other Equity referred to in our report of even date.

for NSVR & ASSOCIATES LLP  
Chartered Accountants  
(Firm Regn. No.008801S/S200060)

For and on behalf of the Board

(V Gangadhara Rao N)  
Partner  
Membership No.219486  
UDIN:24219486BKFB AJ2872

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

(T.Govardhana Rao)  
Director  
DIN:07162634

Place: Hyderabad  
Date : 25.05.2024

(S.Lekha Sai)  
Company Secretary

(B.Kumar)  
Chief Financial Officer

**SIGACHI LABORATORIES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2024**

(Rs. in lakhs)

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Cash Flows from Operating Activities		
Profit/(Loss) before tax	281.59	173.24
Adjustments for:		
Depreciation and amortization expense	22.51	18.88
(Profit)/Loss on sale of Property, Plant and Equipment	(1.57)	-
Dividend Received	(46.88)	(41.75)
Provision for Gratuity & Leave Encashment	1.18	0.97
Provision for Impairment	75.00	-
(Profit)/Loss on sale of Investments	(0.86)	(1.50)
(Profit)/Loss on sale of Bonds	1.40	-
Bad Deposits Recovery	-	(0.09)
Interest Received	(58.42)	(73.05)
Fair Value (Gains)/Losses	(193.77)	(0.07)
Operating profit before working capital changes	80.18	76.63
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	(19.45)	15.12
(Increase)/Decrease in Other Current Financial Assets	50.77	-
(Increase)/Decrease in Other Current Assets	-	(0.11)
(Increase)/Decrease in Other Non Current Assets	(260.00)	0.52
Increase/(Decrease) in Other Current Financial Liabilities	(0.36)	(0.25)
Increase/(Decrease) in Provisions	(0.45)	-
(Increase)/Decrease in Other Non Current Financial Assets	(0.09)	0.21
Changes in Working Capital	(229.58)	15.49
Cash generated from operations	(149.40)	92.12
Direct Taxes Paid	40.95	44.18
Net Cash from operating activities (A)	(190.35)	47.94
Cash flows from Investing Activities		
(Purchase) of Property, Plant and Equipment	(107.79)	(27.00)
(Purchase) of Investments	(127.77)	(96.67)
Sale of Investments	61.82	244.54
Dividend Received	46.88	41.75
Bad Deposits Recovery	-	0.09
Proceeds From sale of Property, Plant and Equipment	1.96	-
Interest Received	58.42	73.05
(Increase)/Decrease in other term deposits	(69.89)	6.89
Net Cash used in Investing Activities (B)	(136.37)	242.65
Cash flows from/(used in) Financing Activities		
Proceeds from Long term borrowings	-	-
Repayment/(Proceeds) of/from Short-term borrowings	-	-
Dividend paid	-	-
Net Cash used in Financing Activities (C)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(326.72)	290.59
Cash and Cash Equivalents at the beginning of the year	371.25	80.66
Cash and Cash Equivalents at the ending of the year	44.53	371.25

**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 form an integral part of these financial statements.  
This is the Cash Flow statement referred to in our report of even date.

for NSVR & ASSOCIATES LLP  
Chartered Accountants  
(Firm Regn. No:008801S/S200060)

(V Gangadhara Rao N)  
Partner  
Membership No.219486

Place : Hyderabad  
Date : 25.05.2024

For and on behalf of the Board

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

(S.Lekha Sai)  
Company Secretary

(T.Govardhana Rao)  
Director  
DIN:07162634

(B.Kumar)  
Chief Financial Officer

**1. Summary of material accounting policies and other explanatory information  
(All amounts are in INR Lakhs except share data or unless otherwise stated)**

**1.01 Corporate Information**

Sigachi Laboratories Limited ("the Company") having its registered office at Bonthapally-502313, Gummadidala Mandal, Sangareddy District, 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.

**1.02 Basis of Preparation and Presentation of Financial Statements**

The financial statements of the Company have been prepared and presented in accordance with and in compliance in all material aspects, with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read along with the Companies (Indian Accounting Standards) Rules 2015 and presentation requirements of Division II of Schedule III to the Companies Act, 2013 and as amended from time to time together with the comparative period data as at and for the year ended March, 2023.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31<sup>st</sup> March, 2024. These financial statements for the year ended 31<sup>st</sup> March, 2024 were approved by the Company's Board of Directors on 25<sup>th</sup> May, 2024.

**1.03 Basis of measurement**

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- a) Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- b) Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and
- c) Long-term borrowings are measured at amortized cost using the effective interest rate method.

**1.04 Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors

that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### **Summary of significant accounting policies**

##### **1.05 Current and non-current classification**

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

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle of 12 months and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, presentation of financial statements.

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

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within twelve months after the reporting date; or
- d) 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.

All other assets are classified as non-current.

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

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) 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 counter party, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as noncurrent.

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

The operating cycle is the time between the acquisition of assets for processing

and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### **1.06 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 are rounded off to the nearest lakhs, unless indicated otherwise.

#### **1.07 Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable



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

For assets and liabilities that are recognised in the Ind AS financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value and for non-recurring measurement, such as assets held for sale in discontinued operations. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed.

External valuers are involved, wherever considered necessary. 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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

#### **1.08 Summary of material accounting policies**

On 31<sup>st</sup> March 2023, the Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2023 amending the Companies (Indian Accounting Standards) Rules, 2015. The amendments come into force with effect from 1<sup>st</sup> April 2023, i.e., Financial Year 2023-24. One of the major changes is in Ind AS 1 'Preparation of Financial Statements, which requires companies to disclose in their financial statements 'material accounting policies' as against the erstwhile requirement to disclose 'significant accounting policies'. The word 'significant' is substituted by 'material'.

Accounting policy information is expected to be material if users of an entity's financial statements would need it to understand other material information in the financial statements.

The Company applied the guidance available under paragraph 117B of Ind AS 1, Presentation of Financial Statements in evaluating the material nature of the accounting policies.

The following are the material accounting policies for the Company:

#### **1.09 Property, plant and equipment**

The cost of an item of property, plant and equipment are recognised as an asset if and only if it is probable that future economic benefits associated with

the item will flow to the Company and the cost of the item can be measured reliably. Property Plant and Equipment is stated at cost net of accumulated depreciation and accumulated impairment loss if any.

Freehold land is carried at historical cost less any accumulated impairment losses. Items of property, plant and equipment (including capital-work-in-progress) are stated at 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, non-refundable 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.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

#### **Depreciation**

Depreciation on items of PPE is provided on straight line basis, computed on the basis of useful lives as mentioned in Schedule II to the Companies Act, 2013. Depreciation on additions/ disposals is provided on a pro-rata basis i.e., from/up to the date on which asset is ready for use /disposed-off.

#### **De-recognition of assets**

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. Any gain or loss arising from such disposal, retirement or de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item. Such gain or loss is recognized in the statement of profit and loss.

