



22nd
ANNUAL REPORT
2015 – 2016



SIGACHI LABORATORIES LIMITED



Board of Directors:

1. Sri. T. Adinarayana - Chairman & Managing Director
2. Sri. B.S.S. Murthy - Independent Director
3. Miss. K. Suneetha - Independent Director
4. Sri. T. Govardhana Rao - Independent Director
5. Sri. P. L.V. Subba Rao - Director
6. Sri. T.R. Sekhar - Director

Key Managerial Personnel:

Mrs. Surbhi Maheshwari - Company Secretary & Compliance Officer
Mr. B. Kumar - Chief Financial Officer.

Registered Office & Works:

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

Unit - II: S.No.42, Ali Nagar, Jinnaram Mandal,
Medak District, Telangana.

Corporate Office:

402, Raghava Ratna Towers,
Chirag Ali Lane, Hyderabad - 500 001.

Auditors:

Janardhan Rao Deshmukh & Co.,
Chartered Accountants, Hyderabad - 500 016.

Secretarial Auditors:

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

Bankers:

Axis Bank Limited, Kotak Mahindra Bank Limited, State Bank of India,

Registrars & Share Transfer Agents :

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

NOTICE

NOTICE is hereby given that the Twenty Second 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, Telangana, on Tuesday, the 27th day of September, 2016 at 4.00 P.M., to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements as at 31st March, 2016, together with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sri. P.L.V. Subba Rao, (holding DIN: 07268648), who retires by rotation and being eligible, offers himself for reappointment.
3. 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 139, 141 and 142 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to ratify the appointment of M/s. Janardhan Rao Deshmukh & Co., Chartered Accountants, (Firm Registration No.005979S), as statutory auditors of the company to hold office till the conclusion of the 23rd Annual General Meeting of the Company to be held in the year 2017 and the Board of Directors be and is hereby authorized to fix their remuneration, in accordance with the recommendation of the Audit committee and in consultation with the auditors.”

By Order of the Board of Directors
for Sigachi Laboratories Limited

Place: Hyderabad
Date : 13.08.2016

(Surbhi Maheshwari)
Company Secretary
ACS:33124

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such a proxy need not be a member of the Company.
2. A person shall not act as a proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy provided that such person shall not act as a Proxy for any other member.
3. 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.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company an attested copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. In case of Joint Shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members 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.
7. The Members/Proxies attending the meeting are requested to bring the enclosed Attendance Slip and deliver the same at the entrance of the Meeting Hall.
8. Members are requested to bring their respective copies of the Annual report for reference during the Annual General Meeting.
9. The Register of Members and Share Transfer Books will remain closed from 21st September, 2016 to 27th September, 2016 (both days inclusive).
10. The Company's Shares have been listed at The Ahmedabad Stock Exchange, Ahmedabad and the listing fee has been paid up to 2015-2016.
11. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/Company.

12. The annual report for the financial year 2015-16 is being sent through email to those members who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. www.slllab.com. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2015-16, free of cost, upon sending a request to the Company Secretary, Sigachi Laboratories Limited, 402, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad-500 001 or to the Registered office of the Company.
13. Members who hold shares in physical form can nominate any person in respect of all the shares held by them singly or jointly. Members who holds shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares. **Members who hold shares of the company in physical form are requested to dematerialise their shares immediately.**
14. All the documents referred to in the Notice of the company will be available to the members at the Registered Office of the Company between 10.30 A.M., to 12.30 P.M., on all working days from the date hereof up to the date of the Meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / STA.
16. Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015, brief profile of the Director proposed to be re-appointed, is furnished here under:

Mr. P.L.V. Subba Rao is a post graduate in commerce from Andhra University and is aged about 61 years. He has worked at Andhra Pradesh State Financial Corporation for about 33 years in various departments and cadres and retired as Assistant General Manager during the year 2013.

He is not a Director in any other company and does not hold by himself or for any other person on a beneficial basis, any shares

in the company. Keeping in view of his vast experience the Board recommends the re-appointment of Mr. P.L.V. Subba Rao as a Non-Executive and Non Independent Director, for the approval of share holders of the Company, liable to retire by rotation.

Except Mr. P.L.V. Subba Rao, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No.2.

17. E- Voting:

- a. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members with the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Central Depository Services (India) Limited (CDSL).
- b. The results of the e-voting and result of the physical voting at the meeting will be declared within 48 hours of conclusion of the meeting and the results along with the scrutinizer’s report shall be placed on the website of the Company.
- c. The voting rights of members shall be in proportion to their shareholding in the paid up equity share capital of the company as on 20th September, 2016, being the cut-off date.
- d. The members of the Company, holding shares either in physical form or in dematerialized form, as on 20th September, 2016, being the cutoff date, may cast their vote (for or against) electronically.
- e. The facility for voting through poll shall be made available at the meeting and the members attending the meeting who have not already cast their vote electronically through e-voting shall be able to exercise their voting right at the Meeting.
- f. The members who have cast their vote by e-voting prior to the meeting may also, attend the meeting but shall not be entitled to cast their vote again.

