



19th  
**ANNUAL REPORT**  
2012 - 2013



**SIGACHI LABORATORIES LIMITED**



**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.
Cost Auditors	:	K.S.V. Subbarao & Associates, Cost Accountants, 411, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001.
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 Nineteenth 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 Thursday, the 26<sup>th</sup> day of September, 2013 at 2.00 P.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 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. T. R. Sekhar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri B.S.S. Murthy, 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 19<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.”

### SPECIAL BUSINESS

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

“Resolved that pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions read with Schedule XIII of the Companies Act, 1956, subject to such other approvals as may be necessary Sri. T.Adinarayana be and is hereby re-appointed as Chairman and Managing Director of the Company for a further period of five years with effect from 01.07.2013 on the following terms and conditions:”

- I. Salary:  
Rs.90,000/- (Rupees Ninety Thousand only) per month in the scale of Rs.90,000/- - Rs.5,000/-.

II. Perquisites:

In addition to the aforesaid salary, the Chairman and Managing Director shall be entitled to the following Perquisites:

1. Housing:

- a) The expenditure incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 30% of the salary; or
- b) In case the accommodation is owned by the Company, ten percent of the salary shall be deducted by the Company; or
- c) In case no accommodation is provided by the Company, Sri. T.Adinarayana shall be entitled to house rent allowance subject to the ceiling laid down in clause (a).

2. Reimbursement of expenditure incurred on gas, electricity, water, furnishing and appliances.

3. Medical Reimbursement:

Reimbursement of all medical expenses incurred for self and family.

4. Leave Travel Concession:

Leave Travel Concession for self and family once in a year, incurred in accordance with the rules of the Company, not exceeding Rs.50,000/- per annum.

5. Mediclaim Insurance Policy:

Mediclaim Insurance Policy Premium does not exceed Rs.25,000/- per annum.

Explanation: Family for (3) and (4) means the spouse, the dependant children and dependant parents.

6. Club Fees:

Fees of clubs subject to a maximum of two clubs. No admission and life membership fees shall be paid.

7. Personal Accident Insurance:

Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.20,000/- per annum.

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

9. Company's contribution towards Provident Fund, as per the rules of the company.

10. Gratuity payable at a rate not exceeding half month's Salary for each completed year of service.
11. Company's contribution towards superannuation Fund as per the rules of the Company.

The aforesaid perquisites stated in 9, 10 and 11 shall not be included in the computation of minimum remuneration to the extent these either singly or put together are not taxable under the Income tax Act, 1961.

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

The Chairman and Managing Director, so long as he function as such, shall not be paid any sitting fees for attending the meeting of Board of Directors or any committees thereof. He is not liable to retire by rotation till he continues as Chairman and Managing Director.

"Resolved further that the perquisites mentioned above shall be interchangeable within the overall ceiling of Rs.1,25,000/- per month or Rs. 15,00,000/- per annum to Sri. T. Adinarayana, Chairman and Managing Director".

"Resolved further that in the event of loss, no profits or inadequacy of profits in any financial year, the remuneration payable to Sri. T. Adinarayana, Chairman and Managing Director shall not exceed the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limits as may be notified by the Government from time to time as minimum remuneration".

"Resolved further that the terms and conditions set out for re-appointment and/or agreements shall be altered and varied from time to time by the Board as it may, at its discretion, deem fit so as not to exceed the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956 or any other amendments made there under in this regard".

For and on behalf of the Board

Place: Hyderabad  
Date : 14.08.2013

(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, 2013 to 26<sup>th</sup> September, 2013 (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, however Sri. T. Adinarayana, Chairman & Managing Director is interested in the resolution regarding the reappointment of Sri. T.R. Sekhar, who is related to him.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

**ITEM NO.5**

The tenure / term of Sri. T. Adinarayana as Chairman and Managing Director of the Company expired on 30.6.2013. The Board of Directors at their meeting held on 29<sup>th</sup> June, 2013, have re-appointed him as Chairman and Managing Director of the company for a further period of 5 years with effect from 1<sup>st</sup> July, 2013, subject to the approval of Members and such other Provisions of Companies Act, 1956, on a remuneration and other terms and conditions mentioned in the proposed resolution, based on the approval of the Remuneration Committee.

The Board recommends the resolution for approval of members.

None of the Director(s) except Sri. T. Adinarayana and Sri. T.R. Sekhar is concerned or interested in the resolution.

**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. T. R. Sekhar
2.	Date of Birth	10-04-1951	21-12-1982
3.	Date of appointment	31-05-2010	30-01-2010
4.	Experience in specific functional areas	He had 29 Years of rich Experience in a State Level Financial Institution.	--
5.	Qualifications	B. Com., M.B.A.,	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 : 14.08.2013

(B.S.S. MURTHY)

Director

**DIRECTORS' REPORT**

To  
The Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report, together with the Audited statements of Accounts of the Company for the year ended 31<sup>st</sup> March, 2013 along with Auditors' Report thereon:

**FINANCIAL RESULTS:**

(Rupees in Lakhs)

	<b>2012-2013</b>	2011-2012
Sales/Income from operations	<b>122.71</b>	110.49
Profit before Depreciation and Amortization	<b>57.06</b>	56.99
Depreciation and Amortization	<b>22.15</b>	32.79
Exceptional Items	<b>1.85</b>	5.00
Profit before Tax	<b>33.05</b>	19.20
Provision for Taxation:		
Current Tax	<b>14.75</b>	14.65
Prior period Tax	<b>0.56</b>	0.42
Deferred Tax	-	(8.10)
Profit after Tax	<b>17.74</b>	12.23

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. T.R. Sekhar and Sri. B.S.S. Murthy, 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 2012-2013.



**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, 2013, 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, 2013 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 other Notes to the Financial statements 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 and 58AA of the Companies Act, 1956 during the year under review.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RE-SEARCH 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 : 27.05.2013

(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 2012-2013	Previous Year 2011-2012
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:**

	<b>2012-2013</b>	<b>2011-2012</b>
a) Activities related to exports	--	--
b) Total Foreign Exchange used & earned		
i) Foreign Exchange used :	<b>Nil</b>	Nil
ii) Foreign Exchange earned :	<b>Nil</b>	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 2012-13	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, 2012, 14<sup>th</sup> August, 2012, 26<sup>th</sup> September, 2012, 10<sup>th</sup> November, 2012, 8<sup>th</sup> February, 2013 and 30<sup>th</sup> March, 2013.