#### **1.10 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****Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are 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 recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified as under:

- \* Debt instruments at amortised cost;
- \* Debt instruments, mutual funds and derivatives at fair value through profit or loss (FVTPL);
- \* Equity instruments measured at fair value through other comprehensive income (FVTOCI);

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met: (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Equity Instruments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity

instruments which are held for trading are classified as FVTPL. If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss.

#### **Derecognition of Financial Assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (i) the Company has transferred substantially all the risks and rewards of the asset, or
  - (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### **Impairment of Financial Assets**

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

In accordance with Ind AS 109, the company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- \* The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);

- \* Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument);

The company follows simplified approach for recognition of impairment loss allowance on loans given and trade receivables and under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on loans given and trade receivables. The provision matrix is based on its historically observed default rates over the expected life of loans given and trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated.

For other assets, the company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

#### **b. Financial liabilities**

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification.

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through

profit or loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss.

However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

#### De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or 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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 1.11 Cash and cash equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks and other short-term deposits. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment and which are subject to an insignificant risk of change in value. Bank overdrafts

that are repayable on demand form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Company is not having any overdraft facility/limits from any bank/financial institution.

#### **1.12 Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31. The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflow of other assets or groups of assets (the "cash-generating unit").

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 Unit (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. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any

indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

### **1.13 Employee benefits**

#### **Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized 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.

### **1.14 Provisions, Contingent Liabilities and Contingent Assets**

#### **Provisions**

A provision is recognized in the statement of profit and loss if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is



used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### Contingent liabilities and contingent assets

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 provision or disclosure is made.

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.

#### Onerous contracts

A provision for onerous contracts is recognised in the statement of profit and loss when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

#### Reimbursement rights

Expected reimbursements for expenditures required to settle a provision are recognised in the statement of profit and loss only when receipt of such reimbursements is virtually certain. Such reimbursements are recognised as a separate asset in the balance sheet, with a corresponding credit to the specific expense for which the provision has been made.

#### 1.15 Revenue from contracts with customers

##### Sale of goods and Services

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from goods and services is recognized, when the company satisfies a performance obligation by transferring a promised goods or services 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 control 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.

#### **Net gain/loss on fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain/loss in the statement of Profit and Loss.

However, net gain/loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

#### **1.16 Dividend and Interest Income**

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established (provided that it is probable that the economic benefits will flow to the Company and the amount can be measured reliably). Interest Income mainly comprises of interest from banks on term deposits and interest on loans given. Other Interest income or expense is recognised using the effective interest method (EIR). Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

#### **1.17 Borrowing cost**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### **1.18 Tax Expenses**

Income tax expense comprises current and deferred tax. It is recognised in

profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

#### Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Minimum alternate tax (MAT) is not applicable to the Company, as it has chosen an option to pay corporate tax under section 15BAA at the rate of 22% plus

applicable surcharge and cess subject to compliance with certain conditions. Goods and Services Tax (GST) paid on acquisition of assets or on incurring expenses.

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

#### Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, tax and any deferrals or accruals of past or future cash receipts or payments. The cash flows are prepared for the operating, investing and financing activities of the Company.

### 1.19 Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### Diluted earnings per share

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

**Determining the lease term of contracts with renewal and termination options**  
The Company determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company

has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### **1.20 Determination of fair value**

The Company's accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

#### **Property, plant and equipment**

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

#### **Investments in equity and debt securities and units of mutual funds**

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

**1.21 New standards adopted by the company****Ind AS 1 – Presentation of financial information**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial information to be measured in a way that involves measurement uncertainty. The company does not expect this amendment to have any significant impact in its financial statements.

**1.22 New Accounting pronouncements**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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

Sl. No.	Particulars	Gross carrying value			Accumulated depreciation/impairment			Net carrying value	
		As at 31 <sup>st</sup> March, 2023	Additions	Disposals	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	For the year	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
1	Freehold Land	76.03	-	-	76.03	-	-	76.03	76.03
2	Buildings	79.16	106.72	-	185.88	30.59	6.09	149.19	48.57
3	Plant and Equipment	114.96	-	-	114.96	49.24	7.38	58.34	65.72
4	Vehicles	69.85	-	0.39	69.46	25.05	8.30	33.35	44.80
5	Office Equipment	2.77	1.07	-	3.84	1.18	0.74	1.92	1.59
	<b>Total</b>	<b>342.77</b>	<b>107.79</b>	<b>0.39</b>	<b>450.17</b>	<b>106.06</b>	<b>22.51</b>	<b>321.59</b>	<b>236.71</b>

Sl. No.	Particulars	Gross carrying value			Accumulated depreciation/impairment			Net carrying value	
		As at 31 <sup>st</sup> March, 2022	Additions	Disposals	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	For the year	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
1	Freehold Land	76.03	-	-	76.03	-	-	76.03	76.03
2	Buildings	79.16	-	-	79.16	26.66	3.93	48.57	52.50
3	Plant and Equipment	114.96	-	-	114.96	41.76	7.48	65.72	73.20
4	Vehicles	43.31	26.54	-	69.85	18.04	7.01	44.80	25.27
5	Office Equipment	2.31	0.46	-	2.77	0.73	0.45	1.59	1.58
	<b>Total</b>	<b>315.77</b>	<b>27.00</b>	<b>-</b>	<b>342.77</b>	<b>87.19</b>	<b>18.87</b>	<b>236.71</b>	<b>228.58</b>

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

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Investments Outside India	-	-
Investments in India		
A. Investments Carried at fair value through OCI		
Investments in Quoted Equity Instruments	1,545.42	1,167.48
Investments in Un Quoted Equity Instruments	59.64	25.00
B. Investments designated at fair value through Profit & Loss		
Investments other than Equity	745.70	562.60
Aggregate amount of Investments	2,350.76	1,755.08
C. Fixed Deposits with Banks	260.62	202.16
Total Non Current Investments (A+B+C)	2,611.38	1,957.24



