

**18th**  
**ANNUAL REPORT**  
**2011 – 2012**

**SIGACHI LABORATORIES LIMITED**

Board of Directors	:	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	:	Unit – I S.No. 530 & 534, Bonthapally - 502 313, Jinnaram Mandal, Medak District, Andhra Pradesh.  Unit - II S.No.42, Ali Nagar, Jinnaram Mandal, Medak District, Andhra Pradesh.
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 Eighteenth 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 Wednesday, the 26th day of September, 2012 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, 2012 and the Statement of Profit and Loss as on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sri B.S.S.Murthy who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri Ch. Nageswara Rao, 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 18<sup>th</sup> 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 : 14.08.2012

(B.S.S. MURTHY)  
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 21<sup>st</sup> September, 2012 to 26<sup>th</sup> September, 2012 (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.

**Memorandum of Interest:**

None of the Directors are interested in the resolution regarding reappointment of Sri. B.S.S.Murthy and Sri. Ch.Nageswara Rao.

**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 B.S.S.Murthy	Sri Ch.Nageswara Rao
2.	Date of Birth	10-04-1951	12-08-1953
3.	Date of appointment	31-05-2010	06-09-1999
4.	Experience in specific functional areas	He had 29 Years rich Experience in a State Level Financial Institution.	He had 27 Years Experience in trading Business.
5.	Qualifications	B. Com., M.B.A.,	B. Com.,
6.	Directorships in other Public Limited Companies.	--	--
7.	Shareholding in the Company	--	--

For and on behalf of the Board

Place: Hyderabad  
Date : 14.08.2012

(B.S.S. MURTHY)  
Director

## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report, together with the Audited statements of Accounts of the Company for the year ended 31<sup>st</sup> March, 2012 along with Auditors' Report thereon:

### FINANCIAL RESULTS:

(Rupees in Lakhs)

	2011-2012	2010-2011
Sales/Income from operations	110.49	114.06
Profit before Depreciation and Amortization	56.99	71.61
Depreciation and Amortization	32.79	38.13
Exceptional Items	5.00	5.00
Profit before Tax	19.20	28.48
Provision for Taxation:		
Current Tax	14.65	12.10
Prior period Tax	0.42	1.51
Deferred Tax	(8.10)	(2.90)
Profit after Tax	12.23	17.77

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. B.S.S. Murthy and Sri. Ch. Nageswara Rao, Director(s) of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

### 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 2011-2012.

### 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 31<sup>st</sup> March, 2012, 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 31<sup>st</sup> March, 2012 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 : 30.05.2012

(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 :	<b>Current Year 2011-2012</b>	Previous Year 2010-2011
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**

**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:

	2011-2012	2010-2011
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:

Composition:

The Board of Directors comprises of Four Directors with 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 2011-12	Attendance at the last AGM	No. of Directorships in other companies	No. of memberships, Chairmanship in other Board committees
1.	Sri. T.Adinarayana	CMD	6	YES	1	2
2.	Sri. Ch.Nageswara Rao	Director – Independent	6	YES	--	--
3.	Sri. B.S.S. Murthy	Director – Independent	6	YES	--	--
4.	Sri. T.R. Sekhar	Director	3	NO	--	--

- i) Number of Board Meetings held:  
During the period under review Six meetings of the Board of Directors of the Company were held on 30<sup>th</sup> May 2011, 10<sup>th</sup> August, 2011, 26<sup>th</sup> September, 2011, 14<sup>th</sup> November, 2011, 14<sup>th</sup> February, 2012 and 31<sup>st</sup> March, 2012.
- 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	2

c) Number of Meetings held :

The Audit Committee of the Board had met 4 times during the period under review on 28<sup>th</sup> May, 2011, 10<sup>th</sup> August, 2011, 14<sup>th</sup> November, 2011 and 14<sup>th</sup> February, 2012.

ii) 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.7,82,313/-** 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.10,000/- to Sri. C.H.Nageswara Rao and Rs.10,000/- to Sri. B.S.S. Murthy to the non-executive directors of the Company.

Statutory auditors were invited as and when required.

Shareholding of Non – Executive Directors:

None of the Non Executive Directors of the Company holds any shares in the Company.

iii) Share Transfer/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, inter alia, share transfers, shareholder's complaints etc.,

During the year the Company has received 8 complaints and has redressed all complaints, and no complaints are pending as at 31.03.2012. There were no cases pending for share transfer as at 31.03.2012.

b) 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.

c) Registrars and Share 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.

d) 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.

e) 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
2010-2011	Monday, 26.09.2011	2.00 P.M.	S.No.530 & 534, Bonthapally - 502 313, Jinnaram Mandal, Medak Dist., Andhra Pradesh.
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.

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 in Notes to Financial Statements - Balance Sheet and the Statement of Profit and Loss 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.

As regards non-mandatory requirements, a Remuneration Committee has been formed to evaluate remuneration packages for directors and senior staff members.

- 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. MD/CFO certification:**

The MD/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. AGM**

18<sup>th</sup> Annual General Meeting

Day, Date and Time : Wednesday, the 26<sup>th</sup> September, 2012  
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 26.09.2012.

**b. Financial Calender**

Calender for Financial Year : 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013

Financial Reporting :

I. Quarter - Un-audited Financial Results : July/August, 2012

II. Quarter - Un-audited Financial Results : October/November, 2012

III. Quarter - Un-audited Financial Results : January/February, 2013

IV. Quarter – Un/audited Financial  
Results & Year ending

31<sup>st</sup> March, 2013 results : April / May, 2013

- c. Dates of Book Closure : 21<sup>st</sup> September, 2012 to  
26<sup>th</sup> September, 2012
- 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  
2011-2012 on Stock Exchanges:

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

- g. Distribution of Shareholding as on 31<sup>st</sup> March, 2012:

No. of Shares	No. of Shareholders	% To the total Shareholders	No. of Shares	% To the total shares
Upto 500	1,618	41.54	4,05,820	4.52
501 - 1000	1,040	26.70	10,24,100	11.40
1001 - 2000	437	11.22	7,29,000	8.12
2001 - 3000	645	16.57	16,44,600	18.30
3001 - 4000	27	0.69	1,02,600	1.14
4001 - 5000	64	1.64	3,17,800	3.54
5001 - 10000	21	0.54	1,89,500	2.11
10001 and above	43	1.10	45,69,480	50.87
<b>TOTAL</b>	<b>3,895</b>	<b>100.00</b>	<b>89,82,900</b>	<b>100.00</b>

h. Shareholding pattern as on 31<sup>st</sup> March, 2012:

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	16,46,200	18.33
c) Indian Public	43,29,100	48.19
<b>TOTAL</b>	<b>89,82,900</b>	<b>100.00</b>

As on 31<sup>st</sup> March, 2012 only 4,04,310 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 31<sup>st</sup> March, 2012.