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 30<sup>th</sup> May, 2012, 14<sup>th</sup> August, 2012, 10<sup>th</sup> November, 2012 & 8<sup>th</sup> February, 2013.

**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.8,41,372/-** (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

not paid sitting fee and incidental expenses of (Rs.10,000/-) to Sri. Ch.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 Share Transfer/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 31.03.2013. There were no cases pending for share transfer as at 31.03.2013.

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 verified and processed by the RTA, subject to the

documents being valid and complete in all respects. With regard to the shares in Demat (ISIN No.INE368H01018) mode, the procedure adopted is as per the provisions of the Depositories Act, 1996.

- 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:

<b>Financial Year</b>	<b>Day &amp; Date</b>	<b>Time</b>	<b>Venue</b>
2011-2012	Wednesday, 26.09.2012	2.00 P.M.	S.No.530 & 534, Bonthapally - 502 313, Jinnaram Mandal, Medak Dist., Andhra Pradesh.
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.

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 Exchange immediately after they are approved by the Board of Directors. The results were published in Business Standard (English Edition) and Andhra Prabha / Surya (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  
19<sup>th</sup> Annual General Meeting

Day, Date and Time : Thursday, the 26th September, 2013  
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 IV (G) 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 26.09.2013.

b. Financial Calendar

Calendar for Financial Year : 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014

Financial Reporting :

I. Quarter - Un-audited Financial

Results : July/August, 2013

II. Quarter - Un-audited Financial

Results : October/November, 2013

III. Quarter - Un-audited Financial

Results : January/February, 2014

IV. Quarter Un/audited Financial

Results & Year ending

31<sup>st</sup> March, 2014 results: April / May, 2014

c. Dates of Book Closure

: 21<sup>st</sup> September, 2013  
to 26<sup>th</sup> September, 2013

d. Dividend payment date

: Not applicable

e. Listing on Stock Exchanges

: The company's shares  
have been listed at:

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 2012-2013 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, 2013:

No. of Shares	No. of Shareholders	% To the total Shareholders	No. of Shares	% To the total shares
Upto 500	1,629	41.75	4,07,120	4.53
501 - 1000	1,040	26.65	10,24,100	11.40
1001 - 2000	439	11.25	7,31,200	8.14
2001 - 3000	644	16.51	16,42,100	18.28
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	38	0.97	45,68,480	50.86
<b>Total</b>	<b>3,902</b>	<b>100.00</b>	<b>89,82,900</b>	<b>100.00</b>

h. Shareholding pattern as on 31<sup>st</sup> March, 2013:

Category	No. of Shares held	Percentage of Shareholding %
<b>A. Promoter's Holding:</b>		
Indian Promoters	23,86,100	26.56
<b>B. Non-Promoter's Holding:</b>		
a) Private Corporate Bodies	6,25,500	6.96
b) NRIs/OCBs	16,41,450	18.27
c) Indian Public	43,29,850	48.21
<b>TOTAL</b>	<b>89,82,900</b>	<b>100.00</b>

As on 31<sup>st</sup> March, 2013 only 7,67,420 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, 2013.

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 27.05.2013

(T. ADINARAYANA)  
Chairman & Managing Director

## Auditors Certificate on Corporate Governance

To  
The Members,  
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, 2013 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, 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 : 27.05.2013

## 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.122.71 Lakhs during the Financial year 2012-2013 as against 110.49 Lakhs during 2011-2012 and has earned net profit of Rs.17.74 Lakhs as against Rs. 12.23 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.

## Independent Auditors' Report

To  
The members of  
Sigachi Laboratories Limited,

### Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Sigachi Laboratories Limited (the "Company") which comprises the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures



selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
- (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 the Cash Flow Statement, of the cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. 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;
  - b. 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;

- c. 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;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable; and
- e. On the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

(L. JANARDHAN RAO)  
Proprietor  
Membership No.18474

Place : Hyderabad  
Date : 27.05.2013

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in paragraph 1 of our report of even date to the Members of Sigachi Laboratories Limited ('the company') on the accounts of the Company for the Year Ended 31<sup>st</sup> March, 2013. We report that;

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion, is reasonable, having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such physical 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 control systems.

- (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.
- (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 31.03.2013 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, 2013 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)

(L. JANARDHAN RAO)  
Proprietor  
Membership No.18474

Place : Hyderabad  
Date : 27.05.2013

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2013**

	Note No.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	2	<b>73,105,500.00</b>	73,105,500.00
(b) Reserves and Surplus	3	<b>13,351,363.00</b>	11,577,255.73
<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>1,212,000.00</b>	712,000.00
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	6	-	907,564.09
(b) Trade Payables		-	-
(c) Other Current Liabilities	7	<b>84,696.00</b>	91,805.42
(d) Short-Term Provisions	8	<b>138,653.23</b>	24,146.50
<b>Total</b>		<b>88,342,212.23</b>	86,868,271.74
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	<b>20,146,144.40</b>	20,971,680.40
(ii) Intangible Assets	9	<b>8,497.00</b>	10,285.00
(b) Non-current Investments	10	<b>22,614,355.67</b>	21,008,780.22
(c) Deferred Tax Assets (Net)	11	<b>2,732,757.00</b>	2,732,757.00
(d) Long-Term Loans and Advances	12	<b>4,566,439.00</b>	5,251,151.00
<b>(2) Current Assets</b>			
(a) Trade Receivables	13	<b>2,314,079.00</b>	2,118,079.00
(b) Cash and Cash Equivalents	14	<b>30,327,864.97</b>	28,108,804.12
(c) Short-Term Loans and Advances	15	<b>5,593,913.00</b>	6,585,735.00
(d) Other Current Assets	16	<b>38,162.19</b>	81,000.00
<b>Total</b>		<b>88,342,212.23</b>	86,868,271.74
Notes forming part of Financial Statements	1 to 35		

