



SIGACHI LABORATORIES LIMITED

Corporate Office: 402, Raghava Ratna Towers,
Chirag Ali Lane, Hyderabad - 500 001. (INDIA)
Ph. : 040-23204230, 23204273 E-mail: sigachilaboratories@yahoo.co.in
CIN: L24230TG1994PLC018786 GSTIN: 36AACCS8220M1Z4

Date: 31.08.2020

Head Listing & Compliance
Metropolitan Stock Exchange of India Limited
Vibgyor Towers, 4th Floor
Plot No.62, G- Block, Opp Trident Hotel,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 098

Dear Sir,

Sub: Submission of 26th Annual Report 2019-2020-Reg.

We are herewith enclosing the 26th Annual Report 2019-2020 for your kind perusal. We wish to inform that we have sent 26th Annual Report to the members of the company.

Kindly take the above on your records.

Thanking you,

Yours faithfully,
For Sigachi Laboratories Limited

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LEKHA SAI
SURAPANENI
Date: 2020.08.31
21:45:07 +05'30'

(Lekha Sai Surapaneni)
Company Secretary



26th
ANNUAL REPORT
2019 – 2020



SIGACHI LABORATORIES LIMITED



SIGACHI LABORATORIES LIMITED

Board of Directors:

1. Sri. T.R. Sekhar - Executive Director
2. Sri. T. Govardhana Rao - Independent Director
3. Miss. K. Suneetha, - Independent Director
4. Sri. G. Mohan Rao, - Independent Director
5. Sri. P. L.V. Subba Rao, - Director
6. Sri. T. Adinarayana, - Chairman

Key Managerial Personnel:

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

Registered Office:

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

Factories:

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

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

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

Auditors:

Niranjan & Narayan, Chartered Accountants, Hyderabad - 500 016.

Secretarial Auditors:

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

Bankers:

Axis Bank Limited, State Bank of India

Registrars & Share Transfer Agents:

Venture Capital And Corporate Investments Pvt. Ltd.,
12-10-167, Bharat Nagar, Hyderabad – 500 018.
Phones: 040-23818475, 23818476, Fax:040-23868024,
e-mail: info@vccilindia.com, www.vccilindia.com

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of SIGACHI LABORATORIES LIMITED will be held on Saturday, the 26th day of September, 2020 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 31st March, 2020, together with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sri.T.Adinarayana (DIN:00917498), 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 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 Regulation 16(1)(b) and other applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. T. Govardhana Rao (DIN: 07162634), who was appointed as an Independent Director and who holds office up to 28th September, 2020 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 re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years with effect from 29th September, 2020 and shall not be liable to retire by rotation."

By Order of the Board of Directors
for Sigachi Laboratories Limited

Place: Hyderabad
Date : 31.07.2020

(Lekha Sai Surapaneni)
Company Secretary
ACS:57228

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'MCA Circulars') and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 permitted the holding of the annual general meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circular through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, 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 and to the Company at the email address viz; sigachilaboratories@yahoo.co.in.
4. An Explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of special business as set out in the Notice is annexed hereto.
5. Members desiring any information/clarifications regarding the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before the 15-9-2020 through email on sigachilaboratories@yahoo.co.in. The same will be replied by the company suitably.
6. The Register of Members and Share Transfer Books will remain closed from 19th September, 2020 to 26th September, 2020 (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 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 and the listing fee has been paid up to 2020 - 2021.
9. Members holding shares in the same name, under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent (STA)/ Company.
10. 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.
11. To support "Green Initiative" Members are advised to register their email address in respect of shares held in physical form to the company or Registrars and Share transfer agent of the company. Members who have not yet registered their email addresses are requested to register with concerned depository participant in respect of shares held in demat form to enable the company to serve documents in electronic form.
12. Members who hold shares in physical form can nominate any person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares.
13. All the documents referred to in the Notice will be available to the members at the Registered Office of the Company between 11.00 A.M., to 1.00 P.M., on all working days from the date hereof up to the date of the Meeting.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic

form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details and also their Bank Account Numbers to the Company/STA.

15. Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2 (SS-2) on General meetings, brief profile of Sri. T. Adinarayana, the director liable for retirement by rotation and eligible for reappointment and Mr. T. Govardhana Rao, proposed to be reappointed as an Independent director of the company for the second term, is furnished as Annexure to the notice.

Except Sri. T. Adinarayana, who is proposed to be reappointed as director and who is the father of Sri. T. Raja Sekhar, Executive Director of the company, none of the other directors or Key Managerial Personnel of the Company and their relatives are any way concerned or interested in the resolution. The board recommends for the approval of the members to pass the resolution as set out at item No.2 and Item No.3 of the Notice as an Ordinary resolution and Special Resolution respectively.

16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-2020 will also be available on the Company's website www.sllab.com, websites of the Metropolitan Stock Exchange of India Limited www.msei.in and on the website of CDSL <https://www.evoting.cdsl.com>
18. The attendance of the Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
19. E- Voting:
 - a. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the Members with the facility to exercise their right to

vote on resolutions proposed to be considered at the 26th Annual General Meeting (AGM) by electronic means, through the e-voting services provided by Central Depository Services (India) Limited (CDSL).

- b. The voting rights of members shall be in proportion to their shareholding in the paid up equity share capital of the company as on 18th September, 2020, being the cut-off date.
- c. The remote e-voting period commences on Wednesday, 23rd September, 2020 (9:00 a.m. IST) and ends on Friday, 25th September, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, 18th September, 2020 i.e., cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

The members of the Company, holding shares either in physical form or in dematerialized form, as on 18th September, 2020, being the cut-off date, may cast their vote (for or against) electronically. In case a person has become the member of the company after sending of AGM Notice but on or before the cut-off date i.e., 18th September, 2020 may write to M/s. Venture Capital and Corporate Investments Private Limited, (STA), email: info@vccilindia.com requesting for the user ID and pass word/sequence number. After receipt of the above credentials please follow the instructions for share holders voting electronically.

- d. The Members who have casted their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- e. The Board has appointed Mr. D. Venkata Ratnam, Chartered Accountant, of M/s. Suresh and Babu, Chartered Accountants, as scrutinizer for conducting the remote e-voting and voting during the Annual General Meeting in a fair and transparent manner.
- f. Members can opt for only one mode of voting, i.e., e-voting in view of the COVID 19 pandemic and members may refer to the detailed procedure on e-voting as mentioned here under:

Please follow all the steps from S. No. (i) to S. No. (xx) to cast vote.

The instructions for shareholders voting electronically – remote evoting are as under:

- i. The e-voting period will commence on Wednesday, the 23rd September, 2020 (09:00 hrs) and will end on Friday, 25th September, 2020 (17.00 hrs). 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., 18th September, 2020 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 during the meeting.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on Shareholders module.
- v. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID.
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
 - i. OR
 - ii. Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasiusing your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
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- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant Company, Sigachi Laboratories Limited on which you choose to vote.
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print out of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. 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.

- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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

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

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 atleast 10 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 10 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.

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

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. 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.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.,) and Custodian are required to log on to www.evotingindia.com 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.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc., together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address 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.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or 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.slllab.com and on the website of CDSL ie., www.evotingindia.com. The Company shall simultaneously forward the results to Metropolitan Stock Exchange of India Limited, where the shares of the Company are listed.
3. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting i.e., on 26th September, 2020.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:

Item No. 3

Mr. T. Govardhana Rao was appointed as an Independent Director of the Company at the 21st Annual General Meeting held on 29th September, 2015 for a period of five consecutive years and whose tenure comes to an end on 28th September, 2020. Pursuant to Section 149 of the Companies Act, 2013 ("Act"), an Independent Director can hold office for two terms of five consecutive years on the Board of a Company. Mr. T. Govardhana Rao being eligible, offers himself to be re-appointed as an Independent Director to hold office for a second term of five consecutive years.

The Nomination and Remuneration Committee recommended and the Board at its meetings held on 31.07.2020 considered and approved, subject to the approval of the members, to reappoint Mr. T. Govardhana Rao as an Independent Director with effect from 29th September, 2020 for a second term of five consecutive years. He has worked for 37 Years at Allahabad Bank in various departments and cadres and has retired as an officer of the Bank during 2014.

Mr. T. Govardhana 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. T. Govardhana 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. T. Govardhana Rao fulfils the conditions for re-appointment as an Independent Director as specified in the Act and the Listing Regulations.

None of the other directors or Key Managerial Personnel of the Company and their relatives are any way concerned or interested in the resolution. Hence, the board recommends to the members to pass the resolution as set out at item No.3 of the Notice as a Special resolution, for the approval of the Members. A brief Resume is given here in below.

By Order of the Board of Directors
for Sigachi Laboratories Limited

Place: Hyderabad
Date : 31.07.2020

(Lekha Sai Surapaneni)
Company Secretary
ACS:57228

Annexure

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

Particulars	Director	Independent Director
Name	T.Adinarayana	T. Govardhana Rao
Date of Birth	02/05/1953	11/11/1954
Nationality	Indian	Indian
Age	67 years	65 years
Date of Appointment	20/03/1986	30/03/2015 (appointed as an Independent Director on 29-9-2015)
DIN	00917498	07162634
Experience	He had about 9 Years of Experience in A.P. State Financial Corp., and about 10 years experience as a Chartered Accountant and about 20 years experience in the company.	He has worked at Allahabad Bank for about 37 years in various departments and cadres and has retired as an officer of the Bank during 2014.
No. of equity shares held in the Company (as on 31 st March, 2020)	7,53,530	NIL
Qualifications	B.Com., FCA., ACMA., ACS., B.L, DISA (ICA),.	B.Sc., CAIIB
Directorships of other Public Companies (excluding Foreign, Private and Section. 8 Companies)	Ushakiran Finance Ltd.,	NIL
Membership/Chairmanship of Committees of other Public Companies	Member of Stakeholder relationship committee in Ushakiran Finance Ltd.,	..
Relationships, if any, between Directors inter- se	Father of Mr. T. Raja Sekhar, Executive Director of the company.	..
Remuneration Sought to be paid per annum	..	Sitting Fees as approved by the Board of Directors
Remuneration last drawn per annum	..	Sitting Fees of Rs.12,000/- per annum
Terms and conditions of appointment / reappointment	Liable to retire by rotation	Not Liable to retire by rotation
Number of board meetings attended during the year	3	5

DIRECTORS' REPORT

**To
The Members,**

Your Directors have pleasure in presenting the Twenty Sixth Annual Report on the business of your company, together with the Audited Financial Statements of the Company for the year ended 31st March, 2020 along with Auditors' Report thereon.