- g. The Company has appointed Mr. D. Venkata Ratnam, Chartered Accountant, as scrutinizer for conducting the remote e-voting and also the physical ballot process in the Annual General Meeting in a fair and transparent manner.
- h. Members can opt for only one mode of voting, i.e., either by physical poll or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical poll will be treated as invalid.
- i. The e-voting period will commence on 24th September, 2016 (09:00 hrs) and will end on 26th September, 2016 (17.00 hrs). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20th September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.

The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting as mentioned here under:

Members receiving Notice of 22nd Annual General Meeting by e- mail from M/s. Venture Capital and Corporate Investments Private Limited, Registrars and Share Transfer Agents of the company or in case of members receiving the physical copy of Notice of 22nd Annual General Meeting (for members whose e-mail ids are not registered with the company/depositories):

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

The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (x) Click on the EVSN for the relevant Company, Sigachi Laboratories Limited on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print out of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password earlier used then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call toll free No.1800 200 5533.

A. General Instructions:

- i. The Chairman of the Meeting shall at AGM venue, at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- ii. The Scrutinizer shall after the conclusion of voting at AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorized by him in writing.
- iii. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.slllab.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman of the meeting or a person authorized by him in writing. The results shall also be immediately forwarded to the Ahmedabad Stock Exchange.

Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e., on 27th September, 2016.

By Order of the Board of Directors
for Sigachi Laboratories Limited

Place: Hyderabad
Date : 13.08.2016

(Surbhi Maheshwari)
Company Secretary
ACS:33124

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the Twenty Second Annual Report on the business of your company, together with the Audited Financial Statements of the Company for the year ended 31st March, 2016 along with Auditors' Report thereon:

FINANCIAL HIGHLIGHTS:

(Rupees in Lakhs)

	2015-2016	2014-2015
Sales/Income from operations	161.26	133.19
Profit before Depreciation and Amortization	118.95	96.59
Depreciation and Amortization	12.52	12.57
Profit before Tax	106.43	84.02
Provision for Taxation:		
Current Tax	24.85	19.50
Prior period Tax	0.91	(0.74)
Deferred Tax	1.57	5.98
Profit after Tax	79.09	59.28

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

OPERATING RESULTS

Your company has generated total Income of Rs.161.26 Lakhs during the financial year 2015-2016 as against Rs.133.19 Lakhs during the financial year 2014-2015 and has earned net profit of Rs.79.09 Lakhs as against Rs.59.28 Lakhs respectively and thus there is an increase of 33% in the net profit of the company during the financial year 2015-2016.

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 2015-2016.

TRANSFER TO RESERVE:

The Company did not transfer any amount to the General Reserve for the Financial Year ended 31st March, 2016.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

CHANGES IN THE SHARE CAPITAL

The paid up share capital of the company as on 31st March, 2016 is Rs.6,75,31,000/- consisting of 67,53,100 Equity Shares of Rs.10/- each. During the year under review, the company has not issued any fresh shares.

DIRECTORS:

During the year under review Mr. P.L.V. Subba Rao, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

Pursuant to Sections 149 (6) & 149 (7) of the Companies Act, 2013, the Independent directors of the company gave a declaration that they have complied with the criteria of independence as set out under sub section (6) of section 149 of the Companies Act, 2013.

During the financial year 2015-2016, Six Board Meetings were properly convened and held on 29th May, 2015, 13th August, 2015, 13th November, 2015, 6th January, 2016, 10th February, 2016 and 30th March, 2016. The maximum interval between any two meetings did not exceed 120 days.

BOARD EVALUATION

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive /independent directors. Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation has been carried out as per the Nomination and Remuneration Policy.

KEY MANAGERIAL PERSONNEL

The Company has already appointed Sri. T. Adinarayana as Chairman & Managing Director, Mr. B. Kumar as Chief Financial Officer and Mrs. Surbhi Maheshwari as the Company Secretary. The Board designated them as Key Managerial personnel of the Company under the provisions Sec.203 of the Companies Act, 2013. There were no changes in the office of Key Managerial personnel of the company during the year under review.

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

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

FIXED DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of deposits) Rules, 2014.

SIGNIFICANT MATERIAL ORDERS PASSED BY THE COURTS / REGULATORS / TRIBUNALS IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS

There are no significant and material orders passed by the Regulators, Courts or Tribunals which would impact the going concern status of the company and its future operations.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, and size and complexity of its operations. Internal control systems comprising of policies and procedures designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations, and that all assets and resources are acquired are used economically. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) Appropriate accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2015-2016 and of the profit and loss of the Company for that period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts for the year 2015-2016 have been prepared on a going concern basis;
- (v) That proper internal financial controls were in place and that such internal financial controls were adequate and were operating effectively, and
- (vi) That proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

AUDITORS:

The shareholders in their meeting held on 26th September, 2014 approved the appointment of M/s. Janardhan Rao Deshmukh & Co., Chartered Accountants, Hyderabad, as the Statutory Auditors of the Company to hold office till the conclusion of 23rd Annual General Meeting subject to ratification of shareholders in every Annual General Meeting. Accordingly, a resolution seeking Members ratification on appointment of M/s. Janardhan Rao Deshmukh & Co., Chartered Accountants, Hyderabad, as the Statutory Auditors of the Company for the financial year 2016-17 is included at item No.3 of the Notice convening the Annual General Meeting.