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

(L.JANARDHAN RAO)  
Proprietor

Place : Hyderabad  
Date : 27.05.2013

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 31<sup>st</sup> MARCH, 2013

	Note No	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
I. Revenue from Operations	17	10,738,813.68	9,587,282.90
II. Other Income	18	1,532,077.11	1,461,873.46
<b>III. Total Revenue (I+II)</b>		<b>12,270,890.79</b>	11,049,156.36
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	19	1,341,392.90	1,246,783.50
Finance Costs	20	79,859.61	7,916.37
Depreciation and amortization expenses	21	2,215,395.00	3,279,153.00
Other expenses	22	5,143,900.51	4,095,115.76
<b>Total Expenses (IV)</b>		<b>8,780,548.02</b>	8,628,968.63
V. Profit before exceptional and extraordinary items and tax (III-IV)		3,490,342.77	2,420,187.73
VI. Exceptional Items	23	185,000.00	500,000.00
VII. Profit before extraordinary Items and tax (V-VI)		3,305,342.77	1,920,187.73
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		3,305,342.77	1,920,187.73
<b>X. Tax Expense:</b>			
a) Current Tax		1,475,000.00	1,465,000.00
b) Prior Period Tax		56,235.50	42,127.00
c) Deferred tax		-	(810,000.00)
Total		1,531,235.50	697,127.00
XI. Profit/(Loss) for the period from continuing operations (IX-X)		1,774,107.27	1,223,060.73
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)		1,774,107.27	1,223,060.73
XVI. Earnings per equity share:			
(1) Basic		0.24	0.17
(2) Diluted		0.24	0.17
Notes forming part of Financial Statements	1 to 35		

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

(L.JANARDHAN RAO)  
Proprietor

Place : Hyderabad  
Date : 27.05.2013

For and on behalf of the Board

(T.ADINARAYANA)  
Chairman & Managing Director

(B.S.S. MURTHY)  
Director



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

	2012-13 Rs.	2011-12 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITY</b>		
Net Profit/(Loss) before Tax & Extraordinary items	<b>3,305,342.77</b>	1,920,187.73
Adjustments for:		
Add:		
Depreciation	<b>2,215,395.00</b>	2,100,878.00
Preliminary & Pre-operative Expenses	-	1,178,275.00
Interest paid	<b>79,859.61</b>	7,916.37
Provision for diminution in value of Investments	<b>185,000.00</b>	500,000.00
Provision for gratuity and leave encashment	<b>5,00,000.00</b>	-
	<b>6,285,597.38</b>	5,707,257.10
Less:		
Other Income	<b>(1,532,077.11)</b>	(1,461,873.46)
Interest received	<b>(3,863,813.68)</b>	(3,312,282.90)
	<b>(5,395,890.79)</b>	(4,774,156.36)
Operating Profit/(Loss) before Working Capital changes Adjustments for :	<b>889,706.59</b>	933,100.74
Trade and other Receivables	<b>1,523,371.81</b>	758,405.80
Trade Payables and other Liabilities	<b>(607,397.31)</b>	(189,533.58)
	<b>2,130,769.12</b>	568,872.22
Cash generated from operations	<b>30,20,475.71</b>	1,501,972.96
Direct Taxes	<b>(1,531,235.50)</b>	(1,507,127.00)
Deferred Tax	-	810,000.00
Interest Paid	<b>(79,859.61)</b>	(7,916.37)
	<b>14,09,380.60</b>	(705,043.37)
Less: Provision for Gratuity and Leave Encashment	<b>500,000.00</b>	-
Net Cash Flow from Operating Activities (A)	<b>909,380.60</b>	796,929.59
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of Fixed Assets	<b>49,235.00</b>	-
Purchase of Investments (Net Aggregate Value taken)	<b>(1,790,575.45)</b>	(996,235.14)
Dividend Received	<b>1,128,720.97</b>	1,078,491.57
Bad deposits recovered	-	10,179.35
Bad debts recovered	-	200,000.00
Profit/(Loss) on Sale of Investments	<b>342,305.14</b>	(34,626.66)
Interest (from Tax Free Bonds)	<b>28,005.00</b>	-
Purchase of Fixed Assets	<b>(1,404,260.00)</b>	(797,980.00)
Other receipts - Profit on Chit	-	207,829.20
Net Cash Flow from Investing Activities (B)	<b>(1,646,569.34)</b>	(332,341.68)

**SIGACHI LABORATORIES LIMITED****C. CASH FLOW FROM FINANCING ACTIVITIES:**

Borrowing/Repayment of secured Loans	<b>(907,564.09)</b>	153,397.23
Interest Received	<b>3,863,813.68</b>	3,312,282.90
Net Cash From/(Used in) Financing Activities (C)	<b><u>2,956,249.59</u></b>	<u>3,465,680.13</u>

**D. NET INCREASE/(DECREASE) IN CASH**

And Cash Equivalents (A+B+C)	<b>2,219,060.85</b>	3,930,268.04
Cash and Cash Equivalents At the Beginning of the year	<b>28,108,804.12</b>	24,178,536.08
Cash and Cash Equivalents at the End of the year	<b>30,327,864.97</b>	28,108,804.12

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 : 27.05.2013

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 excludes Sales tax / VAT 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 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.
- 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**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
(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	-	-
Paid up Equity Capital	<b>73,105,500.00</b>	73,105,500.00

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

	<b>As at 31.03.2013</b>	<b>As at 31.03.2012</b>
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**

<b>Name of the Shareholder</b>	<b>As at 31.03.2013 Rs.</b>		<b>As at 31.03.2012 Rs.</b>	
	<b>No.of Shares</b>	<b>% of Held</b>	<b>No.of Shares</b>	<b>% of Held</b>
Krishnaraj Securities Private Limited	<b>1,183,030</b>	<b>13.17</b>	854,030	9.51

**Note 3: Reserves and Surplus**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
(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	-	-
Closing balance	<b>1,322,000.00</b>	1,322,000.00
(b) Surplus		
Opening balance	<b>10,255,255.73</b>	9,032,195.00
Add: Net Profit for the current year	<b>1,774,107.27</b>	1,223,060.73
Closing balance	<b>12,029,363.00</b>	10,255,255.73
Total (a+b)	<b>13,351,363.00</b>	11,577,255.73