For and on behalf of the Board of Directors

Place: Hyderabad  
Date : 30.05.2012

(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 31<sup>st</sup> March, 2012 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 state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2012, no investor grievances are pending for a period exceeding one month as per the records maintained by the company which are presented to the Shareholders/investors grievances Committee.

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

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

Place: Hyderabad  
Date : 30.05.2012

(L. JANARDHAN RAO)  
Proprietor  
Membership No.18474

## **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.110.49 Lakhs during the Financial year 2011-2012 as against 114.06 Lakhs during 2010-2011 and has earned net profit of Rs.12.23 Lakhs as against Rs. 17.77 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, 2012, the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss 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 31.03.2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 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 31<sup>st</sup> March, 2012;
- b) In the case of the Statement of Profit and Loss , 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)

(L. JANARDHAN RAO)  
Proprietor  
Membership No.18474

Place : Hyderabad  
Date : 30.05.2012

## 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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (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 31.03.2012 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 as at 31<sup>st</sup> March, 2012 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 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)

Place : Hyderabad  
Date : 30.05.2012

(L. JANARDHAN RAO)  
Proprietor  
Membership No.18474



**BALANCE SHEET AS AT 31st MARCH, 2012**

	Note No.	As at 31.03.2012 ₹	As at 31.03.2011 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	<b>73,105,500.00</b>	73,105,500.00
(b) Reserves and Surplus	3	<b>11,577,255.73</b>	10,354,195.00
<b>(2) Share Application Money Pending Allotment</b>			
		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings		-	-
(b) Other Long Term Liabilities	4	<b>450,000.00</b>	450,000.00
(c) Long-Term Provisions	5	<b>712,000.00</b>	712,000.00
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	<b>907,564.09</b>	754,166.86
(b) Trade Payables		-	-
(c) Other Current Liabilities	7	<b>91,805.42</b>	236,880.50
(d) Short-Term Provisions	8	<b>24,146.50</b>	68,605.00
<b>Total</b>		<b>86,868,271.74</b>	85,681,347.36
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	9	<b>20,971,680.40</b>	22,284,863.40
(ii) Intangible Assets	9	<b>10,285.00</b>	-
(b) Non-current Investments	10	<b>21,008,780.22</b>	20,512,545.08
(c) Deferred Tax Assets (Net)	11	<b>2,732,757.00</b>	1,922,757.00
(d) Long-Term Loans and Advances	12	<b>5,251,151.00</b>	6,138,054.80
(e) Other non-current Assets	13	-	1,178,275.00
<b>(2) Current Assets</b>			
(a) Trade Receivables	14	<b>2,118,079.00</b>	1,817,756.00
(b) Cash and Cash equivalents	15	<b>28,108,804.12</b>	24,178,536.08
(c) Short-Term Loans and Advances	16	<b>6,585,735.00</b>	7,455,560.00
(d) Other Current Assets	17	<b>81,000.00</b>	193,000.00
<b>Total</b>		<b>86,868,271.74</b>	85,681,347.36
Notes forming part of Financial Statements	1 to 36		

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

(L.JANARDHAN RAO)  
Proprietor

Place : Hyderabad  
Date : 30.05.2012

For and on behalf of the Board

(T.ADINARAYANA)  
Chairman & Managing Director

(B.S.S. MURTHY)  
Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012**

	Note No	As at 31.03.2012 ₹	As at 31.03.2011 ₹
I. Revenue from Operations	18	<b>9,587,282.90</b>	9,066,776.00
II. Other Income	19	<b>1,461,873.46</b>	2,339,014.81
<b>III. Total Revenue (I+II)</b>		<b>11,049,156.36</b>	11,405,790.81
IV. Expenses:			
Cost of Materials Consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expenses	20	<b>1,246,783.50</b>	1,188,767.00
Finance Costs	21	<b>7,916.37</b>	36,265.42
Depreciation and amortization expenses	22	<b>3,279,153.00</b>	3,813,027.00
Other expenses	23	<b>4,095,115.76</b>	3,019,263.68
<b>Total Expenses (IV)</b>		<b>8,628,968.63</b>	8,057,323.10
V. Profit before exceptional and extraordinary items and tax (III-IV)		<b>2,420,187.73</b>	3,348,467.71
VI. Exceptional Items	24	<b>500,000.00</b>	500,000.00
VII. Profit before extraordinary Items and tax (V-VI)		<b>1,920,187.73</b>	2,848,467.71
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		<b>1,920,187.73</b>	2,848,467.71
<b>X. Tax Expense:</b>			
a) Current Tax		<b>1,465,000.00</b>	1,210,000.00
b) Prior Period Tax		<b>42,127.00</b>	151,336.00
c) Deferred tax		<b>(810,000.00)</b>	(290,000.00)
Total		<b>697,127.00</b>	1,071,336.00
XI. Profit/(Loss) for the period from continuing operations (IX-X)		<b>1,223,060.73</b>	1,777,131.71
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI+XIV)		<b>1,223,060.73</b>	1,777,131.71
XVI. Earnings per equity share:			
(1) Basic		<b>0.17</b>	0.24
(2) Diluted		<b>0.17</b>	0.24
Notes forming part of Financial Statements	1 to 36		