**SIGACHI LABORATORIES LIMITED**

**Note 3(i): Investments**

Sl. No.	INVESTMENTS (LONG TERM) in Equity Instruments Quoted, at Fair Value	No. of Shares as at 31.03.2024	As at 31 <sup>st</sup> March, 2024 (Rs. in lakhs)	No. of Shares as at 31.03.2023	As at 31 <sup>st</sup> March, 2023 (Rs. in lakhs)
1	Accelya Solutions India Limited Equity Shares of Rs.10/- each	1,100	18.93	1,100	13.41
2	Adani Ports and Special Economic Zone Limited Equity shares of Rs.2/- each	1,635	21.65	1,635	10.33
3	Aurobindo Pharma Limited Equity shares of Rs.1/- each	830	8.88	830	4.30
4	Axis Bank Limited Equity shares of Rs.2/- each	500	5.27	500	4.29
5	Bank of Baroda Equity Shares of Rs.2/- each	8,200	21.23	8,200	13.84
6	Bharat Petroleum Corporation Limited Equity Shares of Rs.10/- each	3,996	23.78	3,996	13.75
7	Canara Bank Equity Shares of Rs.10/- each	5,214	29.40	5,214	14.83
8	Cigniti Technologies Limited Equity Shares of Rs.10/- each	300	3.77	300	2.23
9	Classic (Diamonds) India Limited Equity Shares of Rs.2/- each	6,980	0.03	6,980	0.03
10	DCB Bank Limited Equity Shares of Rs.10/- each	2,000	2.35	2,000	2.14
11	Divis Laboratories Limited Equity Shares of Rs.2/- each	3,000	100.94	3,000	84.77
12	Edelweiss Financial Services Limited Equity Shares of Rs.1/- each	1,730	1.13	1,730	0.91
13	Escorts Kubota Limited Equity Shares of Rs.10/- each	1,000	27.98	1,000	18.92
14	Finolex Cables Limited Equity shares of Rs.2/- each	500	4.87	500	4.06
15	First Source Solutions Limited Equity shares of Rs.10/- each	3,000	5.94	3,000	3.16
16	Glenmark Pharmaceuticals Limited Equity Shares of Rs.1/- each	4,200	40.45	4,200	19.53
17	GOCL Corporation Limited Equity Shares of Rs.2/- each	2,000	7.56	2,000	5.86
18	Gujarat State Petronet Limited Equity Shares of Rs.10/- each	1,218	4.30	1,218	3.22
19	Gulf Oil Lubricants India Limited Equity Shares of Rs.2/- each	2,000	19.13	2,000	8.09
20	HCL Technologies Limited Equity Shares of Rs.2/- each	3,592	55.58	3,592	39.02
21	HDFC Bank Limited Equity Shares of Rs.1/- each	14,000	201.70	14,000	225.36
22	Heidelberg Cement India Limited Equity Shares of Rs.10/- each	1,000	1.95	1,000	1.61
23	Hindustan Petroleum Corporation Limited Equity shares of Rs.10/- each	1,350	6.35	1,350	3.20
24	ICICI Bank Limited Equity shares of Rs.2/- each	700	7.59	700	6.14
25	IDBI Bank Limited Equity shares of Rs.10/- each	2,500	1.98	2,500	1.13

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26	IDFC First Bank Limited Equity Shares of Rs.10/- each	14,765	11.49	14,765	8.12
27	Indraprastha Gas Limited Equity Shares of Rs.2/- each	6,000	25.53	6,000	25.71
28	Infosys Limited Equity Shares of Rs.5/- each	1,530	22.71	1,530	21.84
29	Integrated Hi-Tech Limited Equity Shares of Rs.10/- each	700	0.05	700	0.03
30	ITC Limited Equity Shares of Rs.1/- each	9,000	38.52	9,000	34.51
31	JIO Financial Services Limited Equity Shares of Rs.10/- each	2,062	7.23		-
32	Kotak Mahindra Bank Limited Equity Shares of Rs.5/- each	600	10.65	600	10.40
33	Larsen & Toubro Limited Equity shares of Rs.2/- each	562	20.83	562	12.17
34	Laurus Labs Limited Equity Shares of Rs.2/- each	10,075	39.51	10,075	29.52
35	Mahindra & Mahindra Financial Services Limited Equity shares of Rs.2/- each	2,038	5.59	2,038	4.73
36	Mahindra & Mahindra Limited Equity Shares of Rs.5/- each	2,400	45.09	2,400	27.80
37	Manappuram Finance Limited Equity Shares of Rs.2/- each	1,000	1.74	1,000	1.24
38	Maruti Suzuki India Limited Equity Shares of Rs.5/- each	300	37.56	300	24.88
39	NCC Limited Equity Shares of Rs.2/- each	2,000	4.82	2,000	2.13
40	NHPC Limited Equity Shares of Rs.10/- each	3,500	3.10	3,500	1.41
41	NTPC Limited Equity Shares of Rs.10/- each	10,894	36.02	10,894	19.09
42	Nuvama Wealth Management Limited Equity Shares of Rs.10/- each	19	0.90		-
43	Oil and Natural Gas Corporation Limited Equity Shares of Rs.5/- each	900	2.36	900	1.36
44	Petronet LNG Limited Equity Shares of Rs.10/- each	60,250	158.94	60,250	137.85
45	Power Grid Corporation of India Limited Equity Shares of Rs.10/- each	1,552	4.21	1,164	2.63
46	PTC India Financial Services Limited Equity Shares of Rs.10/- each	35,500	13.58	35,500	4.48
47	PTC India Limited Equity Shares of Rs.10/- each	2,100	3.93	2,100	1.79
48	Rallis India Limited Equity Shares of Rs.1/- each	3,000	7.52	3,000	5.78
49	Raymond Limited Equity shares of Rs.10/- each	500	9.03	500	6.11
50	REC Limited Equity Shares of Rs.10/- each	2,666	11.88	2,666	3.08
51	Reliance Industries Limited Equity shares of Rs.10/- each	2,062	61.61	2,062	48.07
52	SMS Lifesciences India Limited Equity Shares of Rs.10/- each	357	2.30	357	1.86

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53	SMS Pharmaceuticals Limited Equity Shares of Rs.1/- each	10,000	17.86	10,000	5.78
54	Sun Pharmaceutical Industries Limited Equity Shares of Rs.1/- each	500	8.04	500	4.92
55	Tanla Platforms Limited Equity shares of Rs.1/- each	750	6.11	750	3.92
56	Tata Consumer Products Limited (formerly Tata Coffee Limited) Equity shares of Rs.1/- each	749	8.16	2,500	5.15
57	Tata Consultancy Services Limited Equity shares of Rs.1/- each	496	19.03	496	15.90
58	Tata Steel Limited Equity shares of Rs.1/- each	34,340	52.49	34,340	35.88
59	Tech Mahindra Limited Equity Shares of Rs.5/- each	2,532	31.74	2,532	27.90
60	The Indian Hume Pipe Company Limited Equity Shares of Rs.2/- each	1,000	2.55	1,000	1.21
61	The Federal Bank Limited Equity Shares of Rs.2/- each	1,000	1.50	1,000	1.32
62	The Karnataka Bank Limited Equity Shares of Rs.10/- each	4,305	9.84	4,305	5.86
63	Tilak Nagar Industries Limited Equity Shares of Rs.10/- each	35,000	75.56	35,000	39.39
64	UCO Bank Equity Shares of Rs.10/- each	11,900	5.90	11,900	2.90
65	Vardhman Textiles Limited Equity Shares of Rs.2/- each	2,300	9.96	2,300	6.76
66	Vedanta Limited Equity Shares of Rs.1/- each	3,000	8.15	3,000	8.24
67	Virgo Global Limited Equity Shares of Rs.4/- each	20,000	1.66	20,000	1.73
68	Vishnu Chemicals Limited Equity Shares of Rs. 2/- each	6,025	18.61	6,025	16.31
69	Voltas Limited Equity Shares of Rs.1/- each	5,000	54.70	5,000	40.91
70	Yes Bank Limited Equity Shares of Rs.2/- each	17,800	4.12	17,800	2.68
	Total (A)		1,545.42		1,167.48