**Note 4: Other Long Term Liabilities**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Others - Deposits from customers	<b>450,000.00</b>	450,000.00
<b>Total</b>	<b>450,000.00</b>	450,000.00

**Note 5: Long-Term Provisions**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
(a) Provision for Employee benefits		
Gratuity	<b>682,000.00</b>	382,000.00
Leave Encashment	<b>530,000.00</b>	330,000.00
	<b>1,212,000.00</b>	712,000.00
(b) Others	-	-
<b>Total</b>	<b>1,212,000.00</b>	712,000.00

**Note 6: Short-Term Borrowings**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Secured		
Loans repayable on demand		
From Banks	-	907,564.09
<b>Total</b>	-	907,564.09

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

**Note 7: Other Current Liabilities**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
(a) Liability for Expenses	<b>84,696.00</b>	91,772.00
(b) Other Payables	-	33.42
<b>Total</b>	<b>84,696.00</b>	91,805.42

**Note 8: Short-Term Provisions**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Provision for Taxation	<b>138,653.23</b>	24,146.50
<b>Total</b>	<b>138,653.23</b>	24,146.50

**Note 9: Fixed Assets**

S. No.	Particulars	Gross Block - At Cost			Depreciation			Net Block		
		As at 1.4.2012 Rs.	Additions Rs.	Deletions/ Adjustments Rs.	Balance As at 31.03.2013 Rs.	Depreciation for the Year Rs.	Deletions/ Adjustments Rs.	Balance As at 31.03.2013 Rs.	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
<b>A</b>	Tangible Assets:									
	Freehold Land	7,936,453.40	-	-	7,936,453.40	-	-	-	7,936,453.40	7,936,453.40
	Buildings	14,935,626.01	-	-	14,935,626.01	498,850.00	-	5,343,960.01	9,591,666.00	10,090,516.00
	Plant & Machinery	14,201,351.50	1,404,260.00	124,800.00	15,480,811.50	1,474,556.00	108,611.00	4,116,415.50	1,364,396.00	1,450,881.00
	Furniture & Fixtures	353,271.48	-	-	353,271.48	13,384.00	-	353,271.48	-	13,384.00
	Office Equipment	132,053.50	-	-	132,053.50	10,880.00	-	72,493.50	59,560.00	70,440.00
	Computers	616,900.00	-	-	616,900.00	51,599.00	-	616,900.00	-	51,599.00
	Vehicles	1,729,873.00	-	-	1,729,873.00	164,338.00	-	535,804.00	1,194,069.00	1,358,407.00
	Lab Equipment	84,042.00	-	-	84,042.00	-	-	84,042.00	-	-
	<b>Total (A)</b>	<b>39,989,570.89</b>	<b>1,404,260.00</b>	<b>124,800.00</b>	<b>41,269,030.89</b>	<b>2,213,607.00</b>	<b>108,611.00</b>	<b>21,122,886.49</b>	<b>20,146,144.40</b>	<b>20,971,680.40</b>
<b>B</b>	Intangible Assets:									
	Computer Software	11,030.00	-	-	11,030.00	745.00	-	2,533.00	8,497.00	10,285.00
	<b>Total (B)</b>	<b>11,030.00</b>	<b>-</b>	<b>-</b>	<b>11,030.00</b>	<b>745.00</b>	<b>-</b>	<b>2,533.00</b>	<b>8,497.00</b>	<b>10,285.00</b>
	<b>Total (A+B)</b>	<b>40,000,600.89</b>	<b>1,404,260.00</b>	<b>124,800.00</b>	<b>41,280,060.89</b>	<b>2,215,395.49</b>	<b>108,611.00</b>	<b>21,125,419.49</b>	<b>20,154,641.40</b>	<b>20,981,965.40</b>

**Note 10 : Non-Current Investments**

	<b>INVESTMENTS (LONG TERM) in Equity Instruments Quoted, at cost</b>	<b>No.of Shares/units as at 31.03.2013</b>	<b>As at 31.03.2013 Rs.</b>	<b>No.of Shares/ units as at 31.03.2012</b>	<b>As at 31.03.2012 Rs.</b>
1	3i Infotech India Limited Equity shares of Rs.10/- each	<b>800</b>	<b>104,633.37</b>	800	104,633.37
2	Accelya Kale Solutions Limited Equity Shares of Rs.10/- each	<b>1,100</b>	<b>132,000.00</b>	1,100	132,000.00
3	Adani Ports and Special Economic Zone Limited Equity shares of Rs.2/- each	<b>1,635</b>	<b>143,880.00</b>	1,635	143,880.00
4	Allahabad Bank Equity Shares of Rs.10/- each	<b>3,000</b>	<b>39,600.00</b>	3,000	39,600.00
5	Andhra Bank Equity shares of Rs.10/- each	<b>6,651</b>	<b>613,140.00</b>	6,651	613,140.00
6	Bank of Maharashtra Equity shares of Rs.10/- each	<b>6,100</b>	<b>168,331.09</b>	6,100	168,331.09
7	Ballarpur Industries Limited (BILT) Equity Shares of Rs.2/- each	<b>3,000</b>	<b>28,500.00</b>	3,000	28,500.00
8	Bharat Petroleum Corporation Limited Equity Shares of Rs.10/- each	<b>1,332</b>	<b>115,983.52</b>	666	115,983.52
9	BL Kashyap & Sons Limited Equity Shares of Rs. 1/- each	<b>1,000</b>	<b>40,138.24</b>	1,000	40,138.24
10	Cairn India Limited Equity Shares of Rs.10/- each	<b>3,000</b>	<b>424,548.45</b>	3,000	424,548.45
11	Century Enka Limited Equity Shares of Rs.10/- each	<b>1,000</b>	<b>185,140.74</b>	1,000	185,140.74
12	Classic Diamonds Limited Equity Shares of Rs.2/- each	<b>6,980</b>	<b>185,605.24</b>	6,980	185,605.24
13	Coal India Limited Equity Shares of Rs.10/- each	<b>80</b>	<b>19,600.00</b>	80	19,600.00
14	Dena Bank Equity Shares of Rs.10/- each	<b>3,000</b>	<b>110,460.00</b>	3,000	110,460.00
15	Development Credit Bank Limited Equity Shares of Rs.10/- each	<b>2,000</b>	<b>61,263.79</b>	2,000	61,263.79
16	Digjam Limited Equity shares of Rs.10/- each	<b>1,600</b>	<b>94,612.26</b>	1,600	94,612.26
17	Divis Laboratories Limited Equity Shares of Rs.2/- each	<b>1,500</b>	<b>21,000.00</b>	1,500	21,000.00