FINANCIAL HIGHLIGHTS

(Rupees in Lakhs)

Particulars	2019-2020	2018-2019
Sales/Income from operations	172.57	197.78
Profit before Depreciation and Amortization	131.94	142.12
Depreciation and Amortization	15.32	14.72
Profit before Tax	116.62	127.40
Provision for Taxation:		
Current Tax	44.02	26.61
Deferred Tax	1.94	(3.72)
Profit after Tax	70.66	104.51

2. OPERATING RESULTS

Your company has generated total Gross Income of Rs.172.57 Lakhs during the financial year 2019-2020 as against Rs. 197.78 Lakhs during the financial year 2018-2019 and has earned net profit of Rs.70.66 Lakhs as against Rs. 104.51 Lakhs respectively as per Ind As. The Company has leased its two factories with effect from 01-11-2017 with due approvals.

3. DIVIDEND

With a view to conserve resources for long term needs of the Company, your directors do not recommend any dividend for the Financial Year 2019-2020.

4. TRANSFER TO RESERVE

The Company did not transfer any amount to the General Reserve for the Financial Year ended 31st March, 2020.

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 31st March, 2020 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. T. Adinarayana is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

Further the tenure of Mr. T. Govardhana Rao, as an Independent Director of the company comes to an end as on 28th September, 2020 and the board based on the recommendations of Nomination and Remuneration Committee do hereby recommends for his re-appointment, as an Independent Director of the company for a second term of five consecutive years.

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

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

8. BOARD MEETINGS

During the financial year 2019-2020, Five Board Meetings were properly convened and held on 27th May, 2019, 14th August, 2019, 14th November, 2019, 14th February, 2020, and 11th March, 2020. The maximum interval between any two meetings did not exceed 120 days.

9. BOARD EVALUATION

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

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

10. KEY MANAGERIAL PERSONNEL

The Board designated Sri. T. R. Sekhar, Whole Time Director in the designation and capacity of Executive director, Sri. B. Kumar, Chief Financial Officer and Miss. Lekha Sai Surapaneni, Company Secretary and Compliance Officer, as Key Managerial personnel of the Company under the provisions of the Companies Act, 2013. During the year under review, Sri. Kuradia Ajay Kumar has resigned as Company Secretary and Compliance Officer of the company. Subsequently Miss. Lekha Sai Surapaneni has been appointed as Company Secretary and Compliance

Officer of the Company, except these changes there are no other changes in the Key Managerial personnel of the Company.

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

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

12. FIXED DEPOSITS

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

13. SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

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

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

15. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts for the financial year ended 31st March, 2020, 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 31st March, 2020 and of the Profit of the Company for that period;

- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis;
- (v) Internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- (vi) That proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. AUDITORS

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

The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

17. AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s. Niranjana & Narayan, Chartered Accountants, Statutory Auditors in their report for the Financial Year ended 31st March, 2020.

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

18. SECRETARIAL AUDITORS

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. P.S. Rao & Associates a

firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year 2019-2020 is annexed herewith as Annexure - I to this Report.

19. SECRETARIAL AUDIT REPORT

There are no qualifications, reservations or adverse remarks made by M/s. P.S. Rao & Associates, Practicing Company Secretaries in their report for the financial year ended 31st March, 2020.

20. INTERNAL AUDITORS

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

21. AUDIT COMMITTEE

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

The following is the composition of Audit Committee as at 31st March, 2020:

1. Sri. T. Govardhana Rao, Chairman
2. Miss. K. Suneetha
3. Sri. T. Adinarayana
4. Sri. G. Mohan Rao

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

22. NOMINATION AND REMUNERATION COMMITTEE

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

The following is the composition of Nomination and Remuneration Committee as at 31st March, 2020:

1. Sri. T. Govardhana Rao, Chairman
2. Miss. K. Suneetha
3. Sri. P.L.V. Subba Rao

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

23. STAKE HOLDERS RELATIONSHIP COMMITTEE

The Board has reconstituted the composition of Stake Holders Relationship Committee with the following members as at 31st March, 2020:

1. Sri. T. Govardhana Rao, Chairman
2. Miss. K. Suneetha
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 31st March, 2020.

24. CORPORATE SOCIAL RESPONSIBILITY

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

25. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the company have met separately on 11th March, 2020 inter-alia, reviewed the performance of the Chairman, Executive Director, Non Independent Directors. The Independent Directors in the said meeting also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board to effectively and reasonably perform its duties.

26. RISK MANAGEMENT POLICY

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

27. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES OF THE COMPANY

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

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

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

All employees (permanent, contractual, temporary, trainees) are covered in this regard. The following is a summary of sexual harassment complaints received and disposed off during the Calendar year:

- No. of complaints received : Nil
- No. of complaints disposed off : Nil

29. EXTRACT OF ANNUAL RETURN

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

30. RELATED PARTY TRANSACTIONS

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

31. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

32. LISTING OF EQUITY SHARES

Your company shares are listed with the Metropolitan Stock Exchange of India Limited. The listing fee has been paid for the financial year 2020-2021.

33. CORPORATE GOVERNANCE

Since the paid up capital of the company is less than Rs.10 Crores and the net worth of the Company is less than Rs.25 Crores, the provisions of Regulations 17, 18, 19,20,21,22,23,24,25,26,27, and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, are not applicable to the Company, hence corporate governance report has not been enclosed to directors report.

34. INSIDER TRADING REGULATIONS

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

The Code is applicable to all Directors and such Designated Employees and other connected persons who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)' in compliance with the PIT Regulations. This Code is displayed on the Company's website viz. www.slilab.com.

35. DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

The Company has adopted a Code of Business Conduct and Ethics (the Code) which applies to all the employees and Directors of the Company.

Under the Code, it is the responsibility of all the employees and directors to familiarize themselves with the code and comply with its standards and that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2019-2020. A Declaration in this regard is herewith attached as Annexure VII.

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 hereto 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 herewith 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 herewith 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.8.5 Lakhs or more per month.

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

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

40. IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic has caused a huge disruption creating an unprecedented impact on the financial well-being of nations, corporations

and individuals. Economic impact on growth prognosis – Downturn in the economic outlook have negatively impacted pharmaceutical spending in countries with high out-of-pocket medical expenditure. Impact on APIs/ generics – Potential API and generic shortages have lead to medium-term price increases. Delays in non- Covid treatment – Postponement of non-urgent treatment have lead to a short-term deceleration in volume growth and a short-term negative impact on sales growth. Further the Covid-19 has contributed to a significant decline and volatility in global and Indian Financial Markets and a decrease in the economic activities. Given the virulent nature of the pandemic situation, the carrying value of the company's Investments as at 31st March, 2020, have been effected by the severity and duration of the outbreak; however the Company believes that it has taken into account all the possible impact of known events arising out of Covid-19 pandemic in the preparation of financial results resulting out of fair valuation of these investments. However, the impact assessment of Covid-19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes in this regard.

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. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review the company does not have any amount of unclaimed and unpaid dividend which is required to be transferred to the IEPF.

43. TRANSFER OF UNCLAIMED SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the company does not have any unclaimed shares that are required to be transferred to the Demat Account of the IEPF Authority.

44. SECRETARIAL STANDARDS

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

45. ACKNOWLEDGEMENT AND APPRECIATION

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

for and on behalf of the Board

Place : Hyderabad
Date : 31.07.2020

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

(T. Govardhana Rao)
Director
DIN: 07162634

ANNEXURE - I

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.

SECRETARIAL AUDIT REPORT

For the Financial Year ended on March 31, 2020

*[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
Sy.No.530 & 534, Temple Road,
Bonthapally Village, Jinnaram Mandal,
MedakDist, Telangana – 502 313.

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 31st March, 2020 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 31st March, 2020 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 thereunder.
 - The Narcotics, Drugs & Psychotropic Substances Act, 1985.
 - The Water (Prevention and Control of Pollution) Act, 1974.
 - Air (Prevention and Control of Pollution) Act, 1981.
 - Petroleum Rules, 2002.
 - The Micro, Small and Medium Enterprises Development Act, 2006.

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

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that

- there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor

SIGACHI LABORATORIES LIMITED

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.

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

MB Suneel

Company Secretary

C.P.No:14449

UDIN: A031197B000544743

Date : 31.07.2020

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
Sy.No.530 & 534, Temple Road,
Bonthapally Village, Jinnaram Mandal,
Medak Dist, Telangana – 502 313.

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. A Substantial portion of the audit programme was completed prior to the outbreak of the pandemic COVID-19. However, owing to the lockdown measure imposed in the country and the cascading impact thereof, for certain verifications and cross checks, we have relied on management representations and assurances, wherever required, for forming our opinion and eventual reporting.
7. 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
C.P.No: 14449

Date : 31.07.2020
Place : Hyderabad

UDIN: A031197B000544743

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

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2020

[pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the products/ services	% to total turnover of the Company
1	Pharmaceutical Products (Bulk Drugs and Drug Intermediates)	210	67%
2	Interest on loans/ ICDs, Fixed Deposits	649	33%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category - wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the Beginning of the Year (1 st April, 2019)				No. of Shares held at the End of the Year (31 st March, 2020)				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
1	Indian									
(a)	Individuals/Hindu Undivided Family	9,63,750	1,900	9,65,650	14.30	9,65,650	-	9,65,650	14.30	-
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	15,18,530	-	15,18,530	22.49	15,18,530	-	15,18,530	22.49	-
(e)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	24,82,280	1,900	24,84,180	36.79	24,84,180	-	24,84,180	36.79	-
2	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-

Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-
2 Non-Institutions												
(a) Bodies Corporate												
(i) Indian	7,700	1,25,500	1,33,200	1.97	7,700	1,25,500	1,33,200	1.97				
(ii) Overseas	-	-	-	-	-	-	-	-				
(b) Individuals												
(i) Individual shareholders holding Nominal Share Capital upto Rs. 1 Lakh	2,20,450	23,17,010	25,37,460	37.57	2,62,850	22,90,910	25,53,760	37.82				0.24
(ii) Individual shareholders holding Nominal Share Capital in excess of Rs. 1 Lakh	58,810	73,000	1,31,810	1.95	45,010	73,000	1,18,010	1.75				(0.20)
(c) Any Other (specify)												
(i) Non Resident Indians	23,250	14,43,200	14,66,450	21.72	26,250	14,37,700	14,63,950	21.68				(0.04)
Sub-Total (B)(2)	3,10,210	39,58,710	42,68,920	63.21	3,41,810	39,27,110	42,68,920	63.21				-
Total Public Shareholding (B) = (B)(1)+(B)(2)	3,10,210	39,58,710	42,68,920	63.21	3,41,810	39,27,110	42,68,920	63.21				-
(c) Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-				-
Grand Total (A) + (B) + (C)	27,92,490	39,60,610	67,53,100	100	28,25,990	39,27,110	67,53,100	100				-