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s. Janardhan Rao Deshmukh & Co., Chartered Accountants, Statutory Auditors in their report for the Financial Year ended 31st March, 2016.

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

SECRETARIAL AUDITORS

Pursuant to the provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. P.S. Rao & Associates a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the financial year 2015-2016 is annexed herewith as Annexure I to this Report.

SECRETARIAL AUDIT REPORT

There are no qualifications, reservations or adverse remarks made by M/s. P.S.Rao & Associates, Practicing Company Secretaries in their report for the financial year ended 31st March, 2016.

COST AUDIT

Maintenance of Cost records under section 148 (1) of the Companies Act, 2013, as prescribed by the Central Government are not applicable to the Company and accordingly cost audit is not applicable to the company.

INTERNAL AUDITORS

The Board on the recommendations of the Audit Committee have appointed M/s. Suresh and Babu, Chartered Accountants as internal auditors of the Company. The Internal Auditors are submitting the report on quarterly basis.

AUDIT COMMITTEE

The following is the composition of Audit Committee as at 31st March, 2016:

1. Mr. B.S.S. Murthy
2. Miss. K. Suneetha
3. Mr. T. Govardhana Rao
4. Mr. T. Raja Sekhar

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

NOMINATION AND REMUNERATION COMMITTEE

The following is the constitution of Nomination and Remuneration Committee as at 31st March, 2016:

1. Mr. B.S.S. Murthy
2. Miss. K. Suneetha
3. Mr. P.L.V. Subba Rao
4. Mr. T. Raja Sekhar

The Nomination and Remuneration Committee has been constituted to comply with the provisions of section 178 of the Companies Act, 2013 and to recommend a policy of the company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters and to frame proper systems for identification, appointment of Directors and KMPs, Payment of remuneration to them and evaluation of their performance and to recommend the same to the board from time to time and any other functions as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time. The policy is also posted on the company's website www.sillab.com.

STAKE HOLDERS RELATIONSHIP COMMITTEE

The following is the composition of Stake Holders Relationship Committee as at 31st March, 2016:

1. Miss. K. Suneetha
2. Mr. B.S.S. Murthy
3. Mr. T. Govardhana Rao
4. Mr. T. Adinarayana

The Committee focuses on shareholders' grievances and strengthening of investor relations. The committee looks after the services of the Registrars and share transfer agents and recommends measures for providing efficient services to investors. The Committee specifically looks into investor complaints like Transfer/transmission/transposition of shares, and other related issues. There were no complaints pending for redressal as at 31st March, 2016.

CORPORATE SOCIAL RESPONSIBILITY:

As per the provisions of the Companies Act, 2013, companies having net worth of Rs.500 Crores or more, or turnover of Rs.1,000 Crores or more or net profit of Rs.5 Crores or more during any financial year are required to constitute a Corporate Social Responsibility(CSR) Committee of the Board

of Directors and shall spend at least 2% of the average net profits of the Company's three immediately preceding financial years, but your company does not fall in the aforesaid criteria and hence has not constituted the Corporate Social Responsibility Committee.

MEETING OF INDEPENDENT DIRECTORS

The Independent directors of the company have met separately without the attendance of Non-Executive Directors on 30th March, 2016 inter-alia, review the performance of the Chairman and Managing Director, Non-Executive Directors and the Board as a whole. The independent Directors in the said meeting also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board to effectively and reasonably perform its duties.

RISK MANAGEMENT POLICY

The Company has a Risk Management policy and an internal control framework, which is used to mitigate the risks. The Board and Audit Committee on regular intervals are updated on the risk management systems, processes and minimization procedure of the Company.

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES OF THE COMPANY

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

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

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013.

The primary objective of the said policy is to protect the women employees from sexual harassment at the place of work and also provides for punishment in case of false and malicious representations.

During the financial year 2015-2016, the Company has not received any complaint of sexual harassment against women employees of the Company.

EXTRACT OF ANNUAL RETURN

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

RELATED PARTY TRANSACTIONS

As a matter of policy, your company carries out transactions with related parties on an arms-length basis. Disclosures as required under form AOC-2 are annexed herewith as Annexure – III and also contained in Note No. 29 (Other Notes to Financial Statements). There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel which may have a potential conflict with the interests of the company at large, except payment of remuneration to Directors and Key Managerial Personnel.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

LISTING OF EQUITY SHARES:

Your company's shares are listed with the Ahmedabad Stock Exchange. The listing fee has been paid for the financial year 2015-2016.

CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report, pursuant to Regulation 34 (2) of SEBI (LODR) Regulations, 2015 a Report on Management Discussion and Analysis is annexed hereto as Annexure IV.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as “Annexure V” to this report.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company is herewith annexed as Annexure “VI”.

In terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company do not have any employee who is employed throughout the financial