

17th
ANNUAL REPORT
2010 – 2011

SIGACHI LABORATORIES LIMITED

Board of Directors	:	<ol style="list-style-type: none"> 1. Sri T. Adinarayana Chairman & Managing Director 2. Sri Ch. Nageswara Rao 3. Sri B.S.S. Murthy 4. Sri T.R. Sekhar
Registered Office & Works	:	<p>Unit – I S.No. 530 & 534, Bonthapally - 502 313, Jinnaram Mandal, Medak District, Andhra Pradesh.</p> <p>Unit - II S.No.42, Ali Nagar, Jinnaram Mandal, Medak District, Andhra Pradesh.</p>
Corporate Office	:	402, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001.
Auditors	:	Janardhanrao Deshmukh & Co., Chartered Accountants, Flat No.304, Lumbini Apartments, Dharam Karan Road, Ameerpet, Hyderabad - 500 016.
Bankers	:	AXIS Bank Limited ING Vysya 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.

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of SIGACHI LABORATORIES LIMITED will be held at the Registered Office of the Company: S.No. 530 & 534, Bonthapally - 502 313, Jinnaram Mandal, Medak District, Andhra Pradesh on Monday, the 26th day of September, 2011 at 2.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account as on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sri Ch. Nageswara Rao, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri T. R. Sekhar, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit pass, with or without modification(s) the following resolution an ordinary resolution:

“RESOLVED that M/s. Janardhanrao Deshmukh & Co., Chartered Accountants (Firm Regn. No.005979S), be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of 17th Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be agreed upon between the Board of Directors and the Auditors.”

For and on behalf of the Board

Place: Hyderabad
Date : 10.08.2011

(CH. NAGESWARA RAO)
Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member of the Company.
2. The instruments of proxies in order to be effective must be deposited with the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
3. Shareholders desiring any information regarding the accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the Management to keep the information ready.
4. The members attending the meeting are requested to bring the enclosed Attendance Slip and deliver the same at the entrance of the Meeting Hall. Admission at the Annual General Meeting Venue will be allowed only on producing the Attendance Slip duly signed.
5. Duplicate Attendance Slip shall not be issued at the Annual General Meeting venue, however the same shall be issued at the Registered Office of the Company up to two days preceding the day of the Annual General Meeting.
6. Members are requested to bring their respective copies of the Annual report for reference during the Annual General Meeting.
7. The Register of Members and Share Transfer Books will remain closed from 21st September, 2011 to 26th September, 2011 (both days inclusive).
8. The Company's Shares have been listed at The Stock Exchange, Ahmedabad.
9. The information pursuant to Clause 49 of the Listing Agreement with respect to the details of the Directors seeking appointment / re-appointment in this Annual General Meeting is annexed herewith.
10. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circular stating that service of notice/documents including annual report can be sent by e-mail to its members. We fully support the Ministry's green initiative. Accordingly, the members, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members, who hold shares in physical form, are requested to inform their e-mail addresses.

Memorandum of Interest:

None of the Directors is interested in the resolution regarding reappointment of Sri. T. R. Sekhar except Sri. T.R. Sekhar and Sri. T. Adinarayana, Chairman and Managing Director of the Company as he is related to him.

Additional Information:

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing agreement):

1.	Name of the Director	Sri Ch. Nageswara Rao	Sri. T.R. Sekhar
2.	Date of Birth	12-08-1953	21-12-1982
3.	Date of appointment	06-09-1999	30-01-2010
4.	Experience in specific functional areas	Experience in trading business for about 27 years.	--
5.	Qualifications	B. Com.	B. Tech., M.S.,
6.	Directorships in other Public Limited Companies.	--	--
7.	Shareholding in the Company	--	--

For and on behalf of the Board

Place: Hyderabad
Date : 10.08.2011

(CH. NAGESWARA RAO)
Director

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Seventeenth Annual Report, together with the Audited statements of Accounts of the Company for the year ended 31st March, 2011 along with Auditors' Report thereon:

FINANCIAL RESULTS:

(Rupees in Lakhs)

	2010-2011	2009-2010
Sales/Income from operations	114.06	92.59
Profit before Depreciation and Tax	48.78	44.29
Depreciation	20.30	20.28
Profit before Tax	28.48	24.01
Provision for Taxation:		
Current Tax	12.10	12.31
Prior period Tax	1.51	0.11
Deferred Tax	(2.90)	(5.15)
Profit after Tax	17.77	16.74
Balance carried forward to Balance Sheet	90.32	72.55

At present the Company is undertaking job works and doing the processing works only in its two factories.

DIRECTORS:

During the year under review Sri. Ch.Nageswara Rao, and Sri. T. R. Sekhar Director(s) of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed:

- i) that in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for the year under review;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the annual accounts for the financial year ended 31st March, 2011 have been prepared on a 'going concern' basis.

AUDITORS:

M/s. Janardhanrao Deshmukh & Co., Chartered Accountants, the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

CORPORATE GOVERNANCE:

A separate report on Corporate Governance along with Auditors' certificate on its compliance and Management discussion and analysis is included as part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement forms part of this Report and is annexed hereto.

RELATED PARTY TRANSACTIONS:

As a matter of policy, your company carries out transactions with related parties on an arms-length basis. Statement of these transactions is given in the Notes to Accounts attached in compliance of Accounting Standard No.AS-18.

FIXED DEPOSITS:

Your Company has not accepted any Fixed Deposits from the public under Section 58A of the Companies Act, 1956 during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT:

Particulars required under Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure-A to this report.

INFORMATION PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956:

There is no employee in respect of whom information u/s 217 (2A) of the companies Act, 1956 is required to be given.

ACKNOWLEDGEMENTS :

Your Directors gratefully acknowledge the continued assistance and co-operation extended by various Government Authorities, and banks to the company. 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 : 30.05.2011

(T. ADINARAYANA)
Chairman & Managing Director

**ANNEXURE TO DIRECTORS REPORT
ANNEXURE - A**

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Companies (Disclosure of Particulars in the Board of Director's Report) Rules, 1988.

Form for disclosure of particulars with respect to Conservation of Energy:

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. The Company has not made any additional investments.

FORM – A

A) POWER AND FUEL CONSUMPTION:

Electricity :	Current Year 2010-2011	Previous Year 2009-2010
Purchased Units	--	--
Total Amount (Rs.)	--	--
Rate per Unit (Rs.)	--	--

Since the company is undertaking job works only, the company does not have own production and the entire power charges have been borne by the contractee party, hence the relevant details are not applicable/furnished.

B) CONSUMPTION PER UNIT OF PRODUCTION:

Since the Company has undertaken Conversion / Job works only it is not practicable to give consumption per unit cost of production.

Form - B

**B) FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO
ABSORPTION OF TECHNOLOGY, RESEARCH AND DEVELOPMENT :**

RESEARCH AND DEVELOPMENT (R&D) :

1. Specific areas in which R&D is carried out by the Company : ----
2. Benefits derived as a result of the above R&D : ----
3. Future Plans : ----
4. Expenditure on R&D : ----

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:
There is no technology innovation, absorption and adoption during the year.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2010-2011	2009-2010
a) Activities related to exports	--	--
b) Total Foreign Exchange used & earned		
i) Foreign Exchange used :	Nil	Nil
ii) Foreign Exchange earned :	Nil	Nil

**REPORT ON CORPORATE GOVERNANCE
(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)**

1. Company's Philosophy on code of Governance:
The company's philosophy on Corporate Governance lays its emphasis on transparency, accountability, integrity, fairness and equity in the functioning of company vis a vis its dealings with outsiders and all its stake holders.

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under clause 49 of the Listing Agreements with the Stock Exchanges.

2. Board of Directors:

The Board of Directors comprises of an Executive Chairman and Managing Director and all others are Non Executive Directors. Composition of the Directors and their attendance for the Board Meetings during the year and at the last Annual General Meeting and also the number of other directorships are as follows:

Sl. No.	Name of the Director	Category	No. of Board Meetings Attended 2010-11	Attendance at the last AGM	No. of Directorships in other companies	No. of memberships, Chairmanship in other Board committees
1.	Sri. T.Adinarayana	CMD	7	YES	1	2
2.	Sri. Ch.Nageswara Rao	Director – Independent	7	YES	--	--
3.	Sri. B.S.S. Murthy	Director – Independent	6	YES	--	--
4.	Sri. T.R. Sekhar	Director	5	NO	--	--
5.	Sri. P.C. Saibabu *	Director - Independent	2	NO	--	--

* Resigned w.e.f. 1st June, 2010.

i) Number of Meetings held:

During the period under review Seven meetings of the Board of Directors of the Company were held on 30th April, 2010, 31st May 2010, 31st July, 2010, 27th September, 2010, 30th October, 2010, 5th February, 2011 and 31st March, 2011.

ii) None of the directors hold directorship in more than 15 public companies, membership of board committees in excess of 10, or chairmanship of more than 5 committees across all companies in which he is a director.