(ii). Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year (1 st April, 2019)			Shareholding at the end of the Year (31 st March, 2020)			% Change in Shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/ Encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/ Encumbered to total Shares	
1	T. Adinarayana	7,53,530	11.16	-	7,53,530	11.16	-	-
2	T.H.P.S. Kumar	54,010	0.80	-	54,010	0.80	-	-
3	T. Bhagya Lakshmi	51,110	0.76	-	51,110	0.76	-	-
4	T. Lakshmi Pravallika	37,000	0.55	-	37,000	0.55	-	-
5	T. Raja Sekhar	26,500	0.39	-	26,500	0.39	-	-
6	T. Nanda Krishna	29,500	0.44	-	29,500	0.44	-	-
7	T. Archana	14,000	0.21	-	14,000	0.21	-	-
8	Krishnaraj Securities Pvt Ltd.,	15,18,530	22.49	-	15,18,530	22.49	-	-
	Total	24,84,180	36.79	-	24,84,180	36.79	-	-

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

Sl No.	Shareholder's Name	Shareholding		Increase/(Decrease) in Shareholding			Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at beginning of the year (01.04.2019)/ end of the year (31.03.2020)	% of Total Shares of the company	Date	No. of Shares	Reason	No. of Shares	% of Total Shares of the company
1	T. Adinarayana	7,53,530	11.16	01.04.2019	No Change during the year	7,53,530	11.16	
		7,53,530	11.16	31.03.2020		7,53,530	11.16	
2	T.H.P.S. Kumar	54,010	0.80	01.04.2019	No Change during the year	54,010	0.80	
		54,010	0.80	31.03.2020		54,010	0.80	
3	T. Bhagya Lakshmi	51,110	0.76	01.04.2019	No Change during the year	51,110	0.76	
		51,110	0.76	31.03.2020		51,110	0.76	
4	T. Lakshmi Pravalika	37,000	0.55	01.04.2019	No Change during the year	37,000	0.55	
		37,000	0.55	31.03.2020		37,000	0.55	

5	T. Raja Sekthar	26,500	0.39	01.04.2019	No Change during the year	26,500	0.39
		26,500	0.39	31.03.2020		26,500	0.39
6	T. Nanda Krishna	29,500	0.44	01.04.2019	No Change during the year	29,500	0.44
		29,500	0.44	31.03.2020		29,500	0.44
7	T. Archana	14,000	0.21	01.04.2019	No Change during the year	14,000	0.21
		14,000	0.21	31.03.2020		14,000	0.21
8	Krishnaraj Securities Private Limited	15,18,530	22.49	01.04.2019	No Change during the year	15,18,530	22.49
		15,18,530	22.49	31.03.2020		15,18,530	22.49

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

Sl. No.	For each of the Top 10 Shareholders	Share holding at the beginning of the year		Date	Reason	Increase / Decrease in Share Holding		Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shasun Finance Limited	50,000	0.74	-	-	-	-	50,000	0.74
2	Indur kirpalani	50,000	0.74	-	-	-	-	50,000	0.74
3	Shasun Securities Limited	50,000	0.74	-	-	-	-	50,000	0.74
4	Srinivasa Seetharama Thulasi	33,000	0.49	-	-	-	-	33,000	0.49
5	Premkumar Parwal	25,000	0.37	-	-	-	-	25,000	0.37
6	Y Pulla Rao	20,010	0.30	-	-	-	-	20,010	0.30
7	Lachman Kishan Chand Kishore kishan chand Bharat kishan chand	20,000	0.30	-	-	-	-	20,000	0.30

8	Gurucharan Jeet Singh	20,000	0.30	-	-	-	-	-	-	20,000	0.30
9	Pushpawati Modi Keshavil Modi	20,000	0.30	-	-	-	-	-	-	20,000	0.30
10	Shekhar J Bhansali	20,000	0.30	-	-	-	-	-	-	20,000	0.30
11	Tarun Agarwal	20,000	0.30	-	-	-	-	-	-	20,000	0.30
12	Kishan Lal Agrawal	20,000	0.30	-	-	-	-	-	-	20,000	0.30
13	Ugamraj Nahar B	20,000	0.30	-	-	-	-	-	-	20,000	0.30

(v). Shareholding of Directors and Key Managerial Personnel

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

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/ Manager
		Mr. T. Rajasekhar, Executive Director
1	Gross Salary	Rs.
	(a) Salary as per provisions contained in Section 17 (1) of the Income tax Act, 1961	11,23,500
	(b) Value of perquisites under Section 17 (2) of the Income tax Act, 1961	39,600
	(c) Profits in lieu of salary under Section 17 (3) of the Income tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission	-
	- as percentage of profit	-
	- others, please specify	-
5	Others, please specify	-
	Total (A)	11,63,100
Ceiling as per the Act - Rs. 84,00,000/- per annum		

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount Rs.
		B.S.S. Murthy	K. Suneetha	T. Govardhana Rao	G. Mohan Rao	
1	Independent Directors	Rs.	Rs.	Rs.	Rs.	Rs.
	Fee for attending board / committee meetings	6,000	12,000	12,000	6,000	36,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	6,000	12,000	12,000	6,000	36,000
2	Other Non-Executive Directors	Name of Directors				Total Amount Rs.
		P.L.V. Subba Rao				
	Fee for attending board / committee meetings				12,000	12,000
	Commission		-			-
	Others, please specify		-			-
	Total (2)				12,000	12,000
	Total = (1 + 2)					48,000
	Total Managerial Remuneration					12,11,100

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

SI No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
		K. Ajay Kumar/ S. Lekha Sai*	B. Kumar	
1	Gross salary	Rs.	Rs.	Rs.
	(a) Salary as per provisions contained in Section 17 (1) of the Income tax Act, 1961	1,96,935*	2,32,175	4,29,110
	(b) Value of perquisites under Section 17 (2) of the Income tax Act, 1961	-	21,600	21,600
	(c) Profits in lieu of salary under Section 17 (3) of the Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as percentage of profit	-	-	-
	- others, please specify	-	-	-
5	Others, please specify	-	-	-
	Total	1,96,935	2,53,775	4,50,710
	*Kuradia Ajay Kumar - Rs.1,80,000/- and Lekha Sai Surapaneni - Rs.16,935/-			

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment, Compounding Fees Imposed	Authority [RD/NCLT/ COURT]	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

Annexure – III
FORM NO. AOC – 2

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ Transactions	Duration of the contracts/ arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Dates of approval by the Board, if any	Amount in Rs.
T. Rajasekhar, Executive Director	Remuneration & Perquisites	3 years w.e.f. 11-6-2018	N.A.	11-6-2018	11,63,100
K. Ajay Kumar, Company Secretary	Remuneration & Perquisites	Regular Employee	N.A.	13-2-2017	1,80,000
Lekha Sai Surapaneni, Company Secretary	Remuneration & Perquisites	Regular Employee	N.A.	11-3-2020	16,935
B. Kumar, Chief Financial Officer	Remuneration & Perquisites	Regular Employee	N.A.	27-9-2016	2,53,775

Thus other than payment of remuneration to the Key Managerial Personnel amounting to Rs. **16,13,810/-** (Rs.49,01,967/-) there are no other contracts or arrangements with the related parties.

ANNEXURE - IV**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Financial Year 2019-2020 has been a challenging year that saw the September quarter GDP growth plunge to 4.5% y-o-y, primarily due to a sharp deceleration in investment growth. Corrective measures to boost investments and infuse liquidity in the economy, such as reducing the repo rate and slashing the Corporate Tax rate have yet to bear fruit. In India, growth softened in 2019 as economic and regulatory uncertainty, together with concerns about the health of the non-banking financial sector, weighed on demand.

There was a strong hope of recovery in the last quarter of the current fiscal. However, the corona virus epidemic made the recovery difficult in the near to short/medium term. The outbreak has presented fresh challenges for the Indian economy now, causing severe disruptive impact on both demand and supply side elements, which has the potential to disturb India's growth story. The IMF has cut down its projections for India's economic growth from its earlier forecast of 5.8% to a steep 1.9% for the current financial year.

OPPORTUNITIES AND THREATS:**Opportunities:**

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

The Central Government is implementing a massive Medical Insurance Scheme to cover poor families and this initiative is also likely to increase the number of treatment procedures which would, in turn, improve the demand for medicines .

Threats:

The Drugs Price Control may have an adverse impact on the sales / margins of Pharmaceutical Companies.

The pharmaceutical industry is highly competitive, with challenges from Indian manufacturers who have similar production facilities and also from

those abroad. Human resources with similar skills, talent, and experiences in the industry are mobile between competitors.

Unfavorable changes in laws and regulations could impact a Company's ability to manufacture and sell products in a particular region. Although such changes affect all the companies operating in the market, our ability to understand the changes and apply the learning's quickly will help us in managing a better turnaround in such a scenario.

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

The Covid-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a decrease in the economic activities. Given the virulent nature of the pandemic situation, the carrying value of the company's Investments as at 31st March, 2020, have been effected by the severity and duration of the outbreak.

Internal Control Systems and Adequacy:

The Company has in place adequate internal financial controls over financial reporting. It has adopted necessary policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial control.

Financial Performance:

The Company has generated total Gross Income of Rs.172.57 Lakhs during the financial year 2019-2020 as against Rs. 197.78 Lakhs during the financial year 2018-2019 and has earned net profit of Rs.70.66 Lakhs as against Rs. 104.51 Lakhs respectively as per Ind As. The Segment wise performance/results have been placed at Notes to financial accounts.

Human Resources:

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

your company attributes importance to human resource development activities.

Cautionary statement:

Statements in the management discussion analysis describing the Company's objectives, projections, estimates, expectations are forward looking within the meaning of applicable security-laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. Actual results may differ materially from these expressed in the statement. Important factors that could make difference to Company's operations include economic conditions, Covid-19 related issues, performance of share markets, changes in the Government priorities/policies/ regulations, tax laws and other statutes and other incidental factors affecting the business environment. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements on the basis of any subsequent developments, information or events.

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 31st March, 2020:

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.

	2019-2020	2018-2019
Expenditure incurred on Research and Development:	Nil	Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2019-2020	2018-2019
a) Foreign Exchange earnings & outgo		
i) Foreign Exchange earnings :	Nil	Nil
ii) Foreign Exchange out go :	Nil	Nil

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:

Name	Age(years)	Qualifications	Designation	Date of Commencement of employment	Experience (years)	Gross Remuneration (CTC)(Rs.)	Previous Employment	Previous Designation
T.R. Sekhar	37	B.E., MS (USA),	Executive Director	11-6-2018	8	11,63,100/-	Krishnasai Granites (India) Private Limited	Business Development Manager
B. Kumar	39	B.Com.	CFO	01-10-2014	12	2,53,775/-	Kids Fun Pvt Ltd.,	Accountant
K. Ajay Kumar	28	B.Com., ACS., LLb.,	Company Secretary	13-02-2017	3	1,80,000/-	NA	NA
Lekha Sai Surapaneni	26	B.Com., ACS.,	Company Secretary	11-03-2020	1	16,935/-	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	4.52
B.S.S. Murthy	0.02
K. Suneetha	0.05
T. Govardhana Rao	0.05
P.L.V. Subba Rao	0.05
G. Mohan Rao	0.02

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

Name of Director / KMP	Designation	% of increase
T.R. Sekhar	Executive Director*	5%
T. Govardhana Rao	Non Executive & Independent Director	20%
K. Suneetha	Non Executive & Independent Director	20%
G. Mohan Rao	Non Executive & Independent Director	NA
B.S.S. Murthy	Non Executive & Independent Director	20%
P.L.V. Subba Rao	Non Executive & Non Independent Director	20%
Kuradia Ajay Kumar	Company Secretary	NIL
Lekha Sai Surapaneni	Company Secretary	NA
B. Kumar	Chief Financial Officer	18.95%

*he has been appointed as an Executive Director as on 11-06-2018.