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18	Edelweiss Financial Services Limited Equity Shares of Rs.1/- each	<b>1,730</b>	<b>142,725.00</b>	1,730	142,725.00
19	Escorts Limited Equity Shares of Rs.10/- each	<b>1,000</b>	<b>53,964.80</b>	1,000	53,964.80
20	First Source Solutions Limited Equity shares of Rs.10/- each	<b>3,000</b>	<b>153,128.38</b>	3,000	153,128.38
21	Gayatri Sugars Limited Equity shares of Rs.10/- each	<b>1,588</b>	<b>54,247.30</b>	1,588	54,247.30
22	Gennex Laboratories Limited Equity shares of Rs.1/- each	<b>70,000</b>	<b>37,889.00</b>	70,000	37,889.00
23	Gitanjali Gems Limited Equity Shares of Rs.10/- each	<b>100</b>	<b>14,077.83</b>	100	14,077.83
24	Glenmark Pharmaceuticals Limited Equity Shares of Rs.1/- each	<b>4,200</b>	<b>42,000.00</b>	4,200	42,000.00
25	GMR Infrastructure Limited Equity shares of Rs.2/- each	<b>2,200</b>	<b>210,627.66</b>	2,200	210,627.66
26	G.T.L.Infrastructure Limited Equity shares of Rs.10/- each	<b>619</b>	<b>3,190.00</b>	619	3,190.00
27	Gujrat NRE Coke Limited Equity shares of Rs.10/- each	<b>700</b>	<b>61,211.08</b>	700	61,211.08
28	Gujarat State Petronet Limited Equity Shares of Rs.10/- each	<b>1,218</b>	<b>48,266.00</b>	1,218	48,266.00
29	Gulf Oil Corporation Limited Equity Shares of Rs.2/- each	<b>4,000</b>	<b>254,426.53</b>	4,000	254,426.53
30	HCL Technologies Limited Equity Sahres of Rs.2/- each	<b>898</b>	<b>30,287.80</b>	898	30,287.80
31	HDFC Bank Limited Equity Shares of Rs.2/- each	<b>7,000</b>	<b>80,500.00</b>	7,000	80,500.00
32	Heidelberg Cement Limited Equity Shares of Rs. 10/- each	<b>1,000</b>	<b>51,394.30</b>	1,000	51,394.30
33	Helios & Matheson Information Technologies Limited Equity Shares of Rs.10/- each	<b>3,600</b>	<b>20,000.00</b>	3,600	20,000.00
34	Hindustan Petroleum Corporation Limited Equity shares of Rs.10/- each	<b>300</b>	<b>80,056.11</b>	300	80,056.11
35	Indosolar Limited Equity shares of Rs.10/- each	<b>1,000</b>	<b>27,405.15</b>	1,000	27,405.15
36	IDBI Bank Limited Equity shares of Rs.10/- each	<b>2,500</b>	<b>234,133.06</b>	2,500	234,133.06

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37	IDFC Limited Equity Shares of Rs.10/- each	265	9,010.00	265	9,010.00
38	India Cements Limited Equity Shares of Rs.10/- each	500	15,398.50	500	15,398.50
39	Indraprastha Gas Limited Equity Sahres of Rs.10/- each	1,200	57,600.00	1,200	57,600.00
40	Infosys Limited Equity Shares of Rs.5/- each	110	212,183.63	60	93,918.47
41	Integrated Hi-Tech Limited Equity Shares of Rs.10/- each	700	7,000.00	700	7,000.00
42	ITC Limited Equity Shares of Rs.1/- each	6,000	347,723.95	6,000	347,723.95
43	Indian Overseas Bank Equity Shares of Rs.10/- each	1,500	109,425.49	1,500	109,425.49
44	Jaiprakash Power Ventures Limited Equity Shares of Rs.10/- each	3,400	108,800.00	3,400	108,800.00
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 Limited Equity shares of Rs.2/- each	250	305,243.61	250	305,243.61
48	Lloyds Steel Industries 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.5/- 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 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	3,500	105,195.63	2,500	82,780.14

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57	NTPC Limited Equity Shares of Rs.10/- each	<b>9,079</b>	<b>641,110.48</b>	9,079	641,110.48
58	ONGC Limited Equity Shares of Rs.5/- each	<b>600</b>	<b>61,005.00</b>	600	61,005.00
59	Patni Computer Systems Limited Equity Shares of Rs.10/- each	-	-	1,250	287,500.00
60	Petronet LNG Limited Equity Shares of Rs.10/- each	<b>30,125</b>	<b>454,535.25</b>	30,125	454,535.25
61	Power Grid Corporation of India Limited Equity Shares of Rs.10/- each	<b>873</b>	<b>60,064.00</b>	873	60,064.00
62	Power Trading Corporation of India Limited Equity Shares of Rs.10/- each	<b>2,100</b>	<b>85,825.63</b>	2,100	85,825.63
63	Power Trading Corporation of India Financial Services Limited Equity Shares of Rs.10/- each	<b>35,500</b>	<b>994,000.00</b>	35,500	994,000.00
64	Punjab & Sind Bank Equity Shares of Rs.10/- each	<b>97</b>	<b>11,640.00</b>	97	11,640.00
65	Rallis India Limited Equity Shares of Rs.1/- each	<b>3,000</b>	<b>8,465.67</b>	3,000	8,465.67
66	Rashtriya Chemicals & Fertilizers Limited Equity Shares of Rs.10/- each	<b>3,200</b>	<b>376,044.93</b>	3,200	376,044.93
67	Reliance Communications Limited Equity Shares of Rs.5/- each	<b>781</b>	<b>192,334.34</b>	781	192,334.34
68	Reliance Industries Limited Equity shares of Rs.10/- each	<b>960</b>	<b>475,423.42</b>	920	448,136.75
69	Reliance Power Limited Equity Shares of Rs.10/- each	<b>1,670</b>	<b>238,089.31</b>	1,670	238,089.31
70	Sadbhav Engineering Limited Equity Shares of Rs.1/- each	<b>2,180</b>	<b>40,330.00</b>	2,180	40,330.00
71	Sahara Housing Finance Limited Equity shares of Rs.10/- each	<b>250</b>	<b>9,612.00</b>	250	9,612.00
72	Steel Authority of India Limited Equity Shares of Rs.10/- each	<b>2,000</b>	<b>84,400.00</b>	2,000	84,400.00
73	SMS Pharmaceuticals Limited Equity Shares of Rs.10/- each	<b>1,000</b>	<b>238,715.07</b>	1,000	238,715.07
74	Surya Chakra Power Corporation Limited Equity Shares of Rs.10/- each	<b>1,000</b>	<b>44,886.32</b>	1,000	44,886.32