3. Committees of the Board:

i) Audit Committee:

a) Terms of Reference:

This committee comprises of 3 Non-Executive Directors, of which 2 are independent directors. The terms of reference to Audit Committee are as required by SEBI under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

b) Composition :

The members of the Audit Committee are:

S.No.	Name of the Director	Designation	No. of Meetings attended
1.	Sri. Ch. Nageswara Rao	Chairman	4
2.	Sri. B.S.S. Murthy	Member	4
3.	Sri. T.R. Sekhar	Member	3

c) Number of Meetings held :

The Audit Committee of the Board had met 4 times during the period under review on 29th May, 2010, 30th July, 2010, 29th October, 2010 and 5th February, 2011 .

Statutory auditors were invited as and when required:

ii) Shareholders/Investors' Grievance Committee:

a) Composition:

The Shareholder's/Investor's Grievance Committee consists of three Directors, Sri. T. Adinarayana, Chairman, Sri. Ch. Nageswara Rao & Sri. B.S.S. Murthy. The Committee meets to consider, interalia, share transfers, shareholder's complaints etc.,

During the year the Company has received 6 complaints and has redressed all complaints, and no complaints are pending as at 31.03.2011. There were no cases pending for share transfer as at 31.03.2011.

iii) Remuneration Committee:

a) Composition:

The Remuneration Committee has been constituted by the Board with the following Directors as its members, and the Committee has not met during the year under review. The following are the members of the remuneration committee:

S.No	Name of the Director	Designation	No. of meetings attended
1.	Sri B.S.S. Murthy	Chairman	--
2.	Sri Ch. Nageswara Rao	Member	--
3.	Sri. T.R. Sekhar	Member	--

b) Remuneration to Directors:

The details of the remuneration paid to the Executive Directors during the period under review are as follows:

An amount of **Rs.7,64,296/-** has been paid towards remuneration to Sri. T. Adinarayana, Chairman and Managing Director during the year. The Chairman and Managing Director will not be paid any sitting fee for attending the board/committee meetings.

Non Executive Directors have been paid sitting fee for attending the board/committee meetings. During the year the company has paid sitting fee and incidental expenses of Rs.5,000/- to Sri. P.C. Sai Babu and Rs.7,500/- to Sri. B.S.S. Murthy to the non-executive directors of the Company.

c) Code of Conduct: The Board has laid down a Code of conduct applicable to all the Directors and Senior Management of the Company. The said code has been communicated to the Directors and the senior management and they have confirmed compliance with the said code.

d) Registrars and Transfer Agents:

The following are the Registrars and Share Transfer Agents:

Venture Capital and Corporate Investments Pvt. Limited
12-10-167, Bharat Nagar, Hyderabad - 500 018.
Ph.No.91-040-23818475 / 23818476 / 23868023
Fax.No.91-040-23868024.

e) Share Transfer System: In compliance with SEBI requirement, share transfers are entertained, both under Demat Form (ISIN No. INE368H01018) and Physical Form. The shares for transfer which are received in Physical Form either by the Company or by the RTA, are processed and verified by the RTA and the Share Certificates are returned within a period of one month from the date of receipt, subject to the documents being valid and complete in all respects.

- f) Certificates on half yearly basis have been issued by a Company Secretary in practice for due compliance of share transfer formalities by the Company.

4. General Body Meetings:

The last three Annual General Meetings were held as follows:

Financial Year	Day & Date	Time	Venue
2009-2010	Monday, 27.09.2010	2.00 P.M.	S.No.530 & 534, Bonthapally - 502 313, Jinnaram Mandal, Medak Dist., Andhra Pradesh.
2008-2009	Tuesday, 29.09.2009	2.00 P.M.	S.No.530 & 534, Bonthapally - 502 313, Jinnaram Mandal, Medak Dist., Andhra Pradesh.
2007-2008	Saturday, 27.09.2008	2.00 P.M.	S.No.530 & 534, Bonthapally - 502 313, Jinnaram Mandal, Medak Dist., Andhra Pradesh.

No special resolutions were passed through postal ballot last year. Presently the Company do not have any proposal for postal ballot.

5. Disclosures:

- a) None of the transactions with any of the related parties were in conflict with the interests of the company at large. The details of related party transactions are furnished under Schedule XV in Notes to Accounts of Balance Sheet and Profit and Loss Account to comply with Accounting Standard 18.
- b) The Company has by and large complied with all the mandatory requirements of Corporate Governance as required by the listing agreement.
- c) The Company has complied with the requirements of Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets. There were no penalties, strictures imposed on the company by Stock Exchanges, SEBI or any Statutory Authorities on any matter related to capital markets.
- d) The company has laid down procedures to inform the Board about the risk assessment and minimization procedures. The Audit Committee and Board periodically reviews the risk assessment and risk mitigation procedures.

6. Means of Communication :

The Quarterly/Half-yearly/Annual un-audited/audited financial results of the company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors. The results were published in Business Standard (English Edition) and Andhra Prabha (Telugu Edition) generally.

The Management Discussion and Analysis Report is herewith annexed.

7. CEO/CFO certification:

The CEO/CFO of the company have certified to the Board on the matters specified under clause 49 (V) of the Listing Agreement.

8. General Shareholders' Information:

a. 17th Annual General Meeting

Day, Date and Time : Monday, the 26th September, 2011
at 2.00 P.M.

Venue : Regd. Office: S.No.530 & 534,
Bonthapally-502 313,
Jinnaram Mandal,
Medak District, Andhra Pradesh.

As required under clause 49 VI (A) of the listing agreement, particulars of Directors seeking reappointment are given in the notes to the notice of the Annual General Meeting to be held on 26.09.2011.

b. Calender for Financial Year : 1st April, 2011 to 31st March, 2012
Financial Reporting :

I. Quarter - Un-audited Financial Results : July/August, 2011

II. Quarter - Un-audited Financial Results : October/November, 2011

III. Quarter - Un-audited Financial Results : January/February, 2012

IV. Quarter – Un/audited Financial Results & Year ending 31st March, 2012 results : April / May, 2012

c. Dates of Book Closure : 21st September, 2011 to 26th September, 2011

d. Dividend payment date : Not applicable

e. Listing on Stock Exchanges : The company's shares have been listed on The Hyderabad Stock Exchange Limited, 6-3-654, Somajiguda, Hyderabad - 500 082. The Hyderabad Stock Exchange was derecognized.

The Stock Exchange-Ahmedabad,
Kamdhenu Complex,
Opp. Sahajanand College,
Panjara Pole, Ambawadi,
Ahmedabad - 380 015.

The Listing fee to the Stock Exchange for the year has been paid by the company.

- f. Stock Market Data : High /Low price quotations in each Month of the last financial year 2010-2011 on Stock Exchanges:

The shares have not been traded in the stock exchange during the year under review.

- g. Distribution of Shareholding as on 31st March, 2011:

No. of Shares	No. of Shareholders	% To the total Shareholders	No. of Shares	% To the total shares
Upto 500	1,617	41.45	4,05,720	4.52
501 - 1000	1,038	26.61	10,22,100	11.38
1001 - 2000	438	11.23	7,31,000	8.14
2001 - 3000	645	16.53	16,44,600	18.31
3001 - 4000	27	0.69	1,02,600	1.14
4001 - 5000	65	1.67	3,22,800	3.59
5001 - 10000	25	0.64	2,29,500	2.55
10001 and above	46	1.18	45,24,580	50.37
TOTAL	3,901	100.00	89,82,900	100.00

- h. Shareholding pattern as on 31st March, 2011:

Category	No. of Shares held	Percentage of Shareholding
A. Promoter's Holding: Indian Promoters	23,82,100	26.52
B. Non-Promoter's Holding: a) Private Corporate Bodies	6,25,500	6.96
b) NRIs/OCBs	16,66,100	18.55
c) Indian Public	43,09,200	47.97
TOTAL	89,82,900	100.00

As on 31st March, 2011 only 90,300 Equity shares have been dematerialised by the share holders of the company.