- iii) There is no increase in the median remuneration of the employees in the financial year 2019-2020.
- iv) The number of permanent employees on the rolls of the company are 6 as on 31st March, 2020.
- 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:

There is no increase in remuneration of employees as most of the employees have joined during year 2019-2020 and some employees have resigned during the year 2019-2020, hence the data is not comparable for employees other than managerial personnel with managerial personnel. There has been average increase in the remuneration of managerial personnel to the extent of 12%. If absolute figures of remuneration of managerial personnel

SIGACHI LABORATORIES LIMITED

are compared the increase in the remuneration of managerial personnel are very much reasonable. Thus there was no exceptional circumstance for increase in the managerial remuneration in the last financial year.

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, other than Key Managerial Personnel:

Name	Age (years)	Qualifications and experience of employee	Designation	Date of commencement of employment	Nature of employment	Remuneration in (Rs. in Laks) Per Annum	Previous Employment	Relative of Director If any	% of Shareholding
Ch. V. Umamaheswara Rao (Resigned on 30-06-2020)	62	ITI & 36 years	Maintenance Manager	5.2.2000	Regular Employee	Rs.4.55	Nagarjuna Drugs Ltd.,	.	.
T. Ramesh Babu (Resigned on 29-02-2020)	32	M.Com	Accounts Officer	15.6.2017	Regular Employee	Rs.2.21	Varsitha Enterprises	.	.
M. Sharath Mohan	49	B.A.,	Maintenance Manager	12.9.2019	Regular Employee	Rs.2.15	Business	.	.
T. Soundarya	25	B.Com.,	Office Assistant	2.3.2020	Regular Employee	Rs.0.10	NA	.	.

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

ANNEXURE - VII

DECLARATION OF CODE OF CONDUCT

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

I hereby confirm that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year 2019 - 2020.

For Sigachi Laboratories Ltd.,

Place : Hyderabad

Date : 31.07.2020

(T. R. Sekhar)

Executive Director

DIN: 02943146

**NIRANJAN & NARAYAN,
CHARTERED ACCOUNTANTS**

First Floor, H.No.7-1-8/1/A/21,
Shyamkaran Road,
Ameerpet, Hyderabad-500 016.

Independent Auditors' Report

To
The Members of
Sigachi Laboratories Limited,

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sigachi Laboratories Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind As 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit, (including other comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No.35 to the accompanying financial statements, which describes the effects of uncertainties relating to Covid-19 pandemic outbreak on the Company’s operations and management’s evaluation of its impact on the accompanying financial statements as at 31st March, 2020, the impact of which is dependent on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matters	Auditor’s Response / Procedures
<p>The Company has invested into various financial instruments such as quoted shares, mutual funds, Bonds and Debentures etc., as at 31st March, 2020, financial instruments carried at fair value through profit and loss and also through OCI as per Ind As Financial Statements. These financial instruments are recorded at fair value as required by the relevant accounting standard. We have focused on this area due to the complexities associated with the valuation and accounting for these financial instruments.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • 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; • We also tested on a sample basis the existence and valuation of such financial instruments as at 31st March, 2020. Our audit procedures focused on the integrity of the valuation models; and • Obtaining an understanding of key financial instrument contract terms to assess the appropriateness of accounting reflected in the financial report.

Other Information

The Company’s Board of Directors are responsible for the other information. The other information comprises the information included in the Directors

Report and Management Discussion and Analysis but does not include the financial statements and our Auditors' 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 Ind As financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind As Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind As financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income) cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 Ind As financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind As financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditors' 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 Ind As financial statements.

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

- a) Identify and assess the risks of material misstatement of the Ind As financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 Auditors' 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 Auditors' 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 Ind As financial statements, including the disclosures and whether the Ind As financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of sub-

section (11) of section 143 of the Companies Act, 2013, we give in the “Annexure A”, a statement on the matters specified in paragraphs 3 and 4 of the 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 Ind As financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”
 - (g) 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 has disclosed the impact of pending litigations on its financial position in its Ind As financial statements – Refer. Note No. 33 to the 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.

SIGACHI LABORATORIES LIMITED

3. As required by Section 197 of the Act, we report that the remuneration paid by the Company to its Directors is in accordance with the prescribed provisions and the Remuneration paid to every director is within the limit specified under Section 197.

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

(M. Niranjan)
Partner

Membership No. 029552
UDIN: 20029552AAAAHX5016

Place: Hyderabad
Date : 31st July, 2020.

ANNEXURE – A TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date to the members of Sigachi Laboratories Limited on the Ind As Financial Statements as of and per the year ended 31st March, 2020.

1. In Respect of Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the Management at reasonable intervals, and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. The Inventory has been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. Thus paragraphs 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, during the year, the Company has not given any loans, made investments, given guarantees or provided security to parties covered under the provisions of section 185 and 186 of the Companies Act, 2013. Thus paragraph 3 (iv) is not applicable to the company.
5. During the year the company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Companies Act,

2013 and the rules framed there under. Accordingly the provisions of clause 3(v) of the order are not applicable.

6. In our opinion and according to the explanation given to us the maintenance of Cost records under section 148 (1) of the Companies Act, 2013, as prescribed by the Central Government are not applicable to the Company. Thus paragraph 3(vi) is not applicable to the company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, duty of customs, duty of excise, Goods and Services tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, duty of customs, duty of excise, Goods and Services tax, cess and any other statutory dues were in arrears as at 31st March, 2020, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the following are the particulars of disputed dues on account of Income Tax as at 31st March, 2020:

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

8. According to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institutions, banks, government or debenture holders during the year. The Company has not obtained any loan from financial institutions, banks, government and debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
15. According to the information and explanations given to us and based on our examination of records of the company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

(M. Niranjana)
Partner
Membership No. 029552

Place: Hyderabad
Date : 31st July, 2020.

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 Ind As Financial Statements for the year ended 31st March, 2020.

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 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 judgement, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper

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

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(M. Niranjan)
Partner
Membership No. 029552

Place: Hyderabad
Date : 31st July, 2020.

BALANCE SHEET AS AT 31st MARCH, 2020

Particulars	Note No.	As at 31 st March, 2020 Rs.	As at 31 st March, 2019 Rs.
A. ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	2	2,61,64,995.58	2,71,49,075.40
(b) Financial assets			
(i) Investments	3	12,39,05,135.79	15,84,26,539.96
(ii) Other Financial Assets	4	43,52,899.00	43,52,899.00
(c) Other non current assets	5	-	26,11,788.00
Total Non - Current Assets		15,44,23,030.37	19,25,40,302.36
2. Current Assets			
(a) Financial Assets			
(i) Investments	3(a)	21,25,687.01	20,41,695.90
(ii) Trade Receivables	6	20,85,132.04	14,67,641.16
(iii) Cash and Cash Equivalents	7	2,10,16,618.04	2,02,88,169.29
(iv) Other Financial Assets	8	1,72,29,250.00	65,00,000.00
(b) Other Current Assets	9	76.05,503.67	103.67
Total Current Assets		5,00,62,190.76	3,02,97,610.02
TOTAL ASSETS		20,44,85,221.13	22,28,37,912.38
B. EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share Capital	10	7,31,05,500.00	7,31,05,500.00
(b) Other Equity	11	12,56,33,564.80	14,08,48,982.96
TOTAL EQUITY		19,87,39,064.80	21,39,54,482.96
2. Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities		-	-
(b) Long term Provisions	12	1,96,500.00	1,02,000.00
(c) Deferred Tax Liabilities (net)	13	19,31,359.00	8,51,603.00
(d) Other Non-Current liabilities	14	25,00,000.00	25,00,000.00
Total Non - Current Liabilities		46,27,859.00	34,53,603.00
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables	15	-	-
(iii) Other Financial Liabilities	14(a)	11,18,297.33	54,29,826.42
(b) Provisions	16	-	-
(c) Other Current Liabilities		-	-
Total Current Liabilities		11,18,297.33	54,29,826.42
TOTAL EQUITY AND LIABILITIES		20,44,85,221.13	22,28,37,912.38
The accompanying Significant accounting policies and Notes form an integral part of the financial statements.	1 to 38		

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

For and on behalf of the Board

(M. Niranjn)
Partner
Membership No.029552

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

(T. Govardhana Rao)
Director
DIN:07162634

Place: Hyderabad
Date : 31.07.2020

(S. Lekha Sai)
Company Secretary
ACS:57228

(B.Kumar)
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2020

	Particulars	Note No.	For the year ended 31 st March, 2020 Rs.	For the year ended 31 st March, 2019 Rs.
	Income			
I.	Revenue from operations	17	66,51,032.17	1,69,54,817.99
II.	Other income	18	1,06,06,628.24	28,23,454.33
III.	Total Revenue (I+II)		1,72,57,660.41	1,97,78,272.32
IV.	Expenses			
	Cost of materials consumed		-	-
	Changes in inventories		-	-
	Employee benefits expense	19	27,98,860.50	34,83,350.26
	Finance costs	20	-	-
	Depreciation and amortization expense	21	15,32,395.00	14,72,312.86
	Other expenses	22	12,64,398.84	20,82,964.87
	Total Expenses (IV)		55,95,654.34	70,38,627.99
V.	Profit before tax (III-IV)		1,16,62,006.07	1,27,39,644.33
VI.	Tax expense			
	(1) Current tax	23	44,02,843.00	26,60,680.00
	(2) Deferred tax		1,93,511.00	(3,71,801.00)
VII.	Profit for the year (V-VI)		70,65,652.07	1,04,50,765.33
VIII.	Other comprehensive income (OCI)			
	Equity Instruments through other comprehensive income that will not be reclassified to profit or (loss)		(2,26,96,451.13)	45,00,804.08
	Tax on items that will not be reclassified to profit or (loss)		-	-
	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		(2,26,96,451.13)	45,00,804.08
IX.	Total comprehensive income/(loss) for the year (VII+VIII)		(1,56,30,799.06)	1,49,51,569.41
	Earnings per share: (par value of Rs.10/- each)			
	Basic		1.05	1.55
	Diluted		1.05	1.55
	The accompanying Significant accounting policies and Notes form an integral part of the financial statements.	1 to 38		