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

(L.JANARDHAN RAO)  
Proprietor

Place : Hyderabad  
Date : 30.05.2012

For and on behalf of the Board

(T.ADINARAYANA)  
Chairman & Managing Director

(B.S.S. MURTHY)  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	2011-12	2010-11
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITY</b>		
Net Profit/(Loss) before Tax & Extraordinary items	1,920,187.73	2,848,467.71
Adjustments for:		
Add:	-	-
Depreciation	2,100,878.00	2,029,975.00
Preliminary & Pre-operative Expenses	1,178,275.00	1,783,052.00
Interest paid	7,916.37	36,265.42
Provision for diminution in value of Investments	500,000.00	-
	<u>5,707,257.10</u>	<u>6,697,760.13</u>
Less:		
Other Income	(1,461,873.46)	(2,339,014.81)
Interest received	(3,312,282.90)	(3,391,776.00)
	<u>(4,774,156.36)</u>	<u>(5,730,790.81)</u>
Operating Profit/(Loss) before Working Capital changes Adjustments for :	933,100.74	966,969.32
Trade and other Receivables	758,405.80	2,533,016.20
Trade Payables and other Liabilities	(189,533.58)	(412,675.50)
	<u>568,872.22</u>	<u>2,120,340.70</u>
Cash generated from operations	1,501,972.96	3,087,310.02
Direct Taxes	(1,507,127.00)	(1,361,336.00)
Deferred Tax	810,000.00	290,000.00
Interest Paid	(7,916.37)	(36,265.42)
	<u>(705,043.37)</u>	<u>(1,107,601.42)</u>
Net Cash Flow from Operating Activities (A)	<u>796,929.59</u>	<u>1,979,708.60</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of Fixed Assets	-	-
Purchase of Investments (Net Aggregate Value taken)	(996,235.14)	(3,442,887.21)
Dividend Received	1,078,491.57	1,375,482.84
Bad deposits recovered	10,179.35	15,269.03
Bad debts recovered	200,000.00	-
Profit/(Loss) on Sale of Investments	(34,626.66)	669,566.94
Purchase of Fixed Assets	(797,980.00)	(1,677,118.00)
Other receipts - Profit on Chit	207,829.20	278,696.00
Net Cash Flow from Investing Activities (B)	<u>(332,341.68)</u>	<u>(2,780,990.40)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Borrowing/Repayment of secured Loans	153,397.23	140,341.11
Interest Received	3,312,282.90	3,391,776.00
Net Cash From/(Used in) Financing Activities (C)	<u>3,465,680.13</u>	<u>3,532,117.11</u>
<b>D. NET INCREASE/(DECREASE) IN CASH And Cash Equivalents (A+B+C)</b>	3,930,268.04	2,730,835.31
Cash and Cash Equivalents At the Beginning of the year	24,178,536.08	21,447,700.77
Cash and Cash Equivalents at the End of the year	28,108,804.12	24,178,536.08

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)

(L. JANARDHAN RAO)  
Proprietor

Place : Hyderabad  
Date : 30.05.2012

For and on behalf of the Board

(T. ADINARAYANA)  
Chairman & Managing Director

(B.S.S. MURTHY)  
Director

## **Notes forming part of the financial statements:**

### **Note 1:**

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

##### **A. Corporate information:**

Sigachi Laboratories Limited is mainly engaged in the business of manufacture of bulk drugs and drug intermediates and is undertaking job works at its two factories and its shares have been listed at the stock exchange, Ahmedabad.

##### **B. Significant Accounting Policies:**

a) Basis of Accounting:

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: Long Term 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) Expenses: All the expenses are accounted on accrual basis.

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 statement of Profit and Loss . 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.

j) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

k) Accounting for Taxes on income:

- (i) Current Tax is determined as the amount of tax payable in respect of its taxable income as per the provisions of the Income Tax Act, 1961.
- (ii) Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates.

l) Earnings per Share:

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity dilutive equity equivalent shares outstanding during the year, except when the results would be anti- dilutive.

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

**Note 2: Share Capital**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(a) Authorised Capital: 1,20,00,000 Equity Shares of Rs.10/- each	<b>120,000,000.00</b>	120,000,000.00
(b) Issued, Subscribed & Called Up Capital: 89,82,900 Equity Shares of Rs.10/- each	<b>89,829,000.00</b>	89,829,000.00
(c) Calls un paid	<b>(16,723,500.00)</b>	(16,723,500.00)
(d) Calls unpaid by directors & officers	-	-
<b>Paid up Equity Capital</b>	<b>73,105,500.00</b>	73,105,500.00

**2.(a) Reconciliation of shares Outstanding**

	As at 31.03.2012	As at 31.03.2011
At the beginning of the year		
No.of shares	<b>8,982,900</b>	8,982,900
Amount in Rs.	<b>73,105,500</b>	73,105,500
Issued during the year	-	-
Shares outstanding at the end of the year		
No.of shares	<b>8,982,900</b>	8,982,900
Amount in Rs.	<b>73,105,500</b>	73,105,500

**2.(b) Terms / Rights attached**

The Company has issued only one class of shares having face value of Rs.10/- each per share. Each holder of equity shares who has paid total amount of Rs.10/- per share is entitled to one vote per share.

**2.(c) The details of Shareholders holding more than 5% shares (fully paid) in the company**

Name of the Shareholder	As at 31.03.2012		As at 31.03.2011	
	No.of Shares	% of Held	No.of Shares	% of Held
Krishnaraj Securities Private Limited	<b>854,030</b>	<b>9.51</b>	-	-

**Note 3: Reserves and Surplus**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(a) Capital Reserve		
Opening balance	<b>1,322,000.00</b>	1,322,000.00
Add: Current Year Transfer	-	-
Less: Written back in Current year	-	-
<b>Closing balance</b>	<b>1,322,000.00</b>	1,322,000.00
(b) Surplus		
Opening balance	<b>9,032,195.00</b>	7,255,063.29
Add: Net Profit for the current year	<b>1,223,060.73</b>	1,777,131.71
<b>Closing balance</b>	<b>10,255,255.73</b>	9,032,195.00
<b>Total (a+b)</b>	<b>11,577,255.73</b>	10,354,195.00

**Note 4: Other Long Term Liabilities**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Others - Deposits from customers	450,000.00	450,000.00
<b>Total</b>	<b>450,000.00</b>	450,000.00

**Note 5: Long-Term Provisions**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(a) Provision for Employee benefits		
Gratuity	382,000.00	382,000.00
Leave Encashment	330,000.00	330,000.00
	<b>712,000.00</b>	712,000.00
(b) Others	-	-
<b>Total</b>	<b>712,000.00</b>	712,000.00

**Note 6: Short-Term Borrowings**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Secured		
Loans repayable on demand		
From Banks	907,564.09	754,166.86
<b>Total</b>	<b>907,564.09</b>	754,166.86

(The above overdraft/loan has been secured against the Fixed Deposit Receipts with the bank)

**Note 7: Other Current Liabilities**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Liability for Expenses	91,772.00	113,901.00
Other Payables	33.42	122,979.50
<b>Total</b>	<b>91,805.42</b>	236,880.50

**Note 8: Short-Term Provisions**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(a) Provision for Taxation	24,146.50	68,605.00
<b>Total</b>	<b>24,146.50</b>	68,605.00