- i) Outstanding ADRs/GDRs/ Warrants or any convertible Instruments, conversion date and likely impact on equity : Not applicable

- j) Plant Location : The Company's Plants are located at:
- Unit - I
Sigachi Laboratories Limited,
S.No.530 & 534,
Bonthapally - 502 313.
Jinnaram Mandal,
Medak District,
A.P.
- Unit - II
Sigachi Laboratories Limited,
S.No.42, Alinagar,
Jinnaram Mandal,
Medak District, A.P.
- k) Address for Correspondence : 1. Sigachi Laboratories Limited,
Regd. Office:
S.No.530 & 534,
Bonthapally - 502 313.
Jinnaram Mandal,
Medak District,
A.P.
2. Sigachi Laboratories Limited,
Corporate Office:
402 , Raghava Ratna Towers,
Chirag Ali Lane,
Hyderabad - 500 001.

Declaration

In terms of the requirements of clause 49 of the Listing Agreement, the Board Members and the Senior Management personnel have confirmed compliance with the code of conduct for the Financial Year ended 31st March, 2011.

For and on behalf of the Board of Directors

Place: Hyderabad
Date : 30.05.2011

(T. ADINARAYANA)
Chairman & Managing Director

Auditors Certificate on Corporate Governance

To the Members of M/s. Sigachi Laboratories Limited,

We have examined the compliance of conditions of Corporate Governance by Sigachi Laboratories Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) in India.

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

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

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

for JANARDHANRAO DESHMUKH & CO.,
CHARTERED ACCOUNTANTS
(Firm Regn No.005979S)

(L. JANARDHAN RAO)
Proprietor
Membership No.18474

Place: Hyderabad
Date : 30.05.2011

Management Discussion and Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENTS:

India is a major manufacturer of Bulk Drugs and several reputed companies export Bulk Drugs and Intermediates to different countries regularly.

Outlook on opportunities:

Both the domestic and the global pharmaceutical markets present good opportunities for the Indian industry including immense potential of outsourcing contracted business.

For capitalizing on the opportunity in the domestic market, companies are rapidly realigning product portfolios in line with the changing diseases/demographic profile of the market.

Outlook on Threats, Risks and concerns:

Indian Companies will be compelled to involve themselves in new drug discovery research as a lifeline for survival and growth some may depend on the conversion/contract manufacturing. The company is focusing its attention on job work contract processing.

Internal Control System and Adequacy:

The company has adequate system on internal controls commensurate with its size and nature of business and Audit Committee meets periodically with the Statutory Auditors to review the same.

Financial Performance:

The Company has generated total income of Rs.114.06 Lakhs during the Financial year 2010-2011 as against 92.59 Lakhs during 2009-2010 and has earned net profit of Rs.17.77 Lakhs as against Rs.16.74 Lakhs respectively.

Human Resources:

Relations with the employees remained positive and very cordial.

Cautionary statement:

The statements in this Management Discussion and Analysis describing the Company's objects, projections, estimates, expectations may be construed as "forward-looking" statements within the meaning of applicable securities laws and regulations and such forward looking statements involve risks and uncertainties. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and global market in which the company operates, changes in the Government regulations, policies, tax laws and other statutes and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements.

**JANARDHANRAO DESHMUKH & CO.,
CHARTERED ACCOUNTANTS**

**Flat No.304,
Lumbini Apartments,
Dharam Karan Road,
Ameerpet,
HYDERABAD- 500 016.**

AUDITORS' REPORT

To
The Members of
SIGACHI LABORATORIES LIMITED,

1. We have audited the attached Balance Sheet of M/S. SIGACHI LABORATORIES LIMITED, as at 31st March, 2011, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report)(Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further, to our comments in the annexure referred to paragraph above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt by this report comply with the Accounting Standards referred to in sub – section (3C) of section 211 of the Companies Act, 1956;

- (v) On the basis of the written representations received from the directors, as on 31.03.2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act,1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act,1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

for JANARDHANRAO DESHMUKH & CO.,
CHARTERED ACCOUNTANTS
(Firm Regn No.005979S)

Place : Hyderabad
Date : 30 .05.2011

(L. JANARDHAN RAO)
Proprietor
Membership No.18474

ANNEXURE TO THE AUDITORS' REPORT

Re: Sigachi Laboratories Limited

(Referred to Paragraph 3 of our report of even date)

- (i) (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 in accordance with a regular programme of verification which in our opinion, is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off a substantial part of the Fixed Assets of the company. According to the information and explanations given to us, the going concern status of the company is not affected.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the clauses 4(iii) b to d of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to Purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party, if any, during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The company has not accepted any public deposits, during the year under review. Accordingly the Provisions clause 4(vi) of the order are not applicable to the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) In our opinion the company is exempt from the maintenance of cost records under section 209(I)(d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess were in arrears, as at 31.03.2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute, except the following:

Name of the Statute	Nature of Demand	Period to which amount relates (A.Y.)	Amount (Rs. in Lakhs)	Forum where dispute pending
Income Tax Act, 1961	Income Tax	1998-1999	6.54	Hon'ble High Court of Andhra Pradesh
Income Tax Act, 1961	Income Tax	1999-2000	7.88	Hon'ble High Court of Andhra Pradesh
Income Tax Act, 1961	Income Tax	2006-2007	25.49	Income Tax Appellate Tribunal

- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.

- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) In our opinion, the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of its investments in shares and other securities. The investments are held by the company in its own name.
- (xv) In our opinion, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the company has not raised any term loan during the year under review and hence the question of its application does not arise.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, during the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the company has not issued any debentures during the year which requires the creation of security or charge.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

for JANARDHANRAO DESHMUKH & CO.,
CHARTERED ACCOUNTANTS
(Firm Regn No.005979S)

(L. JANARDHAN RAO)
Proprietor
Membership No.18474

Place : Hyderabad
Date : 30.05.2011

SIGACHI LABORATORIES LIMITED

BALANCE SHEET AS AT 31.03.2011

	Schedul e No.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Sources of Funds:			
1. Share Holders Funds			
Share Capital	I	73,105,500.00	73,105,500.00
Reserves & Surplus	II	10,354,195.00	8,577,063.29
2. Loan Funds			
Secured Loans	III	665,283.86	613,825.75
3. Deferred Tax Liability	IV	1,903,000.00	1,903,000.00
		86,027,978.86	84,199,389.04
Application of Funds:			
1. Fixed Assets	V	Rs.	Rs.
Gross Block		39,202,620.89	37,525,502.89
Less: Depreciation		16,917,757.49	14,887,782.49
Net Block		22,284,863.40	22,637,720.40
2. Investments	VI	20,512,545.08	17,069,657.87
3. Current Assets, Loans & Advances	VII		
a) Sundry Debtors		1,817,756.00	1,321,351.00
b) Cash & Bank Balances		24,089,653.08	21,447,700.77
c) Loans & Advances		17,612,371.80	20,641,793.00
		43,519,780.88	43,410,844.77
Less: Current Liabilities & Provisions	VIII	1,467,485.50	1,880,161.00
Net Current Assets		42,052,295.38	41,530,683.77
4. Miscellaneous Expenditure (to the extent not written off or adjusted)	IX		
Preliminary & Preoperative expenses		1,178,275.00	2,961,327.00
		86,027,978.86	84,199,389.04
Notes to Accounts	XV		
Schedules I to IX and Notes to Accounts in Schedule XV form part of this Balance Sheet.			

Per our report of even date annexed.
for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
(Firm Regn. No.005979S)

(T. ADINARAYANA)
Chairman & Managing Director

(L. JANARDHAN RAO)
Proprietor

(Ch. NAGESWARA RAO)
Director

Place : Hyderabad
Date : 30.05.2011

SIGACHI LABORATORIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	Schedule No.	For the year ended 31.03.2011 Rs.	For the year ended 31.03.2010 Rs.
Income :			
Sales / Income from Operations	X	9,066,776.00	8,059,947.59
Other Income	XI	2,339,014.81	1,198,594.95
		11,405,790.81	9,258,542.54
Expenditure :			
Manufacturing Expenses	XII	870,626.50	623,683.00
Administrative and Other Expenses	XIII	3,837,404.18	2,527,927.85
Interest	XIV	36,265.42	145,012.20
Preliminary & Pre-Operative Expenses Written Off		1,783,052.00	1,283,052.00
Provision for diminution in the value of Investments		-	250,000.00
		6,527,348.10	4,829,675.05
Profit before Depreciation & Taxation		4,878,442.71	4,428,867.49
Less: Depreciation		2,029,975.00	2,027,479.00
Profit Before Tax		2,848,467.71	2,401,388.49
Provision for Taxation :			
Current Tax		1,210,000.00	1,231,598.00
Prior Period Tax		151,336.00	10,516.00
Deferred Tax		(290,000.00)	(514,800.00)
Net Profit		1,777,131.71	1,674,074.49
Profit brought forward		7,255,063.29	5,580,988.80
Profit carried to Balance Sheet		9,032,195.00	7,255,063.29
Notes to Accounts	XV		
Schedules X to XIV and Notes to Accounts in Schedule XV form part of this Profit & Loss Account.			