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**Equity Instruments Un - Quoted, at Fair Value**

Sl. No.	INVESTMENTS (LONG TERM) in Equity Instruments Un - Quoted, at Fair Value	No. of Shares as at 31.03.2024	As at 31 <sup>st</sup> March, 2024 (Rs. in lakhs)	No. of Shares as at 31.03.2023	As at 31 <sup>st</sup> March, 2023 (Rs. in lakhs)
1	The Adarsh Co- Operative Urban Bank Limited 'A' Class Ordinary Shares of Rs.50/- each	50,000	25.00	50,000	25.00
2	Chennai Super Kings Cricket Limited Equity Shares of Rs.0.10 each	500	-	500	-
3	Vamsi Labs Limited Equity Shares of Rs.10/- each	4,000	34.64		-
	Total (B)		59.64		25.00
	Total (A+B)		1,605.06		1,192.48

**Debentures at Fair Value**

Sl. No.	INVESTMENTS (LONG TERM) in Non Convertible Debentures Quoted, at Fair Value	No. of Debentures as at 31.03.2024	As at 31 <sup>st</sup> March, 2024 (Rs. in lakhs)	No. of Debentures as at 31.03.2023	As at 31 <sup>st</sup> March, 2023 (Rs. in lakhs)
1	NTPC Limited 8.49% Non Convertible Debentures of Rs.12.50 each	9,079	0.46	9,079	0.93
	Total (C)		0.46		0.93

**Bonds - at Fair Value**

Sl. No.	INVESTMENTS (LONG TERM) in Bonds Quoted, at Fair Value	No. of Bonds as at 31.03.2024	As at 31 <sup>st</sup> March, 2024 (Rs. in lakhs)	No. of Bonds as at 31.03.2023	As at 31 <sup>st</sup> March, 2023 (Rs. in lakhs)
1	REC Limited 5.75% Capital gain Bonds of Rs.10,000/-each	170	17.00	170	17.00
2	State Bank of India 9.45% Perpetual Bonds of Rs.10,00,000/- each	-	-	1	10.13
3	State Bank of India 9.56% Perpetual Bonds of Rs.10,00,000/- each	-	-	1	10.30
	Total (D)		17.00		37.43

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**Mutual Funds - At Fair Value**

Sl. No.	INVESTMENTS (LONG TERM) in Mutual Funds Quoted, at Fair Value	No. of Units as at 31.03.2024	As at 31 <sup>st</sup> March, 2024 (Rs. in lakhs)	No. of Units as at 31.03.2023	As at 31 <sup>st</sup> March, 2023 (Rs. in lakhs)
1	Aditya Birla Sun Life Dividend Yield Fund - Growth - Regular Plan Units of Rs.10/- each	4,045.221	15.95	4,045.221	10.82
2	Aditya Birla Sun life Frontline Equity Fund - Reinvestment - IDCW Units of Rs.10/- each	13,901.224	5.36	13,007.919	4.04
3	Axis Mid Cap Fund - Regular Growth Units of Rs.10/- each	13,376.137	12.16	13,376.137	8.61
4	DSP Flexi Cap Fund - Regular Plan - IDCW - Reinvest Units of Rs.10/- each	97,705.943	55.49	90,508.954	41.11
5	Franklin India Blue Chip Fund - Growth Units of Rs.10/- each	2,238.138	19.79	2,238.138	15.06
6	Templeton India Value Fund - IDCW - Reinvest Units of Rs.10/- each	45,718.611	45.42	42,494.645	31.70
7	ICICI Prudential Blue Chip Fund - IDCW - Reinvestment Units of Rs.10/- each	94,547.227	29.02	87,620.444	20.54
8	ICICI Prudential Value Discovery Fund - IDCW - reinvest Units of Rs.10/- each	1,08,725.281	40.17	98,996.403	28.15
9	IRB Invit Fund Units of Rs.102/- each	10,000.000	6.70	10,000.000	6.76
10	HSBC Flexi Cap Fund - Regular Growth Units of Rs.10/- each	22,725.329	41.65	22,725.329	29.00
11	HSBC Large and Midcap Fund - Regular Growth Units of Rs.10/- each	2,23,316.009	48.80	2,23,316.009	34.26
12	Nippon India Value Fund - Growth Plan - Growth Option Units of Rs.10/- each	15,757.882	30.02	15,757.882	19.07
13	SBI Contra Fund - Regular Plan - IDCW - Reinvest Units of Rs.10/- each	43,545.477	25.29	43,545.477	17.10
14	Tata Digital India Fund Regular Plan Growth Units of Rs.10/-each	12,983.989	5.49	12,983.989	4.07
15	UTI - Large Cap Fund (Formerly UTI Master Share Unit Scheme) - Regular Plan Reinvestment IDCW Units of Rs.10/- each	7,984.549	4.01	7,808.935	3.09
16	UTI - Large Cap Fund (Formerly UTI Master Share Unit Scheme) - Regular Plan Growth Units of Rs.10/- each	18,759.762	45.24	18,759.762	34.80
17	UTI Banking & Financial Services Fund - Regular Plan Reinvestment IDCW Units of Rs.10/- each	2,961.261	1.77	2,961.261	1.39
18	UTI Banking & Financial Services Fund - Regular Plan Growth Units of Rs.10/- each	13,287.561	20.35	13,287.561	16.07
19	UTI Banking & Financial Services Fund - Regular Plan Growth Units of Rs.10/- each	20,070.570	30.74	20,070.570	24.27

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**Mutual Funds - At Fair Value**

20	UTI Dividend Yield Fund - Direct Plan Growth Units of Rs.10/- each	5,773.639	8.97	5,773.639	6.28
21	UTI Dividend Yield Fund - Regular Plan Growth Units of Rs.10/- each	23,783.312	34.49	23,783.312	24.30
22	UTI Mid Cap Fund - Regular Plan - Reinvestment of IDCW Units of Rs.10/- each	6,822.258	8.10	6,822.258	5.75
23	UTI Mid Cap Fund - Direct Plan Growth Units of Rs.10/- each	40,587.967	112.16	40,587.967	78.97
24	UTI MNC Fund - Regular Plan Growth Units of Rs.10/- each	11,058.991	38.39	11,058.991	29.21
25	UTI Transportation & Logistics Fund - Direct Plan Growth Units of Rs.10/- each	2,793.837	7.38	2,793.837	4.44
26	UTI Transportation & Logistics Fund - Direct Plan Growth Units of Rs.10/- each	649.674	1.72	649.674	1.03
27	UTI Value Fund (formerly UTI Value Opportunities Fund) - Direct Plan Growth Units of Rs.10/- each	22,822.415	33.61	22,822.415	24.35
	Total (E)		728.24		524.24
	Total(C+D+E)		745.70		562.60
	Grand Total (A+B+C+D+E)		2,350.76		1,755.08