**Note 9: Fixed Assets**

S.No.	Particulars	Gross Block - At Cost				Depreciation				Net Block	
		As at 01.04.2011 ₹	Additions ₹	Deletions/ Adjustments ₹	Balance As at 31.03.2012 ₹	Balance As at 01.04.2011 ₹	Depreciation for the year ₹	Deletions/ Adjustments ₹	Balance As at 31.03.2012 ₹	As at 31.03.2012 ₹	As at 31.03.2011 ₹
<b>A</b>	Tangible Assets:										
	Freehold Land	7,936,453.40	-	-	<b>7,936,453.40</b>	-	-	-	-	<b>7,936,453.40</b>	7,936,453.40
	Buildings	14,935,626.01	-	-	<b>14,935,626.01</b>	4,346,260.01	498,850.00	-	<b>4,845,110.01</b>	<b>10,090,516.00</b>	10,589,366.00
	Plant & Machinery	13,470,551.50	730,800.00	-	<b>14,201,351.50</b>	11,351,318.50	1,399,152.00	-	<b>12,750,470.50</b>	<b>1,450,881.00</b>	2,119,233.00
	Furnitures & Fixtures	353,271.48	-	-	<b>353,271.48</b>	317,525.48	22,362.00	-	<b>339,887.48</b>	<b>13,384.00</b>	35,746.00
	Office Equipment	132,053.50	-	-	<b>132,053.50</b>	50,733.50	10,880.00	-	<b>61,613.50</b>	<b>70,440.00</b>	81,320.00
	Computers	560,750.00	56,150.00	-	<b>616,900.00</b>	560,750.00	4,551.00	-	<b>565,301.00</b>	<b>51,599.00</b>	-
	Vehicles	1,729,873.00	-	-	<b>1,729,873.00</b>	207,128.00	164,338.00	-	<b>371,466.00</b>	<b>1,358,407.00</b>	1,522,745.00
	Lab Equipment	84,042.00	-	-	<b>84,042.00</b>	84,042.00	-	-	<b>84,042.00</b>	-	-
	<b>Total (A)</b>	<b>39,202,620.89</b>	<b>786,950.00</b>	<b>-</b>	<b>39,989,570.89</b>	<b>16,917,757.49</b>	<b>2,100,133.00</b>	<b>-</b>	<b>19,017,890.49</b>	<b>20,971,680.40</b>	<b>22,284,863.40</b>
<b>B</b>	Intangible Assets:										
	Computer Software	-	11,030.00	-	<b>11,030.00</b>	-	745.00	-	<b>745.00</b>	<b>10,285.00</b>	-
	<b>Total (B)</b>	<b>-</b>	<b>11,030.00</b>	<b>-</b>	<b>11,030.00</b>	<b>-</b>	<b>745.00</b>	<b>-</b>	<b>745.00</b>	<b>10,285.00</b>	<b>-</b>
	<b>Total (A+B)</b>	<b>39,202,620.89</b>	<b>797,980.00</b>	<b>-</b>	<b>40,000,600.89</b>	<b>16,917,757.49</b>	<b>2,100,878.00</b>	<b>-</b>	<b>19,018,635.49</b>	<b>20,981,965.40</b>	<b>22,284,863.40</b>



**Note 10 : Non-Current Investments**

	<b>INVESTMENTS (LONG TERM) in Equity Instruments Quoted, at cost</b>	<b>No.of Shares/units as at 31.03.2012</b>	<b>As at 31.03.2012 ₹</b>	<b>No.of Shares/units as at 31.03.2011</b>	<b>As at 31.03.2011 ₹</b>
1	3i Infotech India Limited Equity shares of Rs.10/- each	800	104,633.37	800	104,633.37
2	Adani Ports and Special Economic Zone Limited Equity shares of Rs.2/- each	1,635	143,880.00	1,635	143,880.00
3	Allahabad Bank Equity Shares of Rs.10/- each	3,000	39,600.00	3,000	39,600.00
4	Andhra Bank Equity shares of Rs.10/- each	6,651	613,140.00	6,651	613,140.00
5	Bank of Maharashtra Equity shares of Rs.10/- each	6,100	168,331.09	6,100	168,331.09
6	Ballapur Industries Limited (BILT) Equity Shares of Rs.2/- each	3,000	28,500.00	3,000	28,500.00
7	Bharat Petroleum Corporation Limited Equity Shares of Rs.10/- each	666	115,983.52	666	115,983.52
8	BL Kashyap & Sons Limited Equity Shares of Rs. 1/- each	1,000	40,138.24	1,000	40,138.24
9	Cairn India Limited Equity Shares of Rs.10/- each	3,000	424,548.45	3,000	424,548.45
10	Century Enka Limited Equity Shares of Rs.10/- each	1,000	185,140.74	1,000	185,140.74
11	Classic Diamonds Limited Equity Shares of Rs.2/- each	6,980	185,605.24	6,980	185,605.24
12	Coal India Limited Equity Shares of Rs.10/- each	80	19,600.00	80	19,600.00
13	Dena Bank Equity Shares of Rs.10/- each	3,000	110,460.00	3,000	110,460.00
14	Development Credit Bank Limited Equity Shares of Rs.10/- each	2,000	61,263.79	2,000	61,263.79
15	Digjam Limited Equity shares of Rs.10/- each	1,600	94,612.26	1,600	94,612.26
16	Divis Laboratories Limited Equity Shares of Rs.2/- each	1,500	21,000.00	1,500	21,000.00
17	Edelweiss Financial Services Limited Equity Shares of Rs.1/- each	1,730	142,725.00	1,730	142,725.00
18	Escorts Limited Equity Shares of Rs.10/- each	1,000	53,964.80	1,000	53,964.80
19	First Source Solutions Limited Equity shares of Rs.10/- each	3,000	153,128.38	3,000	153,128.38
20	Gayatri Sugars Limited Equity shares of Rs.10/- each	1,588	54,247.30	4,000	54,247.30
21	Gennex Laboratories Limited Equity shares of Rs.1/- each	70,000	37,889.00	70,000	37,889.00
22	Gitanjali Gems Limited Equity Shares of Rs.10/- each	100	14,077.83	100	14,077.83
23	Glenmark Pharmaceuticals Limited Equity Shares of Rs.1/- each	4,200	42,000.00	4,200	42,000.00
24	GMR Infrastructure Limited Equity shares of Rs.10/- each	2,200	210,627.66	2,200	210,627.66
25	G.T.L.Infrastructure Limited Equity shares of Rs.10/- each	619	3,190.00	619	3,190.00
26	Gujrat NRE Coke Limited Equity shares of Rs.10/- each	700	61,211.08	700	61,211.08
27	Gujarat State Petronet Limited Equity Shares of Rs.10/- each	1,218	48,266.00	1,218	48,266.00
28	Gulf Oil Corporation Limited Equity Shares of Rs.2/- each	4,000	254,426.53	4,000	254,426.53
29	HCL Technologies Limited Equity Sahres of Rs.2/- each	898	30,287.80	898	30,287.80
30	HDFC Bank Limited Equity Shares of Rs.2/- each	7,000	80,500.00	1,400	80,500.00
31	Heidelberg Cement Limited Equity Shares of Rs. 10/- each	1,000	51,394.30	1,000	51,394.30
32	Helios & Matheson Information Technologies Limited Equity Shares of Rs.10/- each	3,600	20,000.00	3,600	20,000.00
33	Hindustan Petroleum Corporation Limited Equity shares of Rs.10/- each	300	80,056.11	300	80,056.11
34	Indosolar Limited Equity shares of Rs.10/- each	1,000	27,405.15	1,000	27,405.15
35	IDBI Bank Limited Equity shares of Rs.10/- each	2,500	234,133.06	2,500	234,133.06