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

(M. Niranjan)
Partner
Membership No.029552

Place: Hyderabad
Date : 31.07.2020

For and on behalf of the Board

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

(S. Lekha Sai)
Company Secretary
ACS:57228

(T. Govardhana Rao)
Director
DIN:07162634

(B. Kumar)
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020

Particulars	For the year ended 31.03.2020 Rs.	For the year ended 31.03.2019 Rs.
Cash Flows from Operating Activities		
Net profit before tax	1,16,62,006.07	1,27,39,644.33
Adjustments for :		
Depreciation and amortization expense	15,32,395.00	14,72,312.86
(Profit)/Loss on Sale of Investments	-	(38,954.47)
Dividend Received	(26,95,452.52)	(19,89,752.57)
Provision for Gratuity & Leave Encashment	94,500.00	-
Profit on Margadarshi Chit	(3,34,242.00)	-
Bad Debts/Deposits Recovery	(61,000.72)	-
Profit on sale of assets	(63,15,548.00)	-
Interest	(65,71,557.60)	(70,26,653.72)
Fair Value (Gains)/Losses	97,70,140.43	(2,71,824.27)
Operating profit before working capital changes	70,81,240.66	48,84,772.16
Movements in Working Capital		
(Increase)/Decrease in Trade Receivables	(6,17,490.88)	(5,49,691.03)
(Increase)/Decrease in Other financial assets	(1,07,29,250.00)	5,50,000.00
(Increase)/Decrease in Other Current assets	(76,05,400.00)	33,824.33
(Increase)/Decrease in Other Non Current assets	26,11,788.00	(6,92,416.00)
Increase/(Decrease) in Other financial liabilities	(38,96,148.19)	48,99,040.56
Increase/(Decrease) in Other Non Current liabilities	-	(11,76,071.07)
Changes in Working Capital	(2,02,36,501.07)	30,64,686.79
Cash generated from operations	(1,31,55,260.41)	79,49,458.95
Direct Taxes Paid	35,16,598.00	26,60,680.00
Net Cash from operating activities (A)	(1,66,71,858.41)	52,88,778.95
Cash flows from Investing Activities		
Purchase of Fixed Assets	(21,52,767.18)	(10,28,196.86)
Sale of Fixed Assets	16,04,452.00	-
Purchase/Sale of Investments (Net Aggregate)	(1,23,48,913.39)	20,30,830.61
Fire Insurance Claim Received	-	30,20,618.00

SIGACHI LABORATORIES LIMITED

Dividend Received	26,95,452.52	19,89,752.57
Profit on Margadarshi Chit	3,34,242.00	-
Bad Debts/Deposits Recovery	61,000.72	-
Profit on sale of assets	63,15,548.00	-
Interest	65,71,557.60	70,26,653.72
(Increase)/Decrease in other term deposits	1,43,19,734.89	-
Net Cash used in Investing Activities (B)	1,74,00,307.16	1,30,39,658.04
Cash flows from/(used in) Financing Activities		
Proceeds from Long term borrowings	-	-
Repayment/(Proceeds) of/from Short-term borrowings	-	-
Dividend paid	-	-
Corporate Dividend tax	-	-
Net Cash used in Financing Activities (C)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	7,28,448.75	1,83,28,436.99
Cash and Cash Equivalents at the beginning of the year	2,02,88,169.29	19,59,732.30
Cash and Cash Equivalents at the ending of the year (Refer Note 7)	2,10,16,618.04	2,02,88,169.29

Notes :-

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

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

(M. Niranjana)
Partner
Membership No.029552

Place: Hyderabad
Date : 31.07.2020

For and on behalf of the Board

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

(S. Lekha Sai)
Company Secretary
ACS:57228

(T. Govardhana Rao)
Director
DIN:07162634

(B. Kumar)
Chief Financial Officer

1. Notes forming part of Financial Statements

1.1 Corporate Information

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

1.2 Basis of Preparation and Presentation of Financial Statements

The financial statements of the Company for the year ended 31st March, 2020 have been prepared and presented in accordance with the Indian Accounting Standards (“Ind As”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

1.3 Basis of Measurement

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

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

- 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.

Liabilities: 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 counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

1.4 Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind As, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

- a. **Depreciation and amortization:** Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.
- b. **Provisions and contingencies:** Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.
- c. **Fair valuation:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants

at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows: Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3: Inputs are unobservable inputs for the asset or liability. For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or reassessed in line with the Company's Accounting Policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.5 Functional and presentation currency

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

1.6 Property, Plant & Equipment

Recognition and measurement

Property, Plant and Equipment are stated at purchase price or cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed

assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

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

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

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

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

Depreciation

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

1.7 Financial Instruments

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

A. Financial Assets

1. Initial Recognition

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

2. Subsequent Measurement

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

a. Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

b. Financial Assets Measured at Fair Value

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

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

c. Impairment of Financial Assets

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

d. De-recognition of Financial Assets

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

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

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

B. Financial Liabilities

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

1. Initial Recognition

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

2. Subsequent Measurement

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

a. Financial liabilities at FVPL

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

3. De-recognition of Financial Liabilities

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

1.8 Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generated Units (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.9 Cash and Cash Equivalents

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

1.10 Employee Benefits**Short term employee benefits**

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

Defined Contribution Plan

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

Defined Contribution Benefits

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

1.11 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of

money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent Liabilities

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

Contingent Assets

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

1.12 Revenue recognition

Sale of goods and Services

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

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

Other Income

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

benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset 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.

1.13 Income Tax

Current Tax

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

Deferred Tax

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

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

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at

each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.14 Earnings Per Share

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

1.15 Trade Receivables

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

1.16 Trade and other payables

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

1.17 Ind As 116, Leases

Effective April 1, 2019, the Company has adopted Ind As 116 “Leases” and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

1.18 Amendment to Ind As 12, Income Taxes

The Ministry of Corporate Affairs has notified limited amendments to Ind As 12 ‘Income Taxes’ with effect from April 1, 2019. The amendments require an entity to recognise the income tax consequences of dividends

as defined in Ind As 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Since Dividend Distribution Tax is not applicable with effective from April 1, 2020, this amendment will have no impact on the financial statements.

1.19 Appendix C to Ind As 12, Uncertainty over Income Tax Treatments

The Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind As 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind As 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind As 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

1.20 Amendment to Ind As 19, Employee Benefits

The Ministry of Corporate Affairs has notified limited amendments to Ind As 19 ‘Employee Benefits’ in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. The amendment is effective from April 1, 2019, the Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

1.21 Recent Accounting Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Note 2 : Property, Plant and Equipment

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

(Rs.)

Sl. No.	Particulars	Gross carrying value			Accumulated depreciation / impairment			Net carrying value	
		As at 1 st April, 2018	Additions	Disposals	As at 1 st April, 2018	For the year	Disposals	As at 31 st March, 2019	As at 31 st March, 2018
1	Freehold Land	79,36,453.40	10,00,000.00	-	-	-	-	89,36,453.40	79,36,453.40
2	Buildings	1,11,70,918.00	-	30,20,618.00	10,81,135.00	4,40,944.00	-	15,22,079.00	1,00,89,783.00
3	Plant and Equipment	1,15,44,017.99	-	-	12,07,382.99	7,61,202.00	-	19,68,584.99	1,03,36,635.00
4	Vehicles	23,92,168.00	-	-	1,54,336.00	2,62,688.00	-	4,17,024.00	22,37,832.00
5	Office Equipment	26,114.00	28,196.86	-	13,008.00	7,478.86	-	20,486.86	13,106.00
	Total	3,30,69,671.39	10,28,196.86	30,20,618.00	24,55,861.99	14,72,312.86	-	39,28,174.85	3,06,13,809.40

Note 3: Investments (Non Current)

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Non Current	Non Current
A. Investments Carried at fair value through OCI		
Investments in Quoted Equity Instruments	5,94,46,696.04	8,09,60,853.60
B. Investments designated as fair value through Profit & Loss		
Investments other than Equity	3,75,41,594.92	3,62,29,106.64
Aggregate amount of Investments	9,69,88,290.96	11,71,89,960.24
C. Fixed Deposits	2,69,16,844.83	4,12,36,579.72
Total Non Current Investments (A+B+C)	12,39,05,135.79	15,84,26,539.96

Note 3(a): Investments (Current)

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Current	Current
A. Investments designated at fair value through Profit & Loss		
1. UTI Liquid Cash Plan - Direct Daily Dividend Plan 2085.140 (2002.751) Units of Rs. 1,000/- each	21,25,687.01	20,41,695.90
	21,25,687.01	20,41,695.90
B. Fixed Deposits	-	-
Total Current Investments (A+B)	21,25,687.01	20,41,695.90

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Note 3 (i) : Non-Current Investments

Sl. No	INVESTMENTS (LONG TERM) in Equity Instruments Quoted, at Fair Value	No. of Shares/ Units as at 31.03.2020	As at 31.03.2020 Rs.	No. of Shares/ Units as at 31.03.2019	As at 31.03.2019 Rs.
1	Accelya Kale Solutions Limited Equity Shares of Rs.10/- each	1,100	9,33,570.00	1,100	10,17,500.00
2	Adani Ports and Special Economic Zone Limited Equity shares of Rs.2/- each	1,635	4,10,875.50	1,635	6,23,098.50
3	Aurobindo Pharma Limited Equity shares of Rs.1/- each	600	2,47,830.00	600	4,62,150.00
4	Bank of Baroda Equity Shares of Rs.2/- each	8,200	4,39,110.00	20,400	9,40,440.00
5	Bharat Petroleum Corporation Limited Equity Shares of Rs.10/- each	3,996	12,62,935.79	3,996	15,40,657.80
6	Century Enka Limited Equity Shares of Rs.10/- each	1,000	1,18,400.00	1,000	2,47,000.00
7	Chennai Super Kings Cricket Limited Equity Shares of Rs.0.10 each	500	50.00	500	50.00
8	Cigniti Technologies Limited Equity Shares of Rs.10/- each	300	58,365.00	300	93,900.00
9	Classic Diamonds Limited Equity Shares of Rs.2/- each	6,980	3,210.80	6,980	3,210.80
10	Dewan Housing Finance Corporation Limited Equity Shares of Rs.10/- each	500	4,325.00	-	-
11	DCB Bank Limited Equity Shares of Rs.10/- each	2,000	1,90,000.00	2,000	4,09,400.00
12	Divis Laboratories Limited Equity Shares of Rs.2/- each	3,000	59,62,650.00	3,000	49,50,000.00
13	Edelweiss Financial Services Limited Equity Shares of Rs.1/- each	1,730	65,999.50	1,730	3,35,620.00
14	Escorts Limited Equity Shares of Rs.10/- each	1,000	6,62,950.00	1,000	7,91,950.00
15	First Source Solutions Limited Equity shares of Rs.10/- each	3,000	82,500.00	3,000	1,43,700.00