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75	Syndicate Bank Equity Shares of Rs.10/- each	<b>32,000</b>	<b>486,542.50</b>	32,000	486,542.50
76	Satyam Computer Services Limited Equity Shares of Rs.2/- each	<b>3,900</b>	<b>293,445.63</b>	3,900	293,445.63
77	Tata Consultancy Services Limited Equity shares of Rs.1/- each	<b>248</b>	<b>52,700.00</b>	248	52,700.00
78	Tata Steel Limited Equity shares of Rs.10/- each	<b>2,684</b>	<b>780,851.77</b>	2,684	780,851.77
79	Tata Teleservices Limited Equity Sahres of Rs.10/- each	<b>3,500</b>	<b>21,350.00</b>	3,500	21,350.00
80	Tech Mahindra Limited Equity Shares of Rs.10/- each	<b>50</b>	<b>48,300.62</b>	50	48,300.62
81	The Karnataka Bank Limited Equity Shares of Rs.10/- each	<b>2,414</b>	<b>130,650.00</b>	2,414	130,650.00
82	TV 18 Broadcast Limited Equity Shares of Rs.2/- each	<b>380</b>	<b>36,000.00</b>	380	36,000.00
83	UCO Bank Equity Shares of Rs.10/- each	<b>11,900</b>	<b>230,045.00</b>	11,900	230,045.00
84	Union Bank of India Equity Shares of Rs.10/- each	<b>1,004</b>	<b>19,839.04</b>	1,004	19,839.04
85	Unitech Limited Equity Shares of Rs.2/- each	<b>500</b>	<b>33,138.34</b>	500	33,138.34
86	Vijaya Bank Equity Shares of Rs.10/- each	<b>20,400</b>	<b>526,238.57</b>	20,400	526,238.57
87	Virgo Global Media Limited Equity Shares of Rs.4/- each	<b>20,000</b>	<b>200,000.00</b>	20,000	200,000.00
88	Vista Pharmaceuticals Limited Equity Shares of Rs.10/- each	<b>1,500</b>	<b>45,752.82</b>	1,500	45,752.82
89	Voltas Limited Equity Shares of Rs.1/- each	<b>5,000</b>	<b>42,795.00</b>	5,000	42,795.00
90	Zodiac - JRD - MKJ Limited Equity Shares of Rs.10/- each	<b>1,000</b>	<b>43,148.98</b>	1,000	43,148.98
	<b>Total (A)</b>		<b>13,195,497.50</b>		13,315,030.18
1	<b>Bonds - At Cost</b> National Highways Authority of India, 8.2% Tax Free Bonds of Rs.1,000/- each	<b>500</b>	<b>500,000.00</b>	500	500,000.00
	<b>Total (B)</b>		<b>500,000.00</b>		500,000.00

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1	<b>Mutual Funds - At Cost</b> Franklin Templeton India Growth Fund - Dividend Reinvestment Units of Rs.10/- each	<b>18,689.355</b>	<b>516,308.68</b>	17,963.579	480,381.52
2	Franklin India Blue Chip Fund - Growth Units of Rs.10/- each	<b>2,238.138</b>	<b>50,000.00</b>	2,238.138	50,000.00
3	B91 Birla Sun life Frontline Equity Fund - Plan A - Dividend - Reinvestment Units of Rs. 10/- each	<b>5,525.288</b>	<b>120,587.74</b>	5,121.780	112,768.20
4	L & T Equity Fund - Growth Units of Rs.10/- each	<b>23,949.364</b>	<b>300,000.00</b>	23,949.364	300,000.00
5	L & T India Special Situations Fund - Growth Units of Rs.10/- each	<b>48,899.756</b>	<b>500,000.00</b>	48,899.756	500,000.00
6	ING Dividend Yield Fund - Growth Option Units of Rs.10/- each	<b>14,741.278</b>	<b>280,231.69</b>	14,741.278	280,231.69
7	DSP Black Rock Equity Fund - Regular Plan - Dividend Units of Rs. 10/- each	<b>24,558.450</b>	<b>1,190,692.79</b>	24,314.343	1,178,535.62
8	SBI Magnum Sector funds Umbrella Contra - Dividend Units of Rs.10/- each	<b>25,826.153</b>	<b>565,740.50</b>	22,984.992	519,770.52
9	Reliance Regular savings Fund - Equity Plan - Growth Option Units of Rs.10/- each	<b>15,757.882</b>	<b>430,540.00</b>	15,757.882	430,540.00
10	ICICI Prudential Discovery Fund - Dividend Units of Rs. 10/- each	<b>31,754.424</b>	<b>646,753.57</b>	28,741.670	589,270.23
11	ICICI Prudential Focused Blue chip Equity Fund -Reinvestment Units of Rs.10/- each	<b>35,233.396</b>	<b>533,288.95</b>	33,288.948	500,000.00
12	UTI - Master Share Unit Scheme - Dividend Plan - Reinvestment Units of Rs.10/- each	<b>44,981.976</b>	<b>1,016,650.34</b>	41,365.004	925,647.33
13	UTI Mid Cap Fund Dividend Plan - Reinvestment Units of Rs.10/- each	<b>51,277.436</b>	<b>912,991.22</b>	51,277.436	912,991.22
14	UTI MNC Fund - Dividend Plan - Payout Units of Rs.10/- each	<b>18,690.220</b>	<b>528,887.29</b>	17,789.684	489,750.00
15	UTI Banking Sector Fund - Dividend Plan - Payout Units of Rs.10/- each	<b>31,356.368</b>	<b>584,058.81</b>	31,356.368	584,058.81