	<b>INVESTMENTS (LONG TERM) in Equity Instruments Quoted, at cost</b>	<b>No.of Shares/units as at 31.03.2012</b>	<b>As at 31.03.2012 ₹</b>	<b>No.of Shares/units as at 31.03.2011</b>	<b>As at 31.03.2011 ₹</b>
36	IDFC Limited Equity Shares of Rs.10/- each	265	9,010.00	265	9,010.00
37	India Cements Limited Equity Shares of Rs.10/- each	500	15,398.50	500	15,398.50
38	Indraprastha Gas Limited Equity Sahres of Rs.10/- each	1,200	57,600.00	1,200	57,600.00
39	Infosys Limited Equity Shares of Rs.5/- each	60	93,918.47	60	93,918.47
40	Integrated Hi-Tech Limited Equity Shares of Rs.10/- each	700	7,000.00	700	7,000.00
41	ITC Limited Equity Shares of Rs.1/- each	6,000	347,723.95	6,000	347,723.95
42	Indian Overseas Bank Equity Shares of Rs.10/- each	1,500	109,425.49	1,000	62,220.70
43	Jaiprakash Power Ventures Limited Equity Shares of Rs.10/- each	3,400	108,800.00	3,400	108,800.00
44	Kale Consultants Limited Equity Shares of Rs.10/- each	1,100	132,000.00	1,100	132,000.00
45	Krishnaraj Securities Private Limited (Unquoted) Equity Shares of Rs.10/- each	50,000	500,000.00	50,000	500,000.00
46	KCP Cements Limited Equity Shares of Rs.1/- each	1,000	32,149.73	1,000	32,149.73
47	Larsen & Toubro T Limited Equity shares of Rs.2/- each	250	305,243.61	200	237,311.00
48	Lloyds Steel Limited Equity Shares of Rs.10/- each	2,000	42,950.67	2,000	42,950.67
49	Mahindra & Mahindra Limited Equity Shares of Rs.5/- each	1,200	29,421.86	1,200	29,421.86
50	Madras Fertilizers Limited Equity Shares of Rs.10/- each	1,000	28,245.00	1,000	28,245.00
51	Maruti Suzuki India Limited Equity Shares of Rs.10/- each	300	37,500.00	300	37,500.00
52	Mega Soft Limited Equity Shares of Rs.10/- each	500	132,074.05	500	132,074.05
53	MOIL Limited Equity Shares of Rs.10/- each	28	10,500.00	28	10,500.00
54	MPS Limited Equity shares of 10/- each	171	7,328.99	171	7,328.99
55	Mukand Iron Limited Equity Sahres of Rs.10/- each	2,100	2,500.00	2,100	2,500.00
56	NHPC Limited Equity Shares of Rs. 10/- each	2,500	82,780.14	2,500	82,780.14
57	NTPC Limited Equity Shares of Rs.10/- each	9,079	641,110.48	9,079	641,110.48
58	ONGC Limited Equity Shares of Rs.5/- each	600	61,005.00	600	61,005.00
59	Patni Computer Systems Limited Equity Shares of Rs.10/- each	1,250	287,500.00	1,250	287,500.00
60	Petronet LNG Limited Equity Shares of Rs.10/- each	30,125	454,535.25	30,125	454,535.25
61	Power Grid Corporation of India Limited Equity Shares of Rs.10/- each	873	60,064.00	873	60,064.00
62	Power Trading Corporation of India Limited Equity Shares of Rs.10/- each	2,100	85,825.63	2,100	85,825.63
63	Power Trading Corporation of India Financial Services Ltd Equity Shares of Rs.10/- each	35,500	994,000.00	35,500	994,000.00
64	Punjab & Sind Bank Equity Shares of Rs.10/- each	97	11,640.00	97	11,640.00
65	Rallis India Limited Equity Shares of Rs.1/- each	3,000	8,465.67	300	8,465.67
66	Rashtriya Chemicals & Fertilizers Limited Equity Shares of Rs.10/- each	3,200	376,044.93	3,200	376,044.93
67	Reliance Communications Limited Equity Shares of Rs.10/- each	781	192,334.34	781	192,334.34
68	Reliance Industries Limited Equity shares of Rs.10/- each	920	448,136.75	720	293,207.98
69	Reliance Power Limited Equity Shares of Rs.10/- each	1,670	238,089.31	1,670	238,089.31
70	Sadbhav Engineering Limited Equity Shares of Rs.1/- each	2,180	40,330.00	2,180	40,330.00