Per our report of even date annexed.
for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
(Firm Regn. No.005979S)

(T. ADINARAYANA)
Chairman & Managing Director

(L. JANARDHAN RAO)
Proprietor

(Ch. NAGESWARA RAO)
Director

Place : Hyderabad
Date : 30.05.2011

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE - I		
Share Capital:		
Authorised Capital:		
1,20,00,000 Equity Shares of Rs.10/- each	120,000,000.00	120,000,000.00
Issued, Subscribed & Called Up Capital:		
89,82,900 Equity Shares of Rs.10/- each.	89,829,000.00	89,829,000.00
Less: Calls in arrears	16,723,500.00	16,723,500.00
Paid up Equity Capital	73,105,500.00	73,105,500.00
SCHEDULE - II		
Reserves & Surplus		
Capital Reserve :		
Subsidy	1,322,000.00	1,322,000.00
Surplus in Profit and Loss Account :		
As per last Balance Sheet :	7,255,063.29	5,580,988.80
Additions during the year :	1,777,131.71	1,674,074.49
	9,032,195.00	7,255,063.29
	10,354,195.00	8,577,063.29
SCHEDULE - III		
Secured Loans:		
From Scheduled Banks		
(Secured against the FDR's with the Scheduled Banks)	665,283.86	613,825.75
	665,283.86	613,825.75
SCHEDULE - IV		
Deferred Tax Liability		
Opening Balance	1,903,000.00	1,903,000.00
Deferred Tax Liability for the Current Year	-	-
	1,903,000.00	1,903,000.00

Schedule - V
Fixed Assets:

S.No.	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2010 Rs.	Additions during the year Rs.	Deductions during the year Rs.	As at 31.03.2011 Rs.	As at 01.04.2010 Rs.	Additions during the year Rs.	Up to 31.03.2011 Rs.	As at 31.03.2010 Rs.	As at 31.03.2011 Rs.
1	Land	7,936,453.40	-	-	7,936,453.40	-	-	-	7,936,453.40	7,936,453.40
2	Buildings	14,935,626.01	-	-	14,935,626.01	3,847,410.01	498,850.00	4,346,260.01	11,088,216.00	10,589,366.00
3	Plant & Machinery	12,751,151.50	738,400.00	19,000.00	13,470,551.50	10,028,287.50	1,323,031.00	11,351,318.50	2,722,864.00	2,119,233.00
4	Furnitures & Fixtures	353,271.48	-	-	353,271.48	295,163.48	22,362.00	317,525.48	58,108.00	35,746.00
5	Office Equipment	132,053.50	-	-	132,053.50	36,361.50	14,372.00	50,733.50	95,692.00	81,320.00
6	Computers	560,750.00	-	-	560,750.00	560,750.00	-	560,750.00	-	-
7	Vehicles	772,155.00	957,718.00	-	1,729,873.00	42,790.00	164,338.00	207,128.00	729,365.00	1,522,745.00
8	Lab Equipment	84,042.00	-	-	84,042.00	77,020.00	7,022.00	84,042.00	7,022.00	-
	Total	37,525,502.89	#####	19,000.00	39,202,620.89	14,887,782.49	2,029,975.00	16,917,757.49	22,637,720.40	22,284,863.40

SCHEDULE - VI

Sl. No.	Investments (Long Term) (Quoted) Shares (Fully Paid-up) at cost	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
1	3i Infotech India Limited 800 Equity Shares of Rs.10/- each	104,633.37	104,633.37
2	Allahabad Bank 3,000 Equity Shares of Rs.10/- each	39,600.00	39,600.00
3	Andhra Bank 6,651 Equity Shares of Rs.10/- each	613,140.00	613,140.00
4	Bank of Maharashtra 6,100 Equity Shares of Rs.10/- each	168,331.09	168,331.09
5	Ballapur Industries Limited 3,000 Equity Shares of Rs.2/- each	28,500.00	28,500.00
6	Bharat Petroleum Corporation Limited 666 Equity Shares of Rs.10/- each	115,983.52	115,983.52
7	BL Kashyap & Sons Limited 1,000 Equity Shares of Rs. 1/- each	40,138.24	-
8	Cairn India Limited 3,000 Equity Shares of Rs.10/- each	424,548.45	424,548.45
9	Century Enka Limited 1,000 Equity Shares of Rs.10/- each	185,140.74	185,140.74
10	Classic Diamond Limited 6,980 Equity Shares of Rs.2/- each	185,605.24	185,605.24
11	Coal India Limited 80 Equity Shares of Rs.10/- each	19,600.00	-
12	D.S. Kulkarni Developers Limited (346) Equity Shares of Rs.10/- each	-	95,150.00
13	Dena Bank 3,000 Equity Shares of Rs.10/- each	110,460.00	110,460.00
14	Development Credit Bank Limited 2,000 Equity Shares of Rs.10/- each	61,263.79	61,263.79
15	Digjam Limited 1,600 Equity Shares of Rs.10/- each	94,612.26	94,612.26
16	Divis Laboratories Limited 1,500 Equity Shares of Rs.2/- each	21,000.00	21,000.00
17	Edelweiss Capital Limited 1,730 (173) Equity Shares of Rs.1/- (Rs.5/-) each	142,725.00	142,725.00
18	Escorts Limited 1,000 Equity Shares of Rs.10/- each	53,964.80	53,964.80
19	First Source Solutions Limited 3,000 Equity Shares of Rs.10/- each	153,128.38	153,128.38
20	Gayatri Sugars Limited 4,000 Equity Shares of Rs.10/- each	54,247.30	54,247.30
21	Gennex Laboratories Limited 70,000 Equity Shares of Rs.1/- each	37,889.00	37,889.00
22	Gitanjali Gems Limited 100 Equity Shares of Rs.10/- each	14,077.83	14,077.83
23	Glenmark Pharmaceuticals Limited 4,200 Equity Shares of Rs.1/- each	42,000.00	42,000.00
24	GMR Infrastructure Limited 2,200 Equity Shares of Rs.1/- each	210,627.66	210,627.66
25	G.T.L.Infrastructure Limited 619 Equity Shares of Rs.10/- each	3,190.00	3,190.00