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16	Gennex Laboratories Limited Equity shares of Rs.1/- each	70,000	1,30,200.00	70,000	2,14,900.00
17	Glenmark Pharmaceuticals Limited Equity Shares of Rs.1/- each	4,200	8,65,410.00	4,200	27,28,530.00
18	GMR Infrastructure Limited Equity shares of Rs.1/- each	2,200	35,750.00	2,200	43,560.00
19	GNA Axles Limited Equity shares of Rs.10/- each	500	70,025.00	500	1,64,300.00
20	GOCL Corporation Limited Equity Shares of Rs.2/- each	2,000	2,56,000.00	2,000	6,04,000.00
21	Gujarat State Petronet Limited Equity Shares of Rs.10/- each	1,218	2,10,714.00	1,218	2,21,736.90
22	Gulf Oil Lubricants India Limited Equity Shares of Rs.2/- each	2,000	10,40,900.00	2,000	16,57,900.00
23	HCL Technologies Limited Equity Shares of Rs.2/- each	3,592	15,68,806.00	1,796	19,37,884.00
24	HDFC Bank Limited Equity Shares of Rs.1/- each	14,000	1,20,68,000.00	7,000	1,62,66,250.00
25	Heidelberg Cement India Limited Equity Shares of Rs. 10/- each	1,000	1,42,100.00	1,000	1,75,850.00
26	Hindustan Petroleum Corporation Limited Equity shares of Rs.10/- each	1,350	2,56,702.50	1,350	3,68,482.50
27	IDBI Bank Limited Equity shares of Rs.10/- each	2,500	48,250.00	2,500	1,11,375.00
28	IDFC First Bank Limited Equity Shares of Rs.10/- each	14,765	3,11,541.50	14,765	7,98,786.50
29	IDFC Limited Equity Shares of Rs.10/- each	2,265	33,635.25	2,265	1,06,228.50
30	India Cements Limited Equity Shares of Rs.10/- each	500	52,975.00	500	51,000.00
31	Indian Hume Pipe Company Limited Equity Shares of Rs.2/- each	1,000	1,18,350.00	-	-
32	Indian Overseas Bank Equity Shares of Rs.10/- each	1,700	12,053.00	1,700	24,089.00

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33	Indraprastha Gas Limited Equity Shares of Rs.2/- each	6,000	23,33,100.00	6,000	18,45,600.00
34	Infosys Limited Equity Shares of Rs.5/- each	1,380	8,83,614.00	880	6,48,472.00
35	Integrated Hi-Tech Limited Equity Shares of Rs.10/- each	700	3,199.00	700	3,199.00
36	ITC Limited Equity Shares of Rs.1/- each	9,000	15,48,000.00	9,000	26,83,350.00
37	Kotak Mahindra Bank Limited Equity Shares of Rs.5/- each	600	7,77,810.00	600	8,04,390.00
38	Larsen & Toubro Limited Equity shares of Rs.2/- each	562	4,53,449.70	562	7,76,824.50
39	Laurus Labs Limited Equity Shares of Rs.10/- each	100	32,260.00	100	40,300.00
40	Mahindra & Mahindra Limited Equity Shares of Rs.5/- each	2,400	6,84,000.00	2,400	15,77,160.00
41	Manappuram Finance Limited Equity Shares of Rs.2/- each	1,000	94,750.00	1,000	1,24,800.00
42	Maruti Suzuki India Limited Equity Shares of Rs.5/- each	300	12,86,325.00	300	19,70,970.00
43	Mukand Limited Equity Shares of Rs.10/- each	2,100	28,560.00	2,100	1,15,290.00
44	NCC Limited Equity Shares of Rs.2/- each	2,000	37,600.00	-	-
45	NHPC Limited Equity Shares of Rs. 10/- each	3,500	69,825.00	3,500	86,100.00
46	NTPC Limited Equity Shares of Rs.10/- each	10,894	9,17,274.80	10,894	14,88,120.40
47	Oil and Natural Gas Corporation Limited Equity Shares of Rs.5/- each	900	61,470.00	900	1,41,210.00
48	Petronet LNG Limited Equity Shares of Rs.10/- each	60,250	1,20,40,962.50	60,250	1,46,58,825.00
49	Power Grid Corporation of India Limited Equity Shares of Rs.10/- each	873	1,38,807.00	873	1,73,377.80
50	PTC India Financial Services Limited Equity Shares of Rs.10/- each	35,500	2,77,965.00	35,500	5,71,905.00

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51	PTC India Limited Equity Shares of Rs.10/- each	2,100	81,060.00	2,100	1,55,190.00
52	Rallis India Limited Equity Shares of Rs.1/- each	3,000	5,26,800.00	3,000	4,83,000.00
53	RBL Bank Limited Equity Shares of Rs.10/- each	65	8,817.25	65	44,395.00
54	REC Limited Equity Shares of Rs.10/- each	2,000	1,77,500.00	2,000	2,96,200.00
55	Reliance Industries Limited Equity shares of Rs.10/- each	1,920	21,35,904.00	1,920	26,20,320.00
56	Sadbhav Engineering Limited Equity Shares of Rs.1/- each	2,180	61,694.00	2,180	5,35,408.00
57	Sahara Housing Finance Corporation Limited Equity shares of Rs.10/- each	250	5,250.00	250	9,712.50
58	SMS Lifesciences India Limited Equity Shares of Rs.10/- each	357	62,475.00	357	2,05,596.30
59	SMS Pharmaceuticals Limited Equity Shares of Rs.1/- each	10,000	2,66,500.00	10,000	6,41,000.00
60	Snowman Logistics Limited Equity Shares of Rs.10/- each	500	15,825.00	500	16,225.00
61	Steel Authority of India Limited Equity Shares of Rs.10/- each	2,000	46,100.00	2,000	1,00,400.00
62	Sun Pharmaceutical Industries Limited Equity Shares of Rs.1/- each	500	1,76,100.00	500	2,36,700.00
63	Suzlon Energy Limited Equity Shares of Rs.2/- each	1,000	2,000.00	1,000	6,460.00
64	Syndicate Bank Equity Shares of Rs.10/- each	32,000	4,84,800.00	32,000	13,60,000.00
65	Tata Coffee Limited Equity shares of Rs.1/- each	2,500	1,40,375.00	2,500	2,24,875.00
66	Tata Consultancy Services Limited Equity shares of Rs.1/- each	496	9,04,232.80	496	9,86,643.20
67	Tata Steel Limited (Partly paid up shares) Equity shares of Rs.10/- each	250	7,400.00	250	14,875.00

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68	Tata Steel Limited Equity shares of Rs.10/- each	3,184	8,58,884.00	3,184	16,21,292.80
69	Tech Mahindra Limited Equity Shares of Rs.5/- each	2,032	11,47,978.40	2,032	15,65,554.40
70	The Karnataka Bank Limited Equity Shares of Rs.10/- each	4,305	1,81,455.75	3,914	5,20,953.40
71	The KCP Limited Equity Shares of Rs.1/- each	1,000	43,400.00	1,000	86,100.00
72	UCO Bank Equity Shares of Rs.10/- each	11,900	1,07,814.00	11,900	2,26,100.00
73	Union Bank of India Equity Shares of Rs.10/- each	1,004	28,865.00	1,004	96,584.80
74	Vedanta Limited Equity Shares of Rs.1/- each	3,000	1,94,250.00	3,000	5,35,950.00
75	Virgo Global Media Limited Equity Shares of Rs.4/- each	20,000	13,400.00	20,000	83,000.00
76	Voltas Limited Equity Shares of Rs.1/- each	5,000	23,94,250.00	5,000	31,33,500.00
77	Yes Bank Limited Equity Shares of Rs.2/- each	1,800	40,410.00	1,500	4,11,375.00
	Total (A)		5,94,46,696.04		8,09,60,853.60

Preference Shares at Fair Value

1	Mukund Limited 0.01% Preference Shares of Rs.10/- each	400	1,040.00	400	2,700.00
	Total (B)		1,040.00		2,700.00

Debentures at Fair Value

1	NTPC Limited 8.49% Non Convertible Debentures of Rs.12.50/- each	9,079	1,18,662.53	9,079	1,14,304.61
	Total (C)		1,18,662.53		1,14,304.61

Bonds - at Fair Value

1	National Highways Authority of India 8.20% Tax Free Bonds of Rs.1,000/- each	500	5,39,050.00	500	5,45,000.00
2	REC Limited 5.75% Capital gain Bonds of Rs. 10,000/-each	170	17,00,000.00	-	-
3	State Bank of India 9.45% Perpetual Bonds of Rs. 10,00,000/- each	1	10,05,530.20	-	-
4	State Bank of India 9.56% Perpetual Bonds of Rs. 10,00,000/- each	1	10,40,000.00	1	10,36,000.00
5	Syndicate Bank 11.25% Tier II Bonds of Rs. 10,00,000/- each	1	10,00,000.00	1	10,00,000.00
6	The Lakshmi Vilas Bank Limited 10.70 % Tier II Bonds of Rs.5,00,000/- each	2	10,00,000.00	2	10,00,000.00
7	Yes Bank Limited 9.50% Perpetual Bonds of Rs. 10,00,000/- each	1	5,00,000.00	1	8,08,400.00
	Total (D)		67,84,580.20		43,89,400.00

Mutual Funds - At Fair Value

1	Aditya Birla Sun Life Dividend Yield Fund - Growth - Regular Plan Units of Rs.10/- each	4,045.221	4,87,732.30	4,045.221	6,49,905.21
2	Aditya Birla Sun Life Frontline Equity Fund - Dividend - Reinvestment Units of Rs.10/- each	11,098.562	2,00,218.06	10,420.750	2,76,775.12
3	Axis Mid Cap Fund - Growth Regular Units of Rs.10/- each	13,376.137	4,35,527.02	-	-
4	DSP Equity Fund - Regular Plan - Dividend Units of Rs.10/- each	69,154.419	21,99,456.30	55,077.736	27,27,669.80
5	Franklin India Blue Chip Fund - Growth Units of Rs.10/- each	2,238.138	7,54,334.20	2,238.138	10,60,057.36

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6	ICICI Prudential Blue Chip Fund - Dividend Units of Rs.10/- each	67,393.521	9,89,336.88	62,366.268	13,25,906.86
7	ICICI Prudential Value Discovery Fund - Dividend Units of Rs. 10/- each	69,974.351	11,20,989.10	59,672.458	15,80,723.41
8	IRB Invt Fund Units of Rs.102/- each	10,000.00	2,55,400.00	-	-
9	L & T Equity Fund - Growth Units of Rs.10/- each	23,949.364	14,30,184.17	23,949.364	19,74,768.76
10	L & T Large and Mid-cap Fund - Growth Units of Rs.10/- each	48,899.756	17,60,831.31	48,899.756	23,08,166.28
11	Nippon India Value Fund - Growth Plan Growth Option Units of Rs.10/- each	15,757.882	8,33,503.71	15,757.882	11,72,733.09
12	SBI Contra Fund - Regular Plan - Dividend Units of Rs.10/- each	43,545.477	5,70,049.48	43,545.477	8,36,891.81
13	Templeton India Value Fund - Dividend Units of Rs.10/- each	33,636.920	11,82,092.19	31,007.420	19,45,287.77
14	UTI - Corporate Bond Direct Growth Plan Units of Rs.10/- each	87,864.197	10,38,475.73	-	-
15	UTI - Master Share Unit Scheme - Regular Dividend Plan Units of Rs.10/- each	6,886.427	1,61,233.98	6,392.950	2,08,434.37
16	UTI - Master Share Unit Scheme - Regular Growth Plan Units of Rs.10/- each	18,759.762	17,95,476.19	18,759.762	23,01,066.78
17	UTI Banking & Financial Services Fund - Regular Dividend Plan Units of Rs.10/- each	2,961.261	68,313.63	2,961.261	1,17,770.83
18	UTI Banking & Financial Services Fund - Regular Growth Plan Units of Rs.10/- each	13,287.561	7,87,598.92	13,287.561	13,57,806.69
19	UTI Banking & Financial Services Fund - Regular Growth Plan Units of Rs.10/- each	20,070.570	11,89,650.92	20,070.570	20,50,937.29