	<b>INVESTMENTS (LONG TERM) in Equity Instruments Quoted, at cost</b>	<b>No.of Shares/units as at 31.03.2012</b>	<b>As at 31.03.2012 ₹</b>	<b>No.of Shares/units as at 31.03.2011</b>	<b>As at 31.03.2011 ₹</b>
71	Sahara Housing Finance Limited Equity shares of Rs.10/- each	250	9,612.00	250	9,612.00
72	Steel Authority of India Limited Equity Shares of Rs.10/- each	2,000	84,400.00	2,000	84,400.00
73	SMS Pharmaceuticals Limited Equity Shares of Rs.10/- each	1,000	238,715.07	1,000	238,715.07
74	Surya Chakra Power Corporation Limited Equity Shares of Rs.10/- each	1,000	44,886.32	1,000	44,886.32
75	Syndicate Bank Equity Shares of Rs.10/- each	32,000	486,542.50	32,000	486,542.50
76	Satyam Computer Services Limited Equity Shares of Rs.2/- each	3,900	293,445.63	3,900	293,445.63
77	Tata Consultancy Services Limited Equity shares of Rs.1/- each	248	52,700.00	248	52,700.00
78	Tata Steel Limited Equity shares of Rs.10/- each	2,684	780,851.77	2,684	780,851.77
79	Tata Teleservices Limited Equity Shares of Rs.10/- each	3,500	21,350.00	3,500	21,350.00
80	Tech Mahindra Limited Equity Shares of Rs.10/- each	50	48,300.62	50	48,300.62
81	The Karnataka Bank Limited Equity Shares of Rs.10/- each	2,414	130,650.00	2,414	130,650.00
82	Television Eighteen India Limited Equity Shares of Rs.2/- each	380	36,000.00	560	36,000.00
83	UCO Bank Equity Shares of Rs.10/- each	11,900	230,045.00	11,900	230,045.00
84	Union Bank of India Equity Shares of Rs.10/- each	1,004	19,839.04	1,004	19,839.04
85	Unitech Limited Equity Shares of Rs.2/- each	500	33,138.34	500	33,138.34
86	Vijaya Bank Equity Shares of Rs.10/- each	20,400	526,238.57	20,400	526,238.57
87	Virgo Global Media Limited Equity Shares of Rs.4/- each	20,000	200,000.00	20,000	200,000.00
88	Vista Pharma Limited Equity Shares of Rs.10/- each	1,500	45,752.82	1,500	45,752.82
89	Voltas Limited Equity Shares of Rs.1/- each	5,000	42,795.00	5,000	42,795.00
90	Zodiac - JRD - MKJ Limited Equity Shares of Rs.10/- each	1,000	43,148.98	1,000	43,148.98
	<b>Total (A)</b>		<b>13,315,030.18</b>		<b>13,044,964.01</b>
	<b>Bonds - At Cost</b>				
1	National Highways Authority of India Tax Free Bonds of Rs.1,000/- each	500	500,000.00	-	-
	<b>Total (B)</b>		<b>500,000.00</b>		<b>0.00</b>
	<b>Mutual Funds - At Cost</b>				
1	Franklin Templeton India Growth Fund - Dividend Reinvestment Units of Rs.10/- each	17,963.579	480,381.52	17,286.139	454,452.31
2	Franklin India Blue Chip Fund - Growth Units of Rs.10/- each	2,238.138	50,000.00	2,238.138	50,000.00
3	B91 Birla Sun life Frontline Equity Fund - Plan A - Dividend - Reinvestment Units of Rs. 10/- each	5,121.780	112,768.20	5,121.780	112,768.20
4	Fidelity Equity Fund - Growth Units of Rs.10/- each	23,949.364	300,000.00	23,949.364	300,000.00
5	Fidelity India Special Situations Fund - Growth Units of Rs.10/- each	48,899.756	500,000.00	48,899.756	500,000.00
6	ING Dividend Yield Fund - Growth Option Units of Rs.10/- each	14,741.278	280,231.69	14,741.278	280,231.69
7	DSP Black Rock Equity Fund - Regular Plan - Dividend Units of Rs. 10/- each	24,314.343	1,178,535.62	23,736.556	1,152,425.41
8	SBI Magnum Sector funds Umbrella Contra - Dividend Units of Rs.10/- each	22,984.992	519,770.52	18,934.263	453,500.60

	<b>INVESTMENTS (LONG TERM) in Equity Instruments Quoted, at cost</b>	<b>No.of Shares/units as at 31.03.2012</b>	<b>As at 31.03.2012 ₹</b>	<b>No.of Shares/units as at 31.03.2011</b>	<b>As at 31.03.2011 ₹</b>
9	Reliance Regular saving Fund - Equity Plan - Growth Option Units of Rs.10/- each	15,757.882	430,540.00	15,757.882	430,540.00
10	ICICI Prudential Discovery Fund - Dividend Units of Rs. 10/- each	28,741.670	589,270.23	27,257.080	562,013.15
11	ICICI Prudential Focused Blue chip Equity Fund - Reinvestment Units of Rs.10/- each	33,288.948	500,000.00	33,288.948	500,000.00
12	UTI Energy Fund - Dividend Plan - Reinvestment Units of Rs. 10/- each	-	-	66,409.813	904,292.40
13	UTI - Master Share Unit Scheme - Dividend Plan - Reinvestment Units of Rs.10/- each	41,365.004	925,647.33	38,117.216	841,789.45
14	UTI Infrastructure Fund - Dividend Plan - Payout Units of Rs.10/- each	-	-	21,246.459	300,000.00
15	UTI Mid Cap Fund Dividend Plan - Reinvestment Units of Rs.10/- each	31,194.778	412,910.65	31,194.778	412,910.65
16	UTI Mid Cap Fund Dividend Plan - Reinvestment Units of Rs.10/- each	20,082.658	500,080.57	20,082.658	500,080.57
17	UTI MNC Fund - Dividend Plan - Payout Units of Rs.10/- each	17,789.684	489,750.00	17,789.684	489,750.00
18	UTI Banking Sector Fund - Dividend Plan - Payout Units of Rs.10/- each	17,620.127	250,382.00	17,620.127	250,382.00
19	UTI Banking Sector Fund - Dividend Plan - Reinvestment Units of Rs.10/- each	13,736.241	333,676.81	12,185.175	303,214.81
20	UTI Contra Fund-Dividend Plan - Reinvestment Units of Rs.10/- each	-	-	37,068.123	384,229.83
21	UTI Wealth Builder Fund - Dividend Plan - Payout Units of Rs.10/- each	-	-	50,000.000	500,000.00
22	UTI Treasury Advantage Fund Devidend - Reinvestment Units of Rs.10/- each	0.980	1,024.96	-	-
23	UTI Banking sector fund growth plan Units of 10/- each	20,070.570	733,980.73	-	-
24	UTI Dividend yield fund growth option Units of 10/- each	12,820.261	389,351.34	-	-
25	UTI Dividend yield fund growth option Units of 10/- each	10,963.051	332,947.87	-	-
26	UTI Opportunities Fund - Dividend plan - Reinvestment Units of 10/- each	46,461.897	597,500.00	-	-
	<b>Total (C)</b>		<b>9,908,750.04</b>		<b>9,682,581.07</b>
	<b>Total( A+B+C)</b>		<b>23,723,780.22</b>		<b>22,727,545.08</b>
	Less: Provision for diminution in value of investments		<b>2,715,000.00</b>		<b>2,215,000.00</b>
	<b>Grand Total</b>		<b>21,008,780.22</b>		<b>20,512,545.08</b>