Sl. No.	Investments (Long Term) (Quoted) Shares (Fully Paid-up) at cost	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
26	Gujrat NRE Coke Limited		
	700 Equity Shares of Rs.10/- each	61,211.08	61,211.08
27	Gujarat State Petronet Limited		
	1,218 Equity Shares of Rs.10/- each	48,266.00	48,266.00
28	Gulf Oil Corporation		
	4,000 Equity Shares of Rs.2/- each	254,426.53	254,426.53
29	HCL Technologies Limited		
	898 Equity Shares of Rs.2/- each	30,287.80	30,287.80
30	H.D.F.C. Bank Limited		
	1,400 Equity Shares of Rs.10/- each	80,500.00	80,500.00
31	Heidelberg Cement India Limited		
	1,000 Equity Shares of Rs.10/- each	51,394.30	51,394.30
32	Helios & Matherson Information Technologies Limited		
	3,600 Equity Shares of Rs.10/- each	20,000.00	20,000.00
33	Hindustan Petroleum Corporation Limited		
	300 Equity Shares of Rs.10/- each	80,056.11	80,056.11
34	IDBI Bank Limited		
	2,500 Equity Shares of Rs.10/- each	234,133.06	234,133.06
35	Idea Cellular Limited		
	(288) Equity Shares of Rs.10/- each	-	21,600.00
36	IDFC Limited		
	265 Equity Shares of Rs.10/- each	9,010.00	9,010.00
37	India Cements Limited		
	500 Equity Shares of Rs.10/- each	15,398.50	15,398.50
38	Indian Overseas Bank		
	1,000 Equity Shares of Rs.10/- each	62,220.70	62,220.70
39	Indosolar Limited		
	1,000 Equity shares of Rs.10/- each	27,405.15	-
40	Indraprastha Gas Limited		
	1,200 Equity Shares of Rs.10/- each	57,600.00	57,600.00
41	Infosys Technologies Limited		
	60 Equity Shares of Rs.5/- each	93,918.47	93,918.47
42	Integrated Hi-Tech Limited		
	700 Equity Shares of Rs.10/- each	7,000.00	7,000.00
43	I.T.C Limited		
	6,000 (3,000) Equity Shares of Rs.1/- each	347,723.95	347,723.95
44	Jai Prakash Hydro Power Limited		
	3,400 Equity Shares of Rs.10/- each	108,800.00	108,800.00
45	Kale Consultants Limited		
	1,100 Equity Shares of Rs.10/- each	132,000.00	132,000.00
46	Karnataka Bank Limited		
	2,414 (1,601) Equity Shares of Rs.10/- each	130,650.00	61,545.00
47	KCP Cements Limited		
	1,000 Equity Shares of Rs.1/- each	32,149.73	-
48	Krishnaraj Securities Private Limited (unquoted)		
	50,000 Equity Shares of Rs.10/- each	500,000.00	500,000.00
49	L & T Limited		
	200 Equity Shares of Rs.2/- each	237,311.00	237,311.00
50	Lloyds Steel Limited		
	2,000 Equity Shares of Rs.10/- each	42,950.67	42,950.67
51	Mahindra & Mahindra Limited		
	1,200 Equity Shares of Rs.5/- each	29,421.86	29,421.86

Sl. No.	Investments (Long Term) (Quoted) Shares (Fully Paid-up) at cost	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
52	Madras Fertilizers Limited		
	1,000 Equity Shares of Rs.10/- each	28,245.00	28,245.00
53	Maruti Suzuki India Limited		
	300 Equity Shares of Rs.10/- each	37,500.00	37,500.00
54	Mega Soft Limited		
	500 Equity Shares of Rs.10/- each	132,074.05	132,074.05
55	MOIL Limited		
	28 Equity Shares of Rs.10/- each	10,500.00	-
56	MPS Limited		
	171 Equity shares of 10/- each	7,328.99	-
57	Mukand Iron Limited		
	2,100 Equity Shares of Rs.10/- each	2,500.00	2,500.00
58	Mundra Ports & Sez Limited		
	1,635 (327) Equity Shares of Rs.2/- each	143,880.00	143,880.00
59	NHPC Limited		
	2,500 (1,500) Equity Shares of Rs.10/- each	82,780.14	51,758.52
60	NTPC Limited		
	9,079 Equity Shares of Rs.10/- each	641,110.48	641,110.48
61	ONGC Limited		
	600 (150) Equity Shares of Rs.5/- (Rs.10/-) each	61,005.00	61,005.00
62	Online Media Solutions Limited		
	20,000 Equity Shares of Rs.4/- each	200,000.00	200,000.00
63	Patni Computer Systems Limited		
	1,250 Equity Shares of Rs.10/- each	287,500.00	287,500.00
64	Petronet LNG Limited		
	30,125 Equity Shares of Rs.10/- each	454,535.25	454,535.25
65	Power Grid Corporation of India Limited		
	873 (487) Equity Shares of Rs.10/- each	60,064.00	25,324.00
66	Power Trading Corporation of India Limited		
	2,100 Equity Shares of Rs.10/- each	85,825.63	85,825.63
67	PTC India Financial Services Limited		
	35,500 Equity Shares of Rs.10/- each	994,000.00	-
68	Punjab & Sind Bank		
	97 Equity Shares of Rs.10/- each	11,640.00	-
69	Rallis India Limited		
	300 (200) Equity Shares of Rs.10/- each	8,465.67	8,465.67
70	Rashtriya Chemicals & Fertilizers Limited		
	3,200 Equity Shares of Rs.10/- each	376,044.93	376,044.93
71	Reliance Communications Limited		
	781 Equity Shares of Rs.5/- each	192,334.34	192,334.34
72	Reliance Industries Limited		
	720 Equity Shares of Rs.10/- each	293,207.98	293,207.98
73	Reliance Natural Resources Limited		
	(6,681) Equity Shares of Rs.10/- each	-	238,128.27
74	Reliance Power Limited		
	1,670 Equity Shares of Rs.10/- each	238,089.31	-
75	Sadbhav Engineering Limited		
	2,180 (218) Equity Shares of Rs.1/- (Rs.10/-) each	40,330.00	40,330.00
76	Sahara Housing Finance Limited		
	250 Equity Shares of Rs.10/- each	9,612.00	9,612.00
77	Steel Authority of India Limited		
	2,000 Equity Shares of Rs.10/- each	84,400.00	84,400.00

Sl. No.	Investments (Long Term) (Quoted) Shares (Fully Paid-up) at cost	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
78	Satyam Computer Services Limited		
	3,900 (2,400) Equity Shares of Rs.2/- each	293,445.63	142,702.66
79	SMS Pharmaceuticals Limited		
	1,000 Equity Shares of Rs.10/- each	238,715.07	238,715.07
80	Surya Chakra Power Corporation Limited		
	1,000 Equity Shares of Rs.10/- each	44,886.32	44,886.32
81	Syndicate Bank		
	32,000 Equity Shares of Rs.10/- each	486,542.50	486,542.50
82	Tata Consultancy Services Limited		
	248 Equity Shares of Rs.1/- each	52,700.00	52,700.00
83	Tata Steel Limited		
	2,684 Equity Shares of Rs.10/- each	780,851.77	780,851.77
84	Tata Teleservices Limited		
	3,500 Equity Shares of Rs.10/- each	21,350.00	21,350.00
85	Tech Mahindra Limited		
	50 Equity Shares of Rs.10/- each	48,300.62	48,300.62
86	Television Eighteen India Limited		
	560 Equity Shares of Rs.5/- each	36,000.00	36,000.00
87	UCO Bank		
	11,900 Equity Shares of Rs.10/- each	230,045.00	230,045.00
88	Union Bank of India		
	1,004 Equity Shares of Rs.10/- each	19,839.04	19,839.04
89	Unitech Limited		
	500 Equity Shares of Rs.2/- each	33,138.34	33,138.34
90	Vijaya Bank		
	20,400 Equity Shares of Rs.10/- each	526,238.57	526,238.57
91	Vista Pharma Limited		
	1,500 (2,000) Equity Shares of Rs.10/- each	45,752.82	61,002.82
92	Voltas Limited		
	5,000 Equity Shares of Rs.1/- each	42,795.00	42,795.00
93	Zodiac - JRD - MKJ Limited		
	1,000 Equity Shares of Rs.10/- each	43,148.98	43,148.98
	Total :	13,044,964.01	11,748,631.27
	Mutual Funds (Units) at Cost		
1	UTI Energy Fund - Dividend Plan - Reinvestment		
	66,409.813 Units of Rs.10/- each	904,292.40	904,292.40
2	Franklin Templeton India Growth Fund- Dividend-Reinvestment		
	17,286.139 (15,048.761) Units of Rs.10/- each	454,452.31	245,908.98
3	Franklin Templeton India Blue Chip Fund - Growth		
	2,238.138 Units of Rs.10/- each	50,000.00	50,000.00
4	B16 Birla Sun Life New Millennium Fund - Growth(Alliance)		
	(5,341.880) Units of Rs.10/- each	-	25,000.00
5	B91 Birla Sun life Frontline Equity Fund - Plan A - Dividend - Reinvestment		
	5,121.780 Units of Rs. 10/- each	112,768.20	-
6	UTI-MasterShare Unit Scheme-Dividend Plan-Reinvestment		
	38,117.216 (34,757.884) Units of Rs.10/- each	841,789.45	737,515.80
7	UTI Infrastructure Fund - Dividend Plan - Payout		
	21,246.459 Units of Rs.10/- each	300,000.00	300,000.00