**Note 3: Fixed Deposits with Banks**

Particulars	As at 31 <sup>st</sup> March, 2024 (Rs. in lakhs)	As at 31 <sup>st</sup> March, 2023(Rs. in lakhs)
Fixed Deposits with banks - more than 1 year	260.62	202.16
Total	260.62	202.16

**SIGACHI LABORATORIES LIMITED**

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

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Sales Tax Deposit	0.05	0.05
Security Deposits - TSSPDCL	42.84	42.84
Rental Deposits	0.30	0.21
Other - Deposits	0.43	0.43
Total	43.62	43.53

**Note 5: Other Non Current Assets**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Advances	82.50	82.50
Advance for Flats	203.00	203.00
	285.50	285.50
Less: Impairment	(75.00)	-
	210.50	285.50
Other Advances	260.00	-
Total	470.50	285.50

**Note 6: Investments (Current)**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
A. Investments designated at fair value through Profit & Loss		
UTI Ultra Short Duration Fund		
- Direct Growth plan Growth	31.06	-
751.260 units of Rs.1,000/- each.	31.06	-
B. Fixed Deposits with Banks	20.48	9.04
Total Current Investments (A+B)	51.54	9.04

**Note 7: Trade Receivables**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	20.21	0.76
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	-
Total	20.21	0.76

Trade Receivables ageing schedule as at 31<sup>st</sup> March, 2024

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - Considered good	20.21	-	-	-	-	-	20.21
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31<sup>st</sup> March, 2023

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - Considered good	0.76	-	-	-	-	-	0.76
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-



**SIGACHI LABORATORIES LIMITED**

**Note 8: Cash and Cash Equivalents**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
a) Cash and Cash Equivalents		
i) Cash on hand	0.16	0.26
ii) Balances with banks		
- Current Accounts	44.37	40.99
- Cheques in hand	-	-
iii) Fixed Deposits with original maturity of 3 months or less than 3 months.	-	330.00
<b>Total</b>	<b>44.53</b>	<b>371.25</b>

**Note 9: Other Financial Assets**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Loans/ICDs Receivables considered good - Secured	-	-
Loans/ICDs Receivables considered good - Unsecured	170.98	221.75
Loans/ICDs Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
<b>Total (A)</b>	<b>170.98</b>	<b>221.75</b>
Less: Provision for Impairment on Loans/ICDs	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total Loans (A-B) - Net</b>	<b>170.98</b>	<b>221.75</b>

**Note 10: Other Current Assets**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Other Advances, Unsecured	0.11	0.11
<b>Total</b>	<b>0.11</b>	<b>0.11</b>

**Note 11: Share Capital**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Authorized Share Capital		
1,20,00,000 Equity Shares of Rs.10/- each	1,200.00	1,200.00
Issued, Subscribed & Called Up Capital:		
89,82,900 Equity Shares of Rs.10/- each	898.29	898.29
Paid up Capital:		
67,53,100 Equity Shares of Rs.10/- each	675.31	675.31
Forfeiture of Shares	55.75	55.75
<b>Total</b>	<b>731.06</b>	<b>731.06</b>

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

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	Amount	As at 31 <sup>st</sup> March, 2023	Amount
Number of Shares at the beginning of the year	67,53,100	675.31	67,53,100	675.31
Add : Shares issued during the year	-	-	-	-
Number of Shares and Share capital at the ending of the year	67,53,100	675.31	67,53,100	675.31

**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.

Aggregate number of equity shares issued for consideration other than cash/Bonus shares during the period of five years immediately preceeding the reporting date: Nil

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

Name of the Shareholder	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023	
	No. of shares	% of Holding	No. of shares	% of Holding
1. Krishnaraj Securities Private Limited	15,18,530	22.49%	15,18,530	22.49%
2. T. Adinarayana	7,53,530	11.16%	7,53,530	11.16%

**d) Shares held by promoters at the end of the year**

Date	Promoter Name	No. of Shares	% of total shares	% Change during the year
31.03.2023	As per table below	24,88,880	36.86	-
31.03.2024		24,88,880	36.86	

**Annexure: Shareholding of Promoters**

Sl No.	Promoter Name	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2024		% Change
		No. of shares	% of shares	No. of shares	% of 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. L. Pravallika	37,000	0.55	37,000	0.55	-
5	T. Nanda Krishna	29,500	0.44	29,500	0.44	-
6	T. Raja Sekhar	31,200	0.46	31,200	0.46	-
7	T. Archana	14,000	0.21	14,000	0.21	-
8	Krishnaraj Securities Private Limited	15,18,530	22.49	15,18,530	22.49	-
	Total	24,88,880	36.86	24,88,880	36.86	-

**SIGACHI LABORATORIES LIMITED**

**Note 12: Other Equity**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Retained earnings	1,603.54	1,406.08
Capital Reserve	13.22	13.22
Other Comprehensive Income	1,253.08	923.60
Total	2,869.84	2,342.90

**Note 13: Provisions**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Leave Encashment	4.86	4.17
Gratuity	3.03	2.54
Total	7.89	6.71

**Note 14: Deferred Tax Liabilities (net)**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Opening Balance	11.51	15.72
Add : On account of Depreciation	36.53	0.79
Add : On account of Fair value of investments through FVTPL	20.15	-
Add : On account of Fair value of investments through OCI	38.23	-
Add : On account of Gratuity & Leave Encashment	(1.93)	(1.69)
Add : On account of OCI & RFO	-	(3.31)
Add : On account of others	(11.52)	-
Total	92.97	11.51

**Note 15: Other Non Current Liabilities**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Others - Deposits from Customers	25.00	25.00
Total	25.00	25.00

**Note 16: Trade Payables**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
(i) total outstanding dues of micro and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro and small enterprises	-	-
Total	-	-

**Trade Payables ageing schedule as at 31<sup>st</sup> March, 2024**

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment			
	Not Due	Less than 1 year	1 to 2 years	More than 2 to 3 years
(i) Total outstanding dues to micro enterprises and small enterprises	-	-	-	-
(ii) Total outstanding dues to creditors other than micro enterprises and small enterprises	-	-	-	-
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-

**Trade Payables ageing schedule as at 31<sup>st</sup> March, 2023**

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment			
	Not Due	Less than 1 year	1 to 2 years	More than 2 to 3 years
(i) Total outstanding dues to micro enterprises and small enterprises	-	-	-	-
(ii) Total outstanding dues to creditors other than micro enterprises and small enterprises	-	-	-	-
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-