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20	UTI Dividend Yield Fund - Direct Growth Plan Units of Rs.10/- each	5,773.639	3,08,751.12	5,773.639	3,96,532.95
21	UTI Dividend Yield Fund - Regular Growth Plan Units of Rs.10/- each	23,783.312	12,16,178.69	23,783.312	15,70,897.27
22	UTI Mid Cap Fund - Regular Dividend Plan Units of Rs.10/- each	6,475.002	2,46,377.06	6,475.002	3,27,488.77
23	UTI Mid Cap Fund - Direct Growth Plan Units of Rs.10/- each	33,483.126	27,00,116.11	30,990.986	32,97,214.00
24	UTI Mid Cap Fund - Direct Growth Plan Units of Rs.10/- each	-	-	2,492.140	2,62,795.66
25	UTI MNC Fund - Regular Growth Plan Units of Rs.10/- each	11,058.991	18,00,863.79	11,058.991	21,42,978.10
26	UTI Money Market Fund Fund - Direct Growth Plan Units of Rs.10/- each	2,540.108	57,60,347.95	-	-
27	UTI Transportation & Logistics Fund - Direct Growth Plan Units of Rs.10/- each	2,793.837	1,72,283.08	2,793.837	2,85,512.54
28	UTI Transportation & Logistics Fund - Direct Growth Plan Units of Rs.10/- each	649.674	40,062.41	649.674	66,392.59
29	UTI Value Opportunities Fund - Direct Growth Plan Units of Rs.10/- each	22,822.415	11,31,927.88	22,822.415	14,77,988.72
	Total (E)		3,06,37,312.19		3,17,22,702.03
	Total(B+C+D+E)		3,75,41,594.92		3,62,29,106.64
	Grand Total (A+B+C+D+E)		9,69,88,290.96		11,71,89,960.24

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Note 4: Other Financial Assets (Non Current)

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Non Current	Non Current
Sales Tax Deposit	5,000.00	5,000.00
Security Deposit - TSSPDCL	42,84,149.00	42,84,149.00
Rental Deposit	21,000.00	21,000.00
Other - Deposits	42,750.00	42,750.00
Total	43,52,899.00	43,52,899.00

Note 5: Other Non Current Assets (Non Current)

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
	Non Current	Non Current
(i) Loans & Advances	-	-
(ii) Subscription to Chits	-	24,55,738.00
(iii) IT Refund Due F.Y. 2017-18	-	1,18,570.00
(iv) IT Refund Due F.Y. 2016-17	-	37,480.00
Total	-	26,11,788.00

Note 6: Trade receivables

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Trade Receivables		
Unsecured, Considered good	20,85,132.04	14,67,641.16
Less: Allowances for credit losses	-	-
Less: Bad debts Written off	-	-
Total	20,85,132.04	14,67,641.16

Note 7: Cash and Cash Equivalents

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
a) Cash and Cash Equivalents		
i) Cash on hand	15,905.30	10,094.22
ii) Balances with banks		
- Current Accounts	10,20,663.75	94,84,351.57
iii) Fixed Deposits with original maturity of 3 months or less than 3 months.	1,99,80,048.99	1,07,93,723.50
Total	2,10,16,618.04	2,02,88,169.29

Note 8: Other financial assets

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Loans and Advances		
Unsecured, Considered good	1,72,29,250.00	65,00,000.00
Total	1,72,29,250.00	65,00,000.00

Note 9: Other Current assets

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Other Advances, Unsecured	76,05,503.67	103.67
Total	76,05,503.67	103.67

Note 10: Share Capital

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Authorized Share Capital		
1,20,00,000 Equity Shares of Rs.10/- each	12,00,00,000.00	12,00,00,000.00
Issued, Subscribed & Called Up Capital:		
89,82,900 Equity Shares of Rs.10/- each	8,98,29,000.00	8,98,29,000.00
Paid up Capital:		
67,53,100 Equity Shares of Rs.10/- each	6,75,31,000.00	6,75,31,000.00
Forfeiture of Shares	55,74,500.00	55,74,500.00
	7,31,05,500.00	7,31,05,500.00

a) Reconciliation of Number of Shares

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Number of Shares at the beginning of the year	67,53,100	67,53,100
Add : Shares issued during the year	-	-
Number of Shares at the end of the year	67,53,100	67,53,100

b) Terms / Rights attached

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

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

Name of the Shareholder	As at 31 st March, 2020		As at 31 st March, 2019	
	No. of shares	% Holding	No. of shares	% 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%

**Note 11: Other equity
Statement of Changes**

PARTICULARS	(Rs.)				
	RETAINED EARNINGS	GENERAL RESERVE	CAPITAL RESERVE	ACTUARIAL GAINS OR LOSSES	TOTAL EQUITY
Balance as at 1/4/2019	14,08,48,982.96	-	-	-	14,08,48,982.96
Profit for the year	70,65,652.07	-	-	-	70,65,652.07
Deferred Tax	-	-	-	-	-
Cenvat Credit	4,15,380.90	-	-	-	4,15,380.90
Transfer to general reserve	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	-
Net change in fair value of FVTOCI investments and others	(2,26,96,451.13)	-	-	-	(2,26,96,451.13)
Balance as at 31/03/2020	12,56,33,564.80	-	-	-	12,56,33,564.80

PARTICULARS	(Rs.)				
	RETAINED EARNINGS	GENERAL RESERVE	CAPITAL RESERVE	ACTUARIAL GAINS OR LOSSES	TOTAL EQUITY
Balance as at 1/4/2018	12,49,73,484.62	-	-	-	12,49,73,484.62
Profit for the year	1,04,50,765.33	-	-	-	10,450,765.33
Deferred Tax	-	-	-	-	-
Cenvat Credit	9,23,928.93	-	-	-	9,23,928.93
Transfer to general reserve	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	-
Net change in fair value of FVTOCI investments and others	45,00,804.08	-	-	-	45,00,804.08
Balance as at 31/03/2019	14,08,48,982.96	-	-	-	14,08,48,982.96

Note 12: Long term Provisions

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Leave Encashment	94,500.00	-
Gratuity	1,02,000.00	1,02,000.00
Total	1,96,500.00	1,02,000.00

Note 13: Deferred Tax Liabilities (net)

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Opening Balance	17,56,332.00	16,26,240.00
Add : On account of Ind As Adjustment	-	-
Add : On account of depreciation	1,93,511.00	1,30,092.00
Less : MAT Credit	(18,484.00)	(9,04,729.00)
Closing Balance	19,31,359.00	8,51,603.00

Note 14: Other Non Current Liabilities

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Others - Deposits from Customers	25,00,000.00	25,00,000.00
Total	25,00,000.00	25,00,000.00

Note 14(a): Other Current Financial Liabilities

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Liability for expenses	2,75,089.01	4,82,801.00
TDS Payable	58,260.00	3,61,125.00
Other Payables	3,50,531.32	5,85,900.42
Income Tax Payable - FY 2019-2020	4,34,417.00	-
Land Advance Received	-	40,00,000.00
Total	11,18,297.33	54,29,826.42

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Note 15: Trade Payables

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Due to Micro & Small Enterprises	-	-
Total	-	-

Note 16: Short Term Provisions

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Provision for Income Tax	-	-
Total	-	-

Note 17: Revenue from Operations

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Bulk Drugs and Intermediates - Lease Rents	1,10,50,000.00	1,04,50,000.00
Income from Other Operations		
Interest on Fixed Deposits	34,71,172.60	32,92,993.72
Interest on ICD's / Loans	19,00,000.00	29,40,000.00
	53,71,172.60	62,32,993.72
Revenue from Operations (Fair Value Gains/ (Losses)	(97,70,140.43)	2,71,824.27
Total	66,51,032.17	1,69,54,817.99

Note 18: Other Income

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Dividend Income		
Equities	15,75,135.38	14,32,062.89
Mutual Funds	11,20,317.14	5,57,689.68
	26,95,452.52	19,89,752.57
Net gain/(loss) from sale of Investments/ Mutual Funds	-	40,041.76

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Interest (Tax Free Bonds)	41,000.00	41,000.00
Interest on Deposit with TSSPDCL	5,72,140.00	5,50,660.00
Bad Debts/Deposits Recovery	61,000.72	-
Profit on Margadarshi Chit Fund	3,34,242.00	-
Profit on Sale of Land	63,15,548.00	-
Interest from Bonds	5,87,245.00	2,02,000.00
Total	1,06,06,628.24	28,23,454.33

Note 19: Employee Benefit Expenses

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Salaries and Wages	26,30,166.00	33,99,417.00
Leave Encashment	94,500.00	-
ESI	27,712.00	28,862.00
Staff Welfare	46,482.50	55,071.26
Total	27,98,860.50	34,83,350.26

Note 20: Finance Costs

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Interest Paid to Bank	-	-
Total	-	-

Note 21: Depreciation and Amortization Expense

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Depreciation	15,32,395.00	14,72,312.86
Total	15,32,395.00	14,72,312.86

Note 22: Other Expenses

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Power and Fuel	8,910.31	8,243.77
Rent	1,40,000.00	1,32,000.00
Advertisement Expenses	46,700.00	49,406.00
Audit Fee	23,400.00	23,900.00
Bank Charges	2,741.70	12,081.45
Communication Expenses	31,557.67	51,366.89
Conveyance Expenses	1,10,150.22	1,86,230.45
Commission/Brokerage	1,05,600.00	-
Insurance	1,75,985.00	1,59,743.00
Listing Fee	55,000.00	55,000.00
Loss on Sale of Investments	-	1,087.29
EMD Writenoff	-	5,50,000.00
Miscellaneous Expenses	1,27,873.50	1,22,675.67
Office Maintenance	65,299.00	1,20,279.00
Postage & Telegrams	39,157.70	1,58,546.10
Printing & Stationary	29,626.01	35,129.00
Professional charges	66,600.00	37,000.00
Repairs and Maintenance	69,000.00	56,000.00
Secretarial Audit Fee	25,000.00	25,000.00
Share Transfer & Depository Fee	47,374.73	1,42,054.25
Sitting Fee & Incidental Expenses	48,000.00	40,000.00
Vehicles Maintenance	46,423.00	1,17,222.00
Total	12,64,398.84	20,82,964.87

Note 23: Current Tax

(Rs.)