(i) Aggregate amount of Quoted Shares	<b>12,815,030.18</b>	12,544,964.01
(ii) Aggregate Value of Quoted Shares	<b>35,212,921.00</b>	36,690,344.00
(iii) Aggregate Provision for diminution in value of investments	<b>2,715,000.00</b>	2,215,000.00

**Note 11: Deferred Tax Asset (Net)**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Deferred Tax Asset	4,635,757.00	3,825,757.00
Deferred Tax Liability	1,903,000.00	1,903,000.00
<b>Total Deferred Tax Asset - Net</b>	<b>2,732,757.00</b>	<b>1,922,757.00</b>

**Note 12: Long-Term Loans & Advances - unsecured**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(a) Capital advances	1,250,000.00	2,600,000.00
(b) Security Deposits	2,031,045.00	914,345.00
(c) Other Deposits	613,750.00	613,750.00
(d) Other Loans & Advances	1,356,356.00	2,009,959.80
<b>Total</b>	<b>5,251,151.00</b>	<b>6,138,054.80</b>

**Note 13: Other Non-Current Assets**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(a) Miscellaneous Expenses (to the extent not Written off or adjusted)	-	1,178,275.00
(b) Long term Trade receivables	-	-
<b>Total</b>	-	<b>1,178,275.00</b>

**Note 14: Trade Receivables**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(a) Outstanding for a period exceeding Six months	-	-
(b) Outstanding for a period less than Six months unsecured considered good	2,118,079.00	1,817,756.00
<b>Total</b>	<b>2,118,079.00</b>	<b>1,817,756.00</b>

**Note 15: Cash and Cash Equivalents**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(a) Balance with banks		
In current accounts	171,656.68	337,219.92
In Fixed Deposits with banks		
Less than 12 Months	320,592.00	23,731,841.35
More than 12 Months	26,399,066.25	-
	<b>26,891,314.93</b>	24,069,061.27
(b) Cash on hand	19,715.68	4,696.81
(c) Cheques/ Drafts on hand	1,197,773.51	104,778.00
<b>Total</b>	<b>28,108,804.12</b>	<b>24,178,536.08</b>

**Note 16: Short-Term Loans & Advances**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Loans & Advances to Related parties	-	-
Loans & ICD's, un secured	6,585,735.00	7,455,560.00
<b>Total</b>	<b>6,585,735.00</b>	<b>7,455,560.00</b>

**Note 17: Other Current Assets**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Other Advances, un secured	81,000.00	193,000.00
<b>Total</b>	<b>81,000.00</b>	<b>193,000.00</b>

**Note 18: Revenue from Operations**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Conversion /Job Work Charges	6,275,000.00	5,675,000.00
Interest Income		
Interest on FD's	2,536,282.90	2,397,155.00
Interest on Loans/ICD's	776,000.00	994,621.00
	<b>3,312,282.90</b>	<b>3,391,776.00</b>
<b>Total</b>	<b>9,587,282.90</b>	<b>9,066,776.00</b>

**Note 19: Other Income**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Dividend Income	1,078,491.57	1,375,482.84
Net gain/loss from sale of Investments	(34,626.66)	669,566.94
Recovery of Bad debts	200,000.00	-
Recovery of Bad deposits	10,179.35	15,269.03
Profit from Chit	207,829.20	278,696.00
<b>Total</b>	<b>1,461,873.46</b>	<b>2,339,014.81</b>

**Expenditure****Note 20: Employee Benefits Expenses**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Salaries and Wages	1,199,278.00	1,142,318.00
ESI	11,061.00	10,212.00
Staff Welfare	36,444.50	36,237.00
<b>Total</b>	<b>1,246,783.50</b>	<b>1,188,767.00</b>

**Note 21: Finance Costs**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Interest to Banks	7,916.37	36,265.42
<b>Total</b>	<b>7,916.37</b>	<b>36,265.42</b>

**Note 22: Depreciation and Amortization Expenses**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Depreciation	2,100,878.00	2,029,975.00
Preliminary & Pre-operative expenses writtenoff	1,178,275.00	1,783,052.00
<b>Total</b>	<b>3,279,153.00</b>	<b>3,813,027.00</b>

**Note 23: Other Expenses**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Power and Fuel	4,187.00	5,042.00
Rent	79,600.00	67,200.00
Building Maintenance	-	5,549.00
Repairs & Maintenance	967,820.00	553,047.50
Insurance	199,297.00	203,048.00
Audit Fee	15,000.00	17,000.00
Audit Expenses	300.00	-
Advertisement Expenses	38,650.00	33,045.00
Bank Charges	7,757.20	2,146.20
Bad debts	907,325.00	1,612,217.00
Bad Advances	1,350,000.00	-
Consultancy Charges	13,788.00	11,030.00
Computer maintenance	5,900.00	2,070.00
Conveyance Expenses	158,094.63	171,121.98
Listing Fee	11,030.00	11,030.00
Miscellaneous Expenses	13,324.00	31,367.00
Office Maintenance	66,792.00	65,960.00
Postage & Telegrams	32,848.00	31,948.00
Printing & Stationary	17,603.30	8,632.00
Sales Tax / VAT	-	2,755.00
Sitting Fee & Incidental Expenses	20,000.00	12,500.00
Share Transfer & Depository Fee	75,965.00	76,187.00
Telephone Charges	62,169.63	39,175.00
Travelling Expenses	28,922.00	3,562.00
Vehicle Maintenance	18,743.00	53,631.00
<b>Total</b>	<b>4,095,115.76</b>	<b>3,019,263.68</b>

**Note 24: Exceptional Items**

	As at 31.03.2012 ₹	As at 31.03.2011 ₹
Bad Investments	-	500,000.00
Provision for Diminution value of Investments	500,000.00	-
<b>Total</b>	<b>500,000.00</b>	<b>500,000.00</b>

Other Notes to the Financial Statements

25. Managerial remuneration:

	<b>As at 31.03.2012 Rs.</b>	As at 31.03.2011 Rs.
Managing Director's Salary	<b>7,82,313.00</b>	7,64,296.00

26. Auditors' remuneration:

	<b>As at 31.03.2012 Rs.</b>	As at 31.03.2011 Rs.
Audit Fee	<b>12,000.00</b>	12,000.00
Tax Audit Fee	<b>3,000.00</b>	3,000.00
Fee for other Services	--	2,000.00
	<b>15,000.00</b>	17,000.00

27. 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.