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16	UTI Treasury Advantage Fund Dividend -Reinvestment Units of Rs.10/- each	<b>1.435</b>	<b>1,500.83</b>	0.980	1,024.96
17	UTI Banking sector Fund Growth plan Units of 10/- each	<b>20,070.570</b>	<b>733,980.73</b>	20,070.570	733,980.73
18	UTI Dividend yield Fund Growth option Units of 10/- each	<b>23,783.312</b>	<b>722,299.21</b>	23,783.312	722,299.21
19	UTI Opportunities Fund - Dividend plan - Reinvestment Units of 10/- each	<b>49,525.319</b>	<b>639,315.71</b>	46,461.897	597,500.00
20	UTI Liquid Cash Plan Units of 10/- each	<b>1,515.559</b>	<b>1545030.11</b>	-	-
	<b>Total (C)</b>		<b>11,818,858.17</b>		9,908,750.04
	<b>Total( A + B + C)</b>		<b>25,514,355.67</b>		23,723,780.22
	<b>Less: Provision for diminution in value of investments</b>		<b>2,900,000.00</b>		2,715,000.00
	<b>Grand Total</b>		<b>22,614,355.67</b>		21,008,780.22

(i) Aggregate amount of Quoted Shares	12,695,497.50	12,815,030.18
(ii) Aggregate Value of Quoted Shares	34,497,222.00	35,212,921.00
(iii) Aggregate Provision for diminution in value of investments	2,900,000.00	2,715,000.00

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

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
(a) Deferred Tax Asset	<b>4,635,757.00</b>	4,635,757.00
(b) Deferred Tax Liability	<b>1,903,000.00</b>	1,903,000.00
<b>Total Deferred Tax Asset - Net</b>	<b>2,732,757.00</b>	2,732,757.00

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

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
(a) Capital advances	-	1,250,000.00
(b) Security Deposits	<b>2,031,045.00</b>	2,031,045.00
(c) Other Deposits	<b>613,750.00</b>	613,750.00
(d) Other Loans & Advances	<b>1,921,644.00</b>	1,356,356.00
<b>Total</b>	<b>4,566,439.00</b>	5,251,151.00

**Note 13: Trade Receivables**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
(a) Outstanding for a period exceeding Six months	-	-
(b) Outstanding for a period less than Six months unsecured considered good	<b>2,314,079.00</b>	2,118,079.00
<b>Total</b>	<b>2,314,079.00</b>	2,118,079.00

**Note 14: Cash and Cash Equivalents**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
(a) Balance with banks		
In current accounts	<b>187,412.07</b>	171,656.68
In Fixed Deposits with banks		
Less than 12 Months	<b>7,608,218.00</b>	320,592.00
More than 12 Months	<b>22,116,528.16</b>	26,399,066.25
	<b>29,912,158.23</b>	26,891,314.93
(b) Cash on hand	<b>15,706.74</b>	19,715.68
(c) Cheques/ Drafts on hand	<b>400,000.00</b>	1,197,773.51
<b>Total</b>	<b>30,327,864.97</b>	28,108,804.12

**Note 15: Short-Term Loans & Advances**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
(a) Loans & Advances to Related parties	-	-
(b) Loans & ICD's, un secured	<b>5,593,913.00</b>	6,585,735.00
<b>Total</b>	<b>5,593,913.00</b>	6,585,735.00

**Note 16: Other Current Assets**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Other Advances, un secured	<b>38,162.19</b>	81,000.00
<b>Total</b>	<b>38,162.19</b>	81,000.00

**Note 17: Revenue from Operations**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Conversion /Job Work Charges	<b>6,875,000.00</b>	6,275,000.00
Interest Income		
Interst on FD's	<b>2,765,278.68</b>	2,536,282.90
Interest on Loans/ICD's	<b>1,098,535.00</b>	776,000.00
	<b>3,863,813.68</b>	3,312,282.90
<b>Total</b>	<b>10,738,813.68</b>	9,587,282.90

**Note 18: Other Income**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Dividend Income	<b>1,128,720.97</b>	1,078,491.57
Net gain/loss from sale of Investments	<b>342,305.14</b>	(34,626.66)
Recovery of Bad debts	-	200,000.00
Recovery of Bad deposits	-	10,179.35
Profit from Chit	-	207,829.20
Profit on Sale of Plant & Machinery	<b>33,046.00</b>	-
Interest (from Tax Free Bonds)	<b>28,005.00</b>	
<b>Total</b>	<b>1,532,077.11</b>	1,461,873.46



**Expenditure**

**Note 19: Employee Benefits Expenses**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Salaries and Wages	<b>1,297,452.00</b>	1,199,278.00
ESI	<b>11,861.00</b>	11,061.00
Staff Welfare	<b>32,079.90</b>	36,444.50
<b>Total</b>	<b>1,341,392.90</b>	1,246,783.50

**Note 20: Finance Costs**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Interest to Banks	<b>70,541.93</b>	7,916.37
Bank Charges	<b>9,317.68</b>	-
<b>Total</b>	<b>79,859.61</b>	7,916.37

**Note 21: Depreciation and Amortization Expenses**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Depreciation	<b>2,215,395.00</b>	2,100,878.00
Preliminary & Pre-operative expenses writtenoff	-	1,178,275.00
<b>Total</b>	<b>2,215,395.00</b>	3,279,153.00