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Current Tax	42,62,400.00	26,60,680.00
Prior period Tax	1,40,443.00	-
Total	44,02,843.00	26,60,680.00

24. Auditors Remuneration

(Rs.)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Audit fee	23,400.00	23,400.00
Reimbursement of out of pocket expenses	-	500.00
Total	23,400.00	23,900.00

25. Earnings per Share

(Rs.)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Earnings Profit attributable to equity holders	70,65,652.07	1,04,50,765.33
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

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Add: Weighted average number of equity shares arising out of outstanding stock options (net of the stock options forfeited) that have dilutive effect on the EPS	-	-
Weighted average number of equity shares outstanding during the year – Diluted	67,53,100	67,53,100
Earnings per share of par value Rs.10/- Basic	1.05	1.55
Earnings per share of par value Rs.10/- Diluted	1.05	1.55

26. Related Parties

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

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

Related Party Transactions

(Rs.)

Sl. No.	Nature of Transaction	31 st March, 2020	Total	31 st March, 2019	Total
1	Directors Remuneration/ Salary and Perquisites/ Retirement benefits (Chairman & Managing Director & Executive Director)	11,63,100.00	11,63,100.00	43,61,623.00	43,61,623.00
2	Fee for attending Board/ Committee meeting				
	T. Govardhana Rao	12,000.00	12,000.00	10,000.00	10,000.00
	B.S.S. Murthy	6,000.00	6,000.00	10,000.00	10,000.00
	P. L.V. Subba Rao	12,000.00	12,000.00	10,000.00	10,000.00
	K. Suneetha	12,000.00	12,000.00	10,000.00	10,000.00
	G. Mohan Rao	6,000.00	6,000.00	-	-
3	Salary (CFO)	2,53,775.00	2,53,775.00	2,13,344.00	2,13,344.00
4	Salary (Company Secretary)	1,96,935.00	1,96,935.00	3,27,000.00	3,27,000.00

Enterprises related to promoters/directors or their relatives:

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

27. Segment Reporting

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

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Segment wise Revenue, Results and Capital Employed for the year ended 31st March, 2020

Particulars	Year ended	
	31 st March, 2020 Rs.	31 st March, 2019 Rs.
Segment Revenue		
a) Bulk Drugs and Intermediates (lease rents)	1,10,50,000.00	1,04,50,000.00
b) Investments	62,07,660.41	93,28,272.32
Total	1,72,57,660.41	1,97,78,272.32
Less: Inter Segment Revenue	-	-
Net sales/Income from Operations	1,72,57,660.41	1,97,78,272.32
Segment Results Profit/(Loss) before tax and finance cost from each segment		
a) Bulk Drugs and Intermediates (lease rents)	93,54,721.00	88,09,343.14
b) Investments	62,07,660.41	93,28,272.32
Total	1,55,62,381.41	1,81,37,615.46
Less: (i) Finance Costs	-	-
(ii) Other Un-allocable Expenditure net off	39,00,375.34	53,97,971.13
(iii) Un-allocable income	-	-
Total Profit Before Tax	1,16,62,006.07	1,27,39,644.33
Capital Employed (Segment Assets – Segment Liabilities)		
a) Bulk Drugs and Intermediates	5,76,04,679.01	4,90,27,943.00
b) Investments	14,11,34,385.79	16,49,26,539.96
Total	19,87,39,064.80	21,39,54,482.96

28. 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.

29. Income Taxes

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

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

(Rs.)

Particulars	For the Year Ended 31 st March	
	2020	2019
Current taxes expense		
Domestic	44,02,843.00	26,60,680.00
Deferred taxes expense/(benefit) Domestic	1,93,511.00	(3,71,801.00)
Total income tax expense/(benefit) recognized in the statement of profit and loss	45,96,354.00	22,88,879.00

b. Reconciliation of Effective tax rate

(Rs.)

Particulars	For the Year Ended 31 st March	
	2020	2019
Profit before income taxes	1,16,62,006.07	1,27,39,644.33
Enacted tax rate in India	27.82%	26.00%
Computed expected tax benefit/ (expense)	32,44,370.00	33,12,308.00
Effect of: Expenses not deductible for Tax purposes	6,06,791.00	5,79,177.00
Expenses deductible for Tax purposes	4,96,880.00	10,43,102.00
Items not subjected to Tax purposes	(1,99,786.00)	6,09,081.00
Taxable at Special Rates	6,62,055.00	-
Income tax benefit/(expense)	42,62,400.00	22,59,950.00
Effective tax rate	36.55%	17.74%

The Company's average effective tax rate for the years ended 31st March, 2020 and 2019 were 36.55% and 17.74%, respectively.

c. Deferred tax Assets & Liabilities

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

(Rs.)

Particulars	For the Year Ended 31 st March	
	2020	2019
Deferred tax assets/(liabilities):		
Property, plant and equipment	(19,49,843.00)	(17,56,332.00)
MAT Credit Entitlement	18,484.00	9,04,729.00
Net deferred tax assets/(liabilities)	(19,31,359.00)	(8,51,603.00)

d. Movement in deferred tax assets and liabilities during the year ended 31st March, 2020 & 2019

(Rs.)

Particulars	As at 1 st April, 2018	Recognized in statement of profit and loss	Recognized in equity	As at 31 st March, 2019
Deferred tax assets/ (liabilities)				
Property, plant and equipment	(16,26,240.00)	(1,30,092.00)	-	(17,56,332.00)
Others – MAT Credit	-	9,04,729.00	-	9,04,729.00
Net deferred tax assets/ (liabilities)	(16,26,240.00)	7,74,637.00	-	(8,51,603.00)

(Rs.)

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

30. 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.

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The details of such Investments in Mutual Funds, Debentures, Bonds, Preference Shares and Equity as of 31st March, 2019 are as follows:

(Rs.)

Particulars	Cost	Gain recognized directly in equity	Gain recognized directly in profit and loss account	Fair value
Non-current Investments				
Investments in Other than Equity	2,66,27,671.22	-	2,71,824.27	3,82,70,802.54
Total	2,66,27,671.22	-	2,71,824.27	3,82,70,802.54

The details of such Investments in Equity as of 31st March, 2019 are as follows:

(Rs.)

Particulars	Cost	Gain recognized directly in profit and loss account	Gain recognized directly in equity	Fair value
Non-current Investments				
Investments in Equity	1,37,93,754.58	-	45,00,804.08	8,09,60,853.60
Total	1,37,93,754.58	-	45,00,804.08	8,09,60,853.60

The details of such Investments in Mutual Funds, Debentures, Bonds, Preference Shares and other than Equity as of 31st March, 2020 are as follows:

(Rs.)

Particulars	Cost	Gain recognized directly in equity	Gain/(loss) recognized directly in profit and loss account	Fair value
Non-current Investments				
Investments in Other than Equity	4,03,30,915.84	-	(97,70,140.43)	3,96,67,281.93
Total	4,03,30,915.84	-	(97,70,140.43)	3,96,67,281.93

SIGACHI LABORATORIES LIMITED

The details of such Investments in Equity as of 31st March, 2020 are as follows:

(Rs.)

Particulars	Cost	Gain recognized directly in profit and loss account	Gain/(loss) recognized directly in equity	Fair value
Non-current Investments				
Investments in Equity	1,45,65,110.35	-	(2,26,96,451.13)	5,94,46,696.04
Total	1,45,65,110.35	-	(2,26,96,451.13)	5,94,46,696.04

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

(Rs.)

Particulars	Carrying value		Fair value	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Financial assets				
Cash and cash equivalents	2,10,16,618.04	2,02,88,169.29	2,10,16,618.04	2,02,88,169.29
Trade receivables	20,85,132.04	14,67,641.16	20,85,132.04	14,67,641.16
Other financial assets	1,72,29,250.00	65,00,000.00	1,72,29,250.00	65,00,000.00
Total	4,03,31,000.08	2,82,55,810.45	4,03,31,000.08	2,82,55,810.45
Financial liabilities				
Borrowings	-	-	-	-
Trade payables	-	-	-	-
Other financial liabilities	11,18,297.33	54,29,826.42	11,18,297.33	54,29,826.42
Total	11,18,297.33	54,29,826.42	11,18,297.33	54,29,826.42

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.

31. Financial Risk Management

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

a) Credit Risk

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

Trade Receivables - The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the

Company grants credit terms in the normal course of business. On account of adoption of Ind As 109, the Company uses Expected Credit Loss (ECL) model for assessing the impairment loss. The Company has leased out its two factories to one entity and thus there is significant concentration risk. As Company trade receivables are realised within normal credit period adopted by the company, hence the financial assets are not impaired.

Financial assets that are neither past due nor impaired - None of the Company's cash equivalents, including deposits with banks, were past due or impaired as at 31st March, 2019.

b) Liquidity Risks

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

As of 31st March, 2020 and 2019, the Company had unutilized credit limits from banks of NIL and NIL respectively.

As of 31st March, 2020, the Company had working capital (current assets less current liabilities) of Rs. 4,89,43,893.43 including cash and cash equivalents of Rs. 2,10,16,618.04, As of 31st March, 2019, the Company had working capital (current assets less current liabilities) of Rs. 2,48,67,783.60 including cash and cash equivalents of Rs. 2,02,88,169.29.

c) Market Risks

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

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a

financial instrument will fluctuate because of changes in Market Interest Rates. The Company is not having any debt obligations with floating interest rates.

Foreign Currency Risk

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

Commodity Price Risk

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

32. 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 Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows required. The Company's capital comprises Equity Share Capital, Retained Earnings and other equity attributable to equity holders.

33. Contingent Liabilities and Commitments

a. Claims against the company:

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

b. Bank Guarantees:

The Bank Guarantees as at 31-03-2020 are NIL and the Bank Guarantees as at 31-03-2019 are NIL.

c. Partly paid shares:

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

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

35. Estimation uncertainty relating to the global health pandemic on COVID-19

The Covid-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a decrease in the economic activities. Given the virulent nature of the pandemic situation, the carrying value of the company's Investments as at 31st March, 2020, have been effected by the severity and duration of the outbreak; however the Company believes that it has taken into account all the possible impact of known events arising out of Covid-19 pandemic in the preparation of financial results resulting out of fair valuation of these investments. However, the impact assessment of Covid-19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes in this regard.

36. The company has no amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March, 2020.

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

38. The Financial Statements were approved for issue by the Board of Directors on 31st July, 2020.

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

(M. Niranjana)
Partner
Membership No.029552

Place: Hyderabad
Date : 31.07.2020

for and on behalf of the Board

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

(S. Lekha Sai)
Company Secretary
ACS:57228

(T. GovardhanaRao)
Director
DIN:07162634

(B. Kumar)
Chief Financial Officer

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SIGACHI LABORATORIES LIMITED

CIN: L24230TG1994PLC018786

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