28. 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	2011-12	2010-11
a. Principal amount remaining unpaid as on 31 <sup>st</sup> March.	<b>NIL</b>	NIL
b. Interest due thereon as on 31 <sup>st</sup> March.	<b>NIL</b>	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.	<b>NIL</b>	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.	<b>NIL</b>	NIL
e. Interest accrued and remaining unpaid as at 31 <sup>st</sup> March.	<b>NIL</b>	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.	<b>NIL</b>	NIL



29. Balances in Fixed Deposits include deposits of **Rs.13,71,700/-** (Rs.9,43,018/-) 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.

30. 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).

31. Contingent Liabilities and Commitments:

a. Claims against the company:

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.

b. Bank Guarantees:

Rs.5,00,000/- as at 31-3-2012 and Rs. Nil as at 31-3-2011. The Bank Guarantee is secured against the lien on the fixed deposit receipt for Rs.5,00,000/-

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

	<b>As at 31.03.2012 Rs.</b>	As at 31.03.2011 Rs.
a) Net Profit	<b>12,23,061</b>	17,77,132
b) Number of Equity shares adjusted Nos.	<b>73,10,550</b>	73,10,550
c) Basic and Diluted Earnings per share	<b>0.17</b>	0.24

33. Segment information for the year ended 31<sup>st</sup> March, 2012:

(a) Primary Segment Reporting: Business Segment.

		(Rs. in lakhs)	
S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2012 (AUDITED)	Year Ended 31 <sup>st</sup> March, 2011 (AUDITED)
1.	Segment Revenue:		
	Net Sales/Income from each Segment:		
	a) Bulk Drugs & Intermediates, (Job works/processing charges)	62.75	56.75
	b) Interest on ICD's & FD's	33.12	33.92
	c) Others	14.62	23.39
		-----	-----
		110.49	114.06
	Less: Inter Segment Revenue	-	-
		-----	-----
	Net Sales/Income from Operations	110.49	114.06
		-----	-----
2.	Segment Results:		
	Profit/(Loss) before tax:		
	a) Bulk Drugs & Intermediates	17.96	27.74
	b) On ICD's & FD's	24.05	17.79
	c) Others	9.62	18.39
		-----	-----
		51.63	63.92
	Less (i) Interest	0.08	0.36
	(ii) Other Un-allocable Expenditure	32.35	35.08
		-----	-----
	Total Profit before Tax	19.20	28.48
		-----	-----
3.	Capital Employed:		
	(Segment Assets-Liabilities)		
	a) Bulk Drugs & Intermediates	312.76	294.94
	b) On ICD's & FD's	323.98	311.88
	c) Others	210.09	227.78
		-----	-----
		846.83	834.60
		-----	-----

b) Secondary Segment Reporting: Not Applicable

34. 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.7,82,313/-** (Rs. 7,64,296/-).

Sitting fee and reimbursement of expenses paid to the directors:

	<b>As at 31.03.2012</b>	As at 31.03.2011
Sri. Ch. Nageswara Rao	<b>Rs.10,000/-</b>	(NIL)
Sri. B.S.S. Murthy	<b>Rs.10,000/-</b>	(Rs.7,500/-).
Sri. P.C.Sai Babu	<b>(NIL)</b>	(Rs.2,500/-).

35. Foreign Exchange Transactions:

	<b>As at 31.03.2012</b>	As at 31.03.2011
a) Value of Imported Raw Materials Consumed	<b>Nil</b>	Nil
b) Value of Imports on CIF Basis	<b>Nil</b>	Nil
c) Earnings in Foreign Currency (FOB value of Exports)	<b>Nil</b>	Nil
d) Expenditure in Foreign Currency	<b>Nil</b>	Nil

36. Previous year figures have been regrouped/reclassified/rearranged wherever necessary to conform to the current year presentation and also to be in conformity with revised schedule VI.

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

For and on behalf of the Board  
  
(T. ADINARAYANA)  
Chairman & Managing Director

(L. JANARDHAN RAO)  
Proprietor

(B.S.S. MURTHY)  
Director

Place : Hyderabad  
Date : 30.05.2012

**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

Date

0 3

Month

2 0 1 2

Year

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

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

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

Total Liabilities

8 6 8 6 8

Total Assets

8 6 8 6 8

**SOURCES OF FUNDS**

Paid -up Capital

7 3 1 0 6

Reserves & Surplus

1 1 5 7 7

Non-current Liabilities

1 1 6 2

Current Liabilities

1 0 2 3

**APPLICATION OF FUNDS**

Net Fixed Assets

2 0 9 8 2

Investments

2 1 0 0 9

Current Assets

3 6 8 9 4

Long-Term Loans & Advances

5 2 5 1

Deferred Tax Asset (Net)

2 7 3 2

**iv. PERFORMANCE OF COMPANY (Rs .in Thousands)**

Turnover & Other Income

1 1 0 4 9

Total Expenditure

9 1 2 9

Profit Before Tax

1 9 2 0

Profit after Tax

1 2 2 3

Earning Per Share in Rs.

0 . 1 7

Dividend Rate

N I L

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

ITC Code No. 313907005

Service Description : Pharmaceuticals products, Bulk Drugs and Intermediates.

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

(L. JANARDHAN RAO)  
Proprietor  
Place : Hyderabad  
Date : 30.05.2012

For and on behalf of the Board

(T. ADINARAYANA)  
Chairman & Managing Director

(B.S.S. MURTHY)  
Director

**SIGACHI LABORATORIES LIMITED**

Regd. Office:S.NO.530 & 534, BONTHAPALLY - 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 18<sup>th</sup> Annual General Meeting to be held on Wednesday  
the 26th September, 2012 at 2.00 P.M., (Noon) or at any adjournment  
thereof.

Signed this ----- day of -----2012.

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, BONTHAPALLY - 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 18<sup>th</sup> Annual General Meeting of the company held on Wednesday the 26<sup>th</sup> September, 2012 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

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