Sl. No.	Investments (Long Term) (Quoted) Shares (Fully Paid-up) at cost	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
8	UTI Mid Cap Fund Dividend Plan - Reinvestment (Old) 31,194.778 (28,558.262) Units of Rs.10/- each	412,910.65	350,082.47
9	UTI Mid Cap Fund Dividend Plan - Reinvestment (New) 20,082.658 Units of Rs.10/- each	500,080.57	-
10	Fidelity Equity Fund - Growth 23,949.364 Units of Rs.10/- each	300,000.00	300,000.00
11	Fidelity India Special Situations Fund - Growth 48,899.756 Units of Rs.10/- each	500,000.00	500,000.00
12	UTI MNC Fund - Dividend Plan- Payout 17,789.684 Units of Rs.10/- each	489,750.00	597,843.26
13	UTI Banking Sector Fund - Dividend Plan- Payout 17,620.127 Units of Rs.10/- each	250,382.00	250,382.00
14	UTI Banking Sector Fund - Dividend Plan - Reinvestment 12,185.175 Units of Rs.10/- each	303,214.81	-
15	ING Dividend Yield Fund - Growth Option 14,741.278 Units of Rs.10/- each	280,231.69	280,231.69
16	DSP Black Rock - Balanced Fund - Growth (17,337.032) Units of Rs.10/- each	-	500,000.00
17	DSP Black Rock - Equity Fund - Regular Plan - Dividend 23,736.556 Units of Rs.10/- each	1,152,425.41	-
18	UTI Leadership Equity Fund-Dividend Plan-Reinvestment (31,625.592) Units of Rs.10/- each	-	329,245.94
19	UTI Contra Fund-Dividend Plan - Reinvestment 37,068.123 Units of Rs.10/- each	384,229.83	384,229.83
20	SBI Magnum Sector funds Umbrella Contra - Dividend 18,934.263 (16,455.029) Units of Rs.10/- each	453,500.60	395,908.00
21	Reliance Regular Savings Fund - Equity Plan- Growth Option 15,757.882 Units of Rs.10/- each	430,540.00	430,540.00
22	UTI Wealth Builder Fund - Dividend Plan- Payout 50,000 Units of Rs.10/- each	500,000.00	500,000.00
23	JM Basic Fund - Growth Plan (8,707.836) Units of Rs.10/- each	-	154,846.23
24	UTI-Infrastructure Advantage Fund-Series 1-Growth Plan (30,000) Units of Rs.10/- each	-	300,000.00
25	DFD ICICI Prudential Discovery Fund - Dividend 27,257.080 Units of Rs. 10/- each	562,013.15	-
26	ICICI Prudential Focused Blue chip Equity Fund -Reinvestment 33,288.948 Units of Rs.10/- each	500,000.00	-
	Total :	9,682,581.07	7,536,026.60
	Total Investments :	22,727,545.08	19,284,657.87
	Less: Provision for diminution in value of investments	2,215,000.00	2,215,000.00
		20,512,545.08	17,069,657.87

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE - VII		
Current Assets, Loans & Advances		
A. Sundry Debtors:		
(Unsecured, considered good)		
Debts outstanding for more than 6 months	-	-
Other debts	1,817,756.00	1,321,351.00
	<u>1,817,756.00</u>	<u>1,321,351.00</u>
B. Cash and Bank Balances:		
a) Cash on Hand	4,696.81	39,788.29
b) Balances with Scheduled Banks		
i. In Current Accounts	353,114.92	93,331.13
ii. In Fixed Deposits :		
1. In Scheduled Banks	22,788,823.35	20,463,137.35
2. In Other Banks (refer note no.9 in schedule XV)	943,018.00	851,444.00
	<u>24,089,653.08</u>	<u>21,447,700.77</u>
C. Loans and Advances:		
(Recoverable in cash or in kind or for value to be received, unsecured, considered good)		
Inter corporate Loans / Advances	7,455,560.00	10,757,777.00
Other Advances	1,193,000.00	1,018,000.00
Advance for Investments	-	500,000.00
Deposits with Govt. Departments	957,095.00	957,095.00
Other Deposits	571,000.00	571,000.00
Subscription to Chits	1,008,203.80	680,408.00
Land Advance	2,600,000.00	2,620,000.00
FBT Receivable	1,756.00	1,756.00
Deferred Tax Asset	3,825,757.00	3,535,757.00
	<u>17,612,371.80</u>	<u>20,641,793.00</u>
Total (A + B + C)	43,519,780.88	43,410,844.77
SCHEDULE - VIII		
Current Liabilities & Provisions:		
a) Current Liabilities:		
Trade Deposits	572,979.50	450,000.00
Outstanding Expenses	113,901.00	97,911.00
Other Liabilities - Chits	-	620,250.00
b) Provisions:		
Provision for income tax	68,605.00	-
Provision for Gratuity	382,000.00	382,000.00
Provision for Leave encashment	330,000.00	330,000.00
	<u>1,467,485.50</u>	<u>1,880,161.00</u>

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE - IX		
Miscellaneous Expenditure :		
(to the extent not written off or adjusted)		
Preliminary & Pre-operative Expenses	<u>1,178,275.00</u>	<u>2,961,327.00</u>
	<u>1,178,275.00</u>	<u>2,961,327.00</u>
SCHEDULE - X		
	For the Year Ended 31.03.2011 Rs.	For the Year Ended 31.03.2010 Rs.
Sales and Income from Operations :		
Conversion/JobWorks Charges	5,675,000.00	5,075,000.00
Interest on FD's	2,397,155.00	2,172,695.59
Interest on ICD's/Loans	<u>994,621.00</u>	<u>812,252.00</u>
	<u>9,066,776.00</u>	<u>8,059,947.59</u>
SCHEDULE - XI		
Other Income :		
Dividends	1,375,482.84	776,873.88
Profit on sale of Investments	669,566.94	272,021.89
Profit on Chit	278,696.00	-
Recovery of Bad Deposits	15,269.03	49,699.18
Profit on sale of Plant and Machinery	-	48,000.00
Other Receipts	<u>-</u>	<u>52,000.00</u>
	<u>2,339,014.81</u>	<u>1,198,594.95</u>

	For the Year Ended 31.03.2011 Rs.	For the Year Ended 31.03.2010 Rs.
SCHEDULE - XII		
Manufacturing Expenses :		
Building Maintenance	5,549.00	-
Factory Insurance	77,818.00	43,872.00
Repairs and Maintenance	553,047.50	392,818.00
Factory Salaries and Wages	224,000.00	178,000.00
ESI	10,212.00	8,993.00
	870,626.50	623,683.00
SCHEDULE - XIII		
Administrative & Other Expenses :		
Advertisement Expenses	33,045.00	30,128.00
Audit Fee	17,000.00	13,000.00
Bank Charges	2,146.20	5,563.20
Bad Debts	1,612,217.00	-
Bad Investments	500,000.00	-
Computer Maintenance	2,070.00	3,450.00
Consultancy Charges	11,030.00	11,030.00
Conveyance Charges	171,121.98	241,107.56
Electricity Charges	5,042.00	24,982.00
Gratuity	-	47,000.00
Insurance	125,230.00	176,074.00
Legal Fee	-	10,000.00
Listing Fee	11,030.00	12,266.00
Loss on Sale of Office Equipment	-	51,835.00
Loss on Sale of Cars	-	706.00
Leave Encashment	-	30,000.00
Managerial Remuneration	764,296.00	661,622.00
Miscellaneous Expenses	31,367.00	22,350.45
Office Maintenance	65,960.00	162,830.00
Postage & Telephones	71,123.00	84,765.96
Printing & Stationary	8,632.00	19,112.00
Rent, Rates & Taxes	67,200.00	86,800.00
Salaries	154,022.00	139,840.00
Sales Tax / VAT	2,755.00	3,538.00
Sitting Fee & Incidental Expenses	12,500.00	10,000.00
Staff Welfare	36,237.00	64,874.68
Share Transfer and Depository Fee	76,187.00	74,333.00
Travelling Expenses	3,562.00	15,938.00
Vehicle Maintenance	53,631.00	49,392.00
APCPDCL Development & Supervision Cha	-	475,390.00
	3,837,404.18	2,527,927.85
SCHEDULE - XIV		
Interest		
Interest to Banks	36,265.42	145,012.20
	36,265.42	145,012.20

SCHEDULE – XV

NOTES TO ACCOUNTS:

1. Significant Accounting Policies:

a) Accounting Concepts:

The financial statements are prepared under the historical cost convention on the accrual basis except those with significant uncertainties, based on the principle of going concern and are consistent with the generally accepted accounting principles, unless otherwise stated.

b) Use of Estimates:

Estimates and assumptions used in the preparation of the financial statements are based on management's evolution of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

c) Fixed Assets:

Fixed assets are stated at original cost less depreciation including other expenses relating to acquisition and installation. Expenditure during project implementation period has been allocated and capitalized to the respective fixed assets.

d) Depreciation has been provided on Straight Line Method at the rates prescribed in the Schedule XIV of the Companies Act, 1956.

e) Sales: Sales, if any, includes sale value of goods and Sales tax and Excise Duty.

f) Dividend is recognized as and when the company's right to receive the payment is established.

g) Investments: Investments are valued at cost. Provision for diminution in the value of long term Investments is made to recognize the decline, other than temporary.

h) The preliminary and preoperative expenses will usually be written off over a period of 10 years.

i) Retirement benefits to employees:

All employees' benefits due wholly within a year of rendering services are classified as short term benefits. These benefits like salaries, wages, short term compensation absence, expected cost of bonus, ex-gratia are recognized as expenses on accrual basis of undiscounted amounts in the Profit and Loss Account. Provision for Gratuity and Leave Encashment has been made. The retirement benefits to employees will be provided as and when the relevant acts are applicable to the company.

2. Managerial remuneration:

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Managing Director's Salary	7,64,296.00	6,61,622.00

3. Auditors' remuneration:

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Audit Fee	12,000.00	10,000.00
Tax Audit Fee	3,000.00	3,000.00
Fee for other Services	2,000.00	----
	----- 17,000.00 -----	----- 13,000.00 -----

4. Some of the balances standing to the debit/credit of parties are subject to confirmation by them. However, the balances stated in the books of account are final as it is indicated that the company's balances will be deemed to be correct if confirmation is not received by particular date.

5. As per the records and information available with the company, there are no dues to Micro, Small and Medium Enterprises. However, information as required under the Micro, Small and Medium Enterprises Development Act, 2006 is furnished hereunder:

Particulars	2010-11	2009-10
a. Principal amount remaining unpaid as on 31 st March.	NIL	NIL
b. Interest due thereon as on 31 st March.	NIL	NIL
c. Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year.	NIL	NIL
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	NIL	NIL
e. Interest accrued and remaining unpaid as at 31 st March.	NIL	NIL
f. Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small and medium enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	NIL	NIL

6. The Profit/Loss on chit account will be considered/accounted at the time of completion of chit period.

7. Previous year figures have been regrouped/reclassified/rearranged wherever necessary.
8. The Company has adopted Accounting Standard 22 - Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India.
9. Balances in Fixed Deposits in other banks are represented by balance in fixed deposits of **Rs.9,43,018/-** (Rs.8,51,444/-) in Adarsh Co-operative Urban Bank Limited and the same amounts are the maximum outstanding balances in the respective years. None of the Directors are interested in the above said co-operative bank.
10. 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).

11. Contingent Liabilities:

Income Tax department has filed an appeal with the Hon'ble High Court of Andhra Pradesh against the orders of ITAT for the Assessment year 1998-1999 and 1999-2000 and the amount under appeal by the Income Tax Department is Rs.6.54 Lakhs and Rs.7.88 Lakhs respectively. Further Income Tax Department has filed an appeal before Hon'ble ITAT against the orders of CIT (Appeals) for the Assessment Year 2006-2007 and the amount, under appeal filed by the Income Tax Department is Rs.25.49 Lakhs.

12. Earnings per Share: The following reflects the income and share data used in the computation of Basic and diluted Earnings per Share.

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
a) Net Profit	17,77,132	16,74,074
b) Number of Equity shares adjusted Nos.	73,10,550	73,10,550
c) Basic and Diluted Earnings per share	0.24	0.23

13. Segment information for the year ended 31st March, 2011:

(a) Primary Segment Reporting: Business Segment.

			(Rs. in lakhs)		
S.No.	PARTICULARS	Year Ended 31 st March, 2011 (AUDITED)	Year Ended 31 st March, 2010 (AUDITED)		
1.	Segment Revenue:				
	Net Sales/Income from each Segment:				
	a) Bulk Drugs & Intermediates, (Job works/processing charges)	56.75	50.75		
	b) Interest on ICD's/Loans	9.95	8.12		
	c) Interest on FD's	23.97	21.73		
	d) Others	23.39	11.99		
		-----	-----		
		114.06	92.59		
	Less: Inter Segment Revenue	-	-		
		-----	-----		
	Net Sales/Income from Operations	114.06	92.59		
		-----	-----		
2.	Segment Results:				
	Profit/(Loss) before tax:				
	a) Bulk Drugs & Intermediates	27.74	19.48		
	b) On ICD's/Loans	(6.18)	8.12		
	c) On FD's	23.97	21.73		
	d) Others	18.39	9.49		
		-----	-----		
		63.92	58.82		
	Less (i) Interest	0.36	1.45		
	(ii) Other Un-allocable Expenditure	35.08	33.36		
		-----	-----		
	Total Profit before Tax	28.48	24.01		
		-----	-----		
3.	Capital Employed:				
	(Segment Assets-Liabilities)				
	a) Bulk Drugs & Intermediates	294.94	309.61		
	b) On ICD's/Loans	74.56	107.58		
	c) On FD's	237.32	213.15		
	d) Others	227.78	186.49		
		-----	-----		
		834.60	816.83		
		-----	-----		

b) Secondary Segment Reporting: Not Applicable

14. Related Party Transactions:
 Related party disclosures as required under Accounting Standard 18 are given below:
 The following transactions were carried out during the year with related parties in the ordinary course of business:
 Key Management Personnel: Sri T. Adinarayana, Chairman and Managing Director Amount paid to him by way of salary of **Rs.7,64,296/-** (Rs.6,61,622/-).
 Sitting fee and reimbursement of expenses paid to the directors **Rs.12,500/-** (Rs.10,000/-).
15. Additional information required under Clause 3, 4C and 4D of part II of Schedule VI of Companies Act, 1956, given to the extent applicable:

a) Capacity / Production							
Class of Goods	Unit of Measurement	Licensed capacity		Installed capacity		Actual production	
		31.3.11	31.3.10	31.3.11	31.3.10	31.3.11	31.3.10
Bulk Drugs and Intermediates	TPA		N.A.	320	320	--	--

b) Details of Sales & Stocks

	SALES				STOCKS			
	Quantity		Value		Quantity		Value	
	31.3.11	31.3.10	(Rs. in Lakhs)		31.3.11	31.3.10	(Rs.in Lakhs)	
	31.3.11	31.3.10	31.3.11	31.3.10	31.3.11	31.3.10	31.3.11	31.3.10
Bulk Drugs and intermediates	--	--	--	--	--	--	--	--

c) Details of major Raw Materials consumed:

S.No	Description	As at 31.03.2011		As at 31.03.2010	
		Quantity	Value	Quantity	Value
			(Rs. in Lakhs)		(Rs. in Lakhs)
--	--	--	--	--	--

Since the Company is undertaking job works only there are no own sales and stocks and no raw materials (own) have been consumed.

16. Foreign Exchange Transactions:	As at 31.03.2011	As at 31.03.2010
a) Value of Imported Raw Materials Consumed	Nil	Nil
b) Value of Imports on CIF Basis	Nil	Nil
c) Earnings in Foreign Currency (FOB value of Exports)	Nil	Nil
d) Expenditure in Foreign Currency	Nil	Nil

Signatures to Schedules to I TO XV

Per our report of even date annexed.
for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
(Firm Regn No.005979S)

(T. ADINARAYANA)
Chairman & Managing Director

(L. JANARDHAN RAO)
Proprietor

(CH. NAGESWARA RAO)
Director

Place : Hyderabad
Date : 30.05.2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i. REGISTRATION DETAILS

Registration No.

0	1	-	1	8	7	8	6
---	---	---	---	---	---	---	---

 State Code

0	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

Date Month Year

ii. CAPITAL RAISED DURING THE YEAR (Rs. In Thousands)

Public Issue	<table border="1" style="border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Rights Issue	<table border="1" style="border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L							
N	I	L							
Bonus Issue	<table border="1" style="border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	Private Placement	<table border="1" style="border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L							
N	I	L							

iii. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs.in Thousands)

Total Liabilities	<table border="1" style="border-collapse: collapse;"><tr><td>8</td><td>6</td><td>0</td><td>2</td><td>8</td></tr></table>	8	6	0	2	8	Total Assets	<table border="1" style="border-collapse: collapse;"><tr><td>8</td><td>6</td><td>0</td><td>2</td><td>8</td></tr></table>	8	6	0	2	8
8	6	0	2	8									
8	6	0	2	8									

SOURCES OF FUNDS

Paid-up Capital	<table border="1" style="border-collapse: collapse;"><tr><td>7</td><td>3</td><td>1</td><td>0</td><td>6</td></tr></table>	7	3	1	0	6	Reserves & Surplus	<table border="1" style="border-collapse: collapse;"><tr><td>1</td><td>0</td><td>3</td><td>5</td><td>4</td></tr></table>	1	0	3	5	4
7	3	1	0	6									
1	0	3	5	4									
Secured Loans	<table border="1" style="border-collapse: collapse;"><tr><td>6</td><td>6</td><td>5</td></tr></table>	6	6	5	Deferred Tax Liability	<table border="1" style="border-collapse: collapse;"><tr><td>1</td><td>9</td><td>0</td><td>3</td></tr></table>	1	9	0	3			
6	6	5											
1	9	0	3										

APPLICATION OF FUNDS

Net Fixed Assets	<table border="1" style="border-collapse: collapse;"><tr><td>2</td><td>2</td><td>2</td><td>8</td><td>5</td></tr></table>	2	2	2	8	5	Investments	<table border="1" style="border-collapse: collapse;"><tr><td>2</td><td>0</td><td>5</td><td>1</td><td>3</td></tr></table>	2	0	5	1	3
2	2	2	8	5									
2	0	5	1	3									
Net Current Assets	<table border="1" style="border-collapse: collapse;"><tr><td>4</td><td>2</td><td>0</td><td>5</td><td>2</td></tr></table>	4	2	0	5	2	Misc.Expenditure	<table border="1" style="border-collapse: collapse;"><tr><td>1</td><td>1</td><td>7</td><td>8</td></tr></table>	1	1	7	8	
4	2	0	5	2									
1	1	7	8										

iv. PERFORMANCE OF COMPANY (Rs.in Thousands)

Turnover & Other Income	<table border="1" style="border-collapse: collapse;"><tr><td>1</td><td>1</td><td>4</td><td>0</td><td>6</td></tr></table>	1	1	4	0	6	Total Expenditure	<table border="1" style="border-collapse: collapse;"><tr><td>8</td><td>5</td><td>5</td><td>8</td></tr></table>	8	5	5	8
1	1	4	0	6								
8	5	5	8									
Profit Before Tax	<table border="1" style="border-collapse: collapse;"><tr><td>2</td><td>8</td><td>4</td><td>8</td></tr></table>	2	8	4	8	Profit after Tax	<table border="1" style="border-collapse: collapse;"><tr><td>1</td><td>7</td><td>7</td><td>7</td></tr></table>	1	7	7	7	
2	8	4	8									
1	7	7	7									
Earning Per Share in Rs.	<table border="1" style="border-collapse: collapse;"><tr><td>0</td><td>.</td><td>2</td><td>4</td></tr></table>	0	.	2	4	Dividend Rate	<table border="1" style="border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L		
0	.	2	4									
N	I	L										

v. GENERIC NAMES OF THE THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY AS PER MONETARY TERMS

ITC Code No. 313907005
 Service Discription : Pharmaceuticals products, Bulk Drugs and Intermediates.

Per our report of even date annexed.
 for JANARDHANARAO DESHMUKH & CO.,
 Chartered Accountants
 (Firm Regn No.005979S)

(T. ADINARAYANA)
 Chairman & Managing Director

(L. JANARDHAN RAO)
 Proprietor

(Ch. NAGESWARA RAO)
 Director

Place : Hyderabad
 Date : 30.05.2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011	2009-2010
	Rs. (in lakhs)	Rs. (in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITY		
Net Profit/(Loss) before Tax &		
Extraordinary items	28.48	24.01
Adjustments for:		
Add: Provision for Gratuity & Leave Encashment	--	7.12
Depreciation	20.30	20.27
Preliminary & Pre-operative Expenses	17.83	12.83
Interest paid	0.36	1.45
Provision for diminution in value of Investments	--	2.50
Loss on Sale of Fixed Assets	--	0.53
	-----	-----
	66.97	68.71
Less:		
Other Income	(23.39)	(11.99)
Interest received	(9.95)	(8.12)
	-----	-----
Operating Profit/(Loss) before Working Capital changes	33.63	48.60
Adjustments for :		
Trade and other Receivables	25.33	(21.15)
Trade Payables and other Liabilities	(4.13)	7.26
	-----	-----
Cash generated from operations	54.83	34.71
Direct Taxes	(13.61)	(12.42)
Interest Paid	(0.36)	(1.45)
Extraordinary Items:		
Provision for Gratuity & Leave Encashment	--	(7.12)
Deferred Tax Asset	2.90	5.15
	-----	-----
Net Cash Flow from Operating Activities (A)	43.76	18.87
	-----	-----
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Assets	--	2.79
Purchase of Investments (Net Aggregate Value taken)	(34.43)	(1.95)
Dividend Received	13.75	7.77
Bad deposits recovered	0.15	0.50
Profit on Sale of Investments	6.70	2.72
Purchase of Fixed Assets	(16.77)	(8.36)
Profit on sale of Plant & Machinery	--	0.48
Other receipts	2.79	0.52
	-----	-----
Net Cash Flow from Investing Activities (B)	(27.81)	4.47
	-----	-----

C. CASH FLOW FROM FINANCING ACTIVITIES:

Borrowing/Repayment of secured Loans	0.52	(13.93)
Interest Received	9.95	8.12
Net Cash From/(Used in) Financing Activities (C)	10.47	(5.81)

D. NET INCREASE/(DECREASE) IN CASH

And Cash Equivalent (A+B+C)	26.42	17.53
Cash and Cash Equivalent At the Beginning of the year	214.48	196.95
Cash and Cash Equivalent at the End of the year	240.90	214.48

Previous Year figures have been regrouped/rearranged/reclassified wherever necessary.

Per our report of even date annexed
for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
(Firm Regn No.005979S)

(T. ADINARAYANA)
Chairman & Managing Director

(L. JANARDHAN RAO)
Proprietor

(Ch. NAGESWARA RAO)
Director

Place : Hyderabad
Date : 30.05.2011

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Sigachi Laboratories Limited derived from the audited annual financial statements for the year ended 31st March, 2011 and 31st March, 2010 and found the same is drawn in accordance with the requirements of Clause 32 of the Listing Agreements with the Stock Exchanges.

for JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants

(L. JANARDHAN RAO)
Proprietor

Place : Hyderabad
Date : 30.05.2011

SIGACHI LABORATORIES LIMITED

Regd. Office:S.NO.530 & 534, BONTAPALLY - 502 313, JINNARAM MANDAL, MEDAK DIST., A.P.

PROXY FORM

DP.Id*	
Client Id*	

Folio No.	
No. of Share(s) held	

I/We -----
 ----- being a member/members of Sigachi
 Laboratories Limited hereby appoint -----
 ----- of-----
 ----- or failing him-----of-----
 -----as my/our proxy to vote for me/us and on
 my/our behalf at the 17th Annual General Meeting to be held on Monday the
 26th September, 2011 at 2.00 P.M., (Noon) or at any adjournment thereof.

Signed this ----- day of -----2011.

Signature

Affix Re.1/- Revenue Stamp

Note: The Proxy Form duly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

-----T E A R H E R E -----

SIGACHI LABORATORIES LIMITED

Regd.Office:S.NO.530 & 534, BONTAPALLY - 502 313, JINNARAM MANDAL, MEDAK DIST., A.P.

ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting hall.

DP. Id*	
Client Id*	

Folio No.	
No. of Share(s) held	

NAME AND ADDRESS OF THE SHAREHOLDER	
NAME OF PROXY	

I, hereby record my presence at the 17th Annual General Meeting of the company held on Monday the 26th September, 2011 at 2.00 P.M., (Noon) at the Regd. Office: S.No.530 & 534, Bonthapally -502 313, Jinnaram Mandal, Medak District, Andhra Pradesh.

Signature of the Shareholder or Proxy

PLEASE NOTE THAT NO GIFTS WILL BE DISTRIBUTED AT THE AGM.

PRINTED MATTER

BOOK – POST

If undelivered Please return to:

SIGACHI LABORATORIES LIMITED

Corporate Office: 402, Raghava Ratna Towers,
Chirag Ali Lane, Hyderabad – 500 001.