**Note 22: Other Expenses**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Power and Fuel	<b>4,801.00</b>	4,187.00
Rent	<b>84,000.00</b>	79,600.00
Repairs and Maintenance	<b>872,993.00</b>	967,820.00
Insurance	<b>203,277.00</b>	199,297.00
Audit Fee	<b>15,000.00</b>	15,000.00
Audit Expenses	<b>450.00</b>	300.00
Advertisement Expenses	<b>54,245.00</b>	38,650.00

**SIGACHI LABORATORIES LIMITED**

Bank Charges	-	7,757.20
Bad debts	<b>1,580,983.00</b>	907,325.00
Bad Advances	<b>1,250,000.00</b>	1,350,000.00
Consultancy Charges	<b>14,045.00</b>	13,788.00
Computer maintenance	<b>2,125.00</b>	5,900.00
Conveyance Expenses	<b>184,860.04</b>	158,094.63
Cost Audit Fee	<b>4,000.00</b>	-
Listing Fee	<b>11,236.00</b>	11,030.00
Gratuity	<b>300,000.00</b>	-
Leave Encashment	<b>200,000.00</b>	-
Miscellaneous Expenses	<b>44,647.80</b>	13,324.00
Office Maintenance	<b>73,114.00</b>	66,792.00
Postage & Telegrams	<b>43,225.00</b>	32,848.00
Printing & Stationary	<b>16,331.00</b>	17,603.30
Professional Charges / Fee	<b>10,000.00</b>	-
Sitting Fee & Incidental Expenses	-	20,000.00
Share Transfer & Depository Fee	<b>77,804.00</b>	75,965.00
Telephone Charges	<b>30,036.67</b>	62,169.63
Travelling Expenses	<b>18,776.00</b>	28,922.00
Vehicle Maintenance	<b>33,086.00</b>	18,743.00
Internet Charges	<b>11,710.00</b>	-
Saral Tax Office	<b>3,155.00</b>	-
<b>Total</b>	<b>5,143,900.51</b>	4,095,115.76

**Note 23: Exceptional Items**

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Provision for Diminution value of Investments	<b>185,000.00</b>	500,000.00
<b>Total</b>	<b>185,000.00</b>	500,000.00

**Other Notes to the Financial Statements**

24. Managerial remuneration:

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Managing Director's Salary	<b>8,41,372.00</b>	7,82,313.00

25. Auditors' remuneration:

	<b>As at 31.03.2013 Rs.</b>	<b>As at 31.03.2012 Rs.</b>
Audit Fee	<b>12,000.00</b>	12,000.00
Tax Audit Fee	<b>3,000.00</b>	3,000.00
	-----	-----
	<b>15,000.00</b>	15,000.00
	-----	-----

26. 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.

27. 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:

<b>Particulars</b>	<b>2012-13</b>	<b>2011-12</b>
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 31st 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

28. Balances in Fixed Deposits include deposits of **Rs.14,47,929/-** (Rs.13,71,700/-) 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.

29. 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).

30. 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 31-3-2013 and Rs.5,00,000/- as at 31-3-2012. The Bank Guarantee is secured against the lien on the fixed deposit receipt for Rs.5,00,000/-.

31. 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 31.03.2013 Rs.</b>	As at 31.03.2012 Rs.
a) Net Profit	<b>17,74,107</b>	12,23,061
b) Number of Equity shares adjusted Nos.	<b>73,10,550</b>	73,10,550
c) Basic and Diluted Earnings per share	<b>0.24</b>	0.17

32. Segment information for the year ended 31<sup>st</sup> March, 2013:

(a) Primary Segment Reporting: Business Segment.

(Rs. in lakhs)

S.No.	PARTICULARS	Year Ended 31 <sup>st</sup> March, 2013 (AUDITED)	Year Ended 31 <sup>st</sup> March, 2012 (AUDITED)
1.	Segment Revenue:		
	Net Sales/Income from each Segment:		
	a) Bulk Drugs & Intermediates, (Job works/processing charges)	68.75	62.75
	b) Interest on ICD's & FD's	38.64	33.12
	c) Others	15.32	14.62
		<u>122.71</u>	<u>110.49</u>
	Less: Inter Segment Revenue	-	-
	Net Sales/Income from Operations	<u>122.71</u>	<u>110.49</u>
2.	Segment Results:		
	Profit/(Loss) before tax:		
	a) Bulk Drugs & Intermediates	24.69	17.96
	b) On ICD's & FD's	22.83	24.05
	c) Others	15.32	9.62
		<u>62.84</u>	<u>51.63</u>
	Less (i) Interest	0.80	0.08
	(ii) Other Un-allocable Expenditure	28.99	32.35
	Total Profit before Tax	<u>33.05</u>	<u>19.20</u>
3.	Capital Employed:		
	(Segment Assets-Liabilities)		
	a) Bulk Drugs & Intermediates	285.24	312.76
	b) On ICD's & FD's	353.19	323.98
	c) Others	226.14	210.09
		<u>864.57</u>	<u>846.83</u>

b) Secondary Segment Reporting: Not Applicable

33. Related Party Transactions:

Related party disclosures as required under Accounting Standard 18 are given below:

Enterprises significantly influenced by key management personnel or their relatives: M/s. Ushakiran Finance Limited and M/s. Krishnaraj Securities Private Limited.

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.8,41,372/-** (Rs.7,82,313/-).

Sitting fee and reimbursement of expenses paid to the directors:

	<b>As at 31.03.2013 Rs.</b>	As at 31.03.2012 Rs.
Sri. Ch. Nageswara Rao	-	Rs.10,000/-
Sri. B.S.S. Murthy	-	Rs.10,000/-
Sri. T. R. Sekhar	-	-

34. Foreign Exchange Transactions:	<b>As at 31.03.2013 Rs.</b>	As at 31.03.2012 Rs.
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

35. 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.

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

Place : Hyderabad  
Date : 27.05.2013

(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 19<sup>th</sup> Annual General Meeting to be held on Thursday the 26<sup>th</sup> September, 2013 at 2.00 P.M., (Noon) or at any adjournment thereof.

Signed this..... day of..... 2013.

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 19<sup>th</sup> Annual General Meeting of the company held on Thursday the 26<sup>th</sup> September, 2013 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.**



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