**SIGACHI LABORATORIES LIMITED**

**Note 17: Other Financial Liabilities (Current)** (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Liability for expenses	1.52	1.38
GST Payable	3.46	3.64
TDS Payable	1.09	0.46
Other Payables	-	0.95
Total	6.07	6.43

**Note 18: Other Current Liabilities** (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Other Current Liabilities	-	-
Total	-	-

**Note 19: Provisions** (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Provision for Income Tax - F.Y. 2022-2023	-	2.28
Provision for Income Tax - F.Y. 2023-2024	1.63	-
Total	1.63	2.28

**Note 20: Revenue from Operations** (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
A. Bulk Drugs and Intermediates - Lease Rents	134.50	128.50
B. Income from Other Operations		
(a) Interest on Fixed Deposits	25.57	22.43
(b) Interest on ICD's/Loans	20.30	43.70
	45.87	66.13
C. Revenue from Operations (Fair Value Gains)	193.77	0.07
Total	374.14	194.70

**SIGACHI LABORATORIES LIMITED**

**Note 21: Other Income** (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Dividend Income:		
Equities	32.49	30.07
Mutual Funds	14.39	11.69
	46.88	41.76
Interest on Deposit with TSSPDCL	8.91	4.30
Interest on Debentures	0.08	-
Bad Debts/Deposits Recovery	-	0.09
Interest from Bonds	3.56	2.61
Profit on Sale of Investments	0.86	1.50
Profit on Sale of vehicle	1.57	-
Total	61.86	50.26

**Note 22: Impairment on Advances** (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Impairment on Advances	75.00	-
Total	75.00	-

**Note 23: Employee Benefits Expense** (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Salaries and Wages	37.02	33.72
Leave Encashment	0.69	0.44
ESI	0.39	0.32
Staff Welfare	0.58	0.78
Gratuity	0.69	0.53
Total	39.37	35.79

**Note 24: Finance Costs** (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Interest Paid to Bank	-	-
Total	-	-

**Note 25: Depreciation and Amortization Expense** (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Depreciation	22.51	18.88
Total	22.51	18.88

**SIGACHI LABORATORIES LIMITED**

**Note 26: Other Expenses**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Power and Fuel	0.07	0.10
Rent	1.77	1.56
Advertisement Expenses	0.52	0.49
Audit Fee	0.45	0.48
Bank Charges	0.04	0.03
Communication Expenses	0.25	0.22
Conveyance Expenses	1.65	1.77
Cusotdy Fee	0.45	0.45
Insurance	2.16	2.70
Listing Fee	0.55	0.55
Miscellaneous Expenses	1.76	1.20
Office Maintenance	0.88	0.77
Postage & Telegrams	0.43	0.01
Printing & Stationary	0.41	0.50
Professional charges	1.65	1.67
Repairs and Maintenance	0.72	0.72
Secretarial Audit Fee	0.25	0.25
Share Transfer & Depository Fee	0.60	0.61
Sitting Fee & Incidental Expenses	0.54	0.60
Vehicles Maintenance	0.98	2.37
Loss on Redemption of Bonds	1.40	-
Total	17.53	17.05

**Note 27: Current Tax**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Current Tax	40.94	46.16
Prior Period Tax AY 2009 - 2010	0.02	0.29
Prior Period Tax AY 2022 - 2023	(0.01)	-
Total	40.95	46.45

**Note 28: Auditors Remuneration**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Audit fee	0.45	0.47
Reimbursement of out of pocket expenses	-	0.01
Total	0.45	0.48

**SIGACHI LABORATORIES LIMITED**

**Note 29: Earnings per Share**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Earnings		
Profit attributable to equity holders	197.46	131.00
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 of Rs. 10/- Basic	2.92	1.94
Earnings per share of par value of Rs. 10/- Diluted	2.92	1.94

**Note 30: 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 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. M. Sri Devi	Independent Director
4	Sri. G. Mohan Rao	Independent Director
5	Smt. Shilpa Bung	Independent Director
6	Sri. P.C. Sai Babu	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**

(Rs. in lakhs)

Sl. No.	Nature of Transaction	As at 31 <sup>st</sup> March, 2024	Total	As at 31 <sup>st</sup> March, 2023	Total
1	Directors Remuneration/ Salary and Perquisites – (Executive Director)	16.57	16.57	17.26	17.26
2	Fee for attending Board/ Committee meetings				
	T. Govardhana Rao	0.12	0.12	0.12	0.12
	M. Sri Devi	0.12	0.12	0.12	0.12
	P.C. Sai Babu	0.06	0.06	-	-
	P.L.V. Subba Rao	-	-	0.12	0.12
	Shilpa Bung	0.12	0.12	0.12	0.12
	G. Mohan Rao	0.12	0.12	0.12	0.12
3	Salary (CFO)	3.44	3.44	3.38	3.38
4	Salary (Company Secretary)	5.40	5.40	3.00	3.00

Enterprises related to promoters/directors or their relatives:

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

**Note 31: 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 material Accounting Policies.

**Segment wise Revenue, Results and Capital Employed for the year ended 31<sup>st</sup> March, 2024**

(Rs. in lakhs)

Particulars	For the year ended	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Segment Revenue		
a) Bulk Drugs and Intermediates (lease rents)	134.50	128.50
b) Investments	301.50	116.46
Total	436.00	244.96
Less: Inter Segment Revenue	-	-
Net sales/Income from Operations	436.00	244.96
Segment Results Profit/(Loss) before tax and finance cost from each segment		
a) Bulk Drugs and Intermediates (lease rents)	110.07	107.69
b) Investments	301.50	116.46
Total	411.57	224.15
Less: (i) Finance Costs	-	-
(ii) Other Un-allocable Expenditure net off	129.98	50.91
(iii) Un-allocable income	-	-
Total Profit Before Tax	281.59	173.24
Capital Employed		
(Segment Assets – Segment Liabilities)		
a) Bulk Drugs and Intermediates	818.54	894.97
b) Investments	2,782.36	2,178.99
Total	3,600.90	3,073.96

**Note 32: 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. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Employee benefit expense		
Opening Service cost	2.54	2.15
Current Service Cost	0.69	0.53
Actuarial (gain)/loss on obligation	(0.20)	(0.14)
Total	3.03	2.54

Leave Encashment (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Employee benefit expense		
Opening Service cost	4.17	3.73
Current Service Cost	0.69	0.87
Actuarial (gain)/loss on obligation	-	(0.43)
Total	4.86	4.17

Amount recognised in the Balance Sheet (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Provision for Gratuity	3.03	2.54
Provision for Leave Encashment	4.86	4.17
Total	7.89	6.71

**SIGACHI LABORATORIES LIMITED**

**Note 33: 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. in lakhs)

Particulars	For the Year Ended 31 <sup>st</sup> March	
	2024	2023
Current tax expense		
Domestic	40.95	46.45
Deferred tax expense/(benefit)		
Domestic	43.18	(4.21)
Total income tax expense/(benefit) recognized in the statement of profit and loss	84.13	42.24

**b. Reconciliation of Effective tax rate**

(Rs. in lakhs)

Particulars	For the Year Ended 31 <sup>st</sup> March	
	2024	2023
Profit before income taxes	281.59	173.24
Enacted tax rate in India	25.168%	25.168%
Computed expected tax benefit/(expense)	70.87	43.60
Effect of: Expenses not deductible for Tax purposes	25.25	4.99
Expenses deductible for Tax purposes	(6.14)	(4.10)
Items not subjected to Tax purposes	(49.38)	(0.39)
Taxable at Special Rates & Others	0.34	2.05
Income tax effect of earlier periods	-	0.30
Income tax benefit/(expense)	40.94	46.45
Effective tax rate	14.54%	26.81%

The Company's average effective tax rate for the years ended 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023 were 14.54% and 26.81%, 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. in lakhs)

Particulars	For the Year Ended 31 <sup>st</sup> March	
	2024	2023
Deferred tax (assets)/liabilities:		
Opening Balance	11.51	15.72
Property, Plant and Equipment - Depreciation	36.53	0.79
Fair value of investments through FVTPL	20.15	-
Fair value of investments through OCI	38.23	-
Others - OCI & RFO	-	(3.31)
Others - Employee Benefits	(1.93)	(1.69)
Others	(11.52)	-
Net deferred tax (assets)/liabilities	92.97	11.51

**SIGACHI LABORATORIES LIMITED**

**d. Movement in deferred tax assets and liabilities during the year ended 31<sup>st</sup> March, 2024 & 31<sup>st</sup> March, 2023** (Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023	Recognized in statement of profit and loss	Recognized in equity	As at 31 <sup>st</sup> March, 2024
Deferred tax (assets)/liabilities				
Opening Balance	11.51	-	-	11.51
Property, Plant and Equipment - Depreciation	-	36.53	-	36.53
Fair value of investments through FVTPL	-	20.15	-	20.15
Fair value of investments through OCI	-	38.23	-	38.23
Others - OCI & RFO	-	-	-	-
Others - Employee Benefits	-	(1.93)	-	(1.93)
Others	-	(11.52)	-	(11.52)
Net deferred tax (assets)/liabilities	11.51	81.46	-	92.97

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2022	Recognized in statement of profit and loss	Recognized in equity	As at 31 <sup>st</sup> March, 2023
Deferred tax (assets)/liabilities				
Opening Balance	15.72	-	-	15.72
Property, plant and equipment - Depreciation	-	0.79	-	0.79
Others - Employee Benefits	-	(1.69)	-	(1.69)
Others - OCI & RFO	-	(3.31)	-	(3.31)
Net deferred tax (assets)/liabilities	15.72	(4.21)	-	11.51

**Note 34: 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 Equity as of 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023 are as follows:

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

As at 31 <sup>st</sup> March, 2024	Cost	Fair Value	Level 1	Level 2	Level 3	Total
Financial Assets Measured at FVTPL						
Investments in Mutual Funds	284.15	728.24	728.24	-	-	728.24
Investments in Bonds	17.00	17.00	17.00	-	-	17.00
Investments in Debentures	-	0.46	0.46	-	-	0.46
Total	301.15	745.70	745.70	-	-	745.70

(Rs. in lakhs)

As at 31 <sup>st</sup> March, 2023	Cost	Fair Value	Level 1	Level 2	Level 3	Total
Financial Assets Measured at FVTPL						
Investments in Mutual Funds	271.31	524.24	524.24	-	-	524.24
Investments in Bonds	38.19	37.43	37.43	-	-	37.43
Investments in Debentures	-	0.93	0.93	-	-	0.93
Total	309.50	562.60	562.60	-	-	562.60

**SIGACHI LABORATORIES LIMITED**

(Rs. in lakhs)

As at 31 <sup>st</sup> March, 2024	Cost	Fair Value	Level 1	Level 2	Level 3	Total
Financial Assets Measured at FVTOCI						
Investments in Equity Instruments	<b>250.04</b>	<b>1,545.42</b>	<b>1,545.42</b>	-	-	<b>1,545.42</b>
<b>Total</b>	<b>250.04</b>	<b>1,545.42</b>	<b>1,545.42</b>	-	-	<b>1,545.42</b>

(Rs. in lakhs)

As at 31 <sup>st</sup> March, 2023	Cost	Fair Value	Level 1	Level 2	Level 3	Total
Financial Assets Measured at FVTOCI						
Investments in Equity Instruments	239.87	1,167.48	1,167.48	-	-	1,167.48
<b>Total</b>	<b>239.87</b>	<b>1,167.48</b>	<b>1,167.48</b>	-	-	<b>1,167.48</b>

(Rs. in lakhs)

As at 31 <sup>st</sup> March, 2024	Cost	Fair Value	Level 1	Level 2	Level 3	Total
Financial Assets Measured at FVTOCI						
Investments in Equity - Unlisted	<b>59.64</b>	<b>59.64</b>	-	-	<b>59.64</b>	<b>59.64</b>
<b>Total</b>	<b>59.64</b>	<b>59.64</b>	-	-	<b>59.64</b>	<b>59.64</b>

(Rs. in lakhs)

As at 31 <sup>st</sup> March, 2023	Cost	Fair Value	Level 1	Level 2	Level 3	Total
Financial Assets Measured at FVTOCI						
Investments in Equity - Unlisted	25.00	25.00	-	-	25.00	25.00
<b>Total</b>	<b>25.00</b>	<b>25.00</b>	-	-	<b>25.00</b>	<b>25.00</b>

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. Unlisted shares have been classified as Level 3.

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. in lakhs)

Particulars	Carrying value		Fair value	
	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Financial assets				
Cash and cash equivalents	<b>44.53</b>	371.25	<b>44.53</b>	371.25
Trade receivables	<b>20.21</b>	0.76	<b>20.21</b>	0.76
Other financial assets	<b>214.60</b>	265.28	<b>214.60</b>	265.28
Investments	<b>2,350.76</b>	1,755.08	<b>2,350.76</b>	1,755.08
Fixed Deposits	<b>281.10</b>	211.20	<b>281.10</b>	211.20
<b>Total</b>	<b>2,911.20</b>	<b>2,603.57</b>	<b>2,911.20</b>	<b>2,603.57</b>
Financial liabilities				
Borrowings	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	<b>6.07</b>	6.43	<b>6.07</b>	6.43
<b>Total</b>	<b>6.07</b>	<b>6.43</b>	<b>6.07</b>	<b>6.43</b>

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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.

Fair value hierarchy of financial assets and financial liabilities (Rs. in lakhs)

As at 31 <sup>st</sup> March, 2024	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments:				
Listed	2,291.12	-	-	2,291.12
Unlisted	-	-	59.64	59.64
Fixed Deposits with Banks	281.10	-	-	281.10
Other Financial Assets	-	-	214.60	214.60
Trade Receivables	-	-	20.21	20.21
Investments	31.06	-	-	31.06
Cash and Cash Equivalents	44.53	-	-	44.53
<b>Total financial Assets</b>	<b>2,647.81</b>	<b>-</b>	<b>294.45</b>	<b>2,942.26</b>
<b>Financial Liabilities</b>				
Other Financial Liabilities	-	-	6.07	6.07
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>6.07</b>	<b>6.07</b>

Fair value hierarchy of financial assets and financial liabilities (Rs. in lakhs)

As at 31 <sup>st</sup> March, 2023	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Non Current Assets				
Investments:				
Listed	1,730.08	-	-	1,730.08
Unlisted	-	-	25.00	25.00
Fixed Deposits with Banks	211.20	-	-	211.20
Other Financial Assets	-	-	265.28	265.28
Trade Receivables	-	-	0.76	0.76
Cash and Cash Equivalents	371.25	-	-	371.25
<b>Total financial Assets</b>	<b>2,312.53</b>	<b>-</b>	<b>291.04</b>	<b>2,603.57</b>
<b>Financial Liabilities</b>				
Other Financial Liabilities	-	-	6.43	6.43
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>6.43</b>	<b>6.43</b>

**35: 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 analyse 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, that arises principally from the Company's receivables from customers. Credit risk encompasses 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. However the company has provided impairment of Rs.75 lakhs on advances for the year ended 31<sup>st</sup> March, 2024.

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 the Company trade receivables are realised within normal credit period adopted by the company, hence the Trade Receivables are not impaired.

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, 2024. However the Company has provided impairment of Rs.75 lakhs on Advances paid as at 31<sup>st</sup> March, 2024.

**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

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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.

As of 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023, the Company had unutilized credit limits from banks of NIL and NIL respectively.

As of 31<sup>st</sup> March, 2024, the Company had working capital (current assets less current liabilities) of Rs.279.67 lakhs including cash and cash equivalents of Rs.44.53 lakhs as of 31<sup>st</sup> March, 2023, the Company had working capital (current assets less current liabilities) of Rs.594.21 lakhs including cash and cash equivalents of Rs.371.25 lakhs.

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

**For the year ended 31<sup>st</sup> March, 2024** (Rs. in lakhs)

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	6.07	6.07	-	-	-
Other Non-Current Liabilities- Deposits	25.00	-	-	-	25.00

**For the year ended 31<sup>st</sup> March, 2023** (Rs. in lakhs)

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	6.43	6.43	-	-	-
Other Non-Current Liabilities Deposits	25.00	-	-	-	25.00



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The following are the analytical ratios for the year ended 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023.

Particulars	Numerator	Denominator	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023	% Change
Current Ratio	Current Assets	Current Liabilities	37.32	69.21	(46.08)
Debt Equity Ratio	Total Debt	Shareholders Equity	-	-	-
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	-	-	-
Return on Equity (ROE)	Net profit after taxes	Average Shareholders Equity	29.24	19.40	50.72
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	-	-	-
Trade Receivables Turnover Ratio	Revenue from Operations	Average Receivables	12.83	0.15	8453.33
Trade Payables Turnover Ratio	Purchases	Average Trade Payables	-	-	-
Net Capital Turnover Ratio	Revenue from Operations	Working Capital	1.34	0.33	306.06
Net Profit Ratio	Net Profit	Revenue from Operations	0.45	0.53	(15.09)
Return on Capital Employed (ROCE)	Earnings Before Interest and Taxes (EBIT)	Capital Employed	7.82	5.64	38.65
Return on Investments	Income generated from investments	Investments	11.32	5.34	111.99

Reasons for changes in more than 25%:

1. The decrease in Current ratio is due to delay in realization of debtors when compared to last year.
2. The increase in Return on Equity Turnover ratio is due to fair value gains.
3. The increase in Trade Receivables Turnover ratio due to delay in realization of debtors when compared to last year.
4. The increase in Net Capital Turnover Ratio is due to increase in the fair value gains.
5. The increase in Return on capital employed Ratio is due to increase in the fair value gains.
6. The increase in Return on investments Ratio is due to increase in the fair value gains and OCI.

#### **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 instruments 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 36: 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 and operating cash flows. The Company's capital comprises Equity Share Capital, Retained Earnings and other equity attributable to equity holders. The company's overall strategy remains unchanged from the previous year.

**SIGACHI LABORATORIES LIMITED**

The following is the net debt to equity ratio:

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Debt (other financial liabilities)	7.70	8.71
Less: Cash and cash equivalents	44.53	371.25
Net debt	<b>(36.83)</b>	<b>(362.54)</b>
Total equity	3,600.90	3,073.96
Capital and net debt	3,637.73	3,436.50
Net debt to equity ratio (%)	-	-

**Note 37: Contingent Liabilities and Commitments**

**a. Claims against the company:**

(Rs. in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
Income Tax	<b>Nil</b>	6.54

The appeal filed by the Income Tax department against orders of Hon'ble ITAT for the assessment year 1998-1999 has been dismissed by the Hon'ble High Court of Telangana.

**b. Partly paid up shares:**

As at 31.03.2024 - Nil and 31.03.2023 - Nil

**Note 38:** 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, 2024.

(Rs. in lakhs)

Sl. No.	Particulars	As at 31 <sup>st</sup> March, 2024	As at 31 <sup>st</sup> March, 2023
i	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
ii	the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-
iii	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
iv	the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
v	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

footnote: The management identifies micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. No enterprise has been identified as a "supplier" under the micro, small and medium enterprises Development Act, 2006. The aforesaid identification has been done on the basis of information, to the extent provided by the vendors to the company.

**Note 39: Other statutory Information**

- a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b. The Company does not have any transactions with struck off companies.
- c. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- d. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- e. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- f. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g. The Company has not entered in to any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- h. The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
- i. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.

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**Note 40:** The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

**Note 41:** Previous year's figures have been regrouped/reclassified/recasted wherever necessary to conform to the current year's presentation.

**Note 42:** The Financial Statements were approved for issue by the Board of Directors on 25<sup>th</sup> May, 2024.

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Per our report of even date annexed  
for NSVR & ASSOCIATES LLP  
Chartered Accountants  
(Firm Regn. No: 008801S/S200060)

(V Gangadhara Rao N)  
Partner  
Membership No. 219486  
UDIN: 24219486BKFB AJ2872

Place: Hyderabad  
Date : 25.05.2024

For and on behalf of the Board

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

(S.Lekha Sai)  
Company Secretary

(T.Govardhana Rao)  
Director  
DIN:07162634

(B.Kumar)  
Chief Financial Officer



No printed matter

**PRINTED MATTER**

**SIGACHI LABORATORIES LIMITED**

CIN:L24230TG1994PLC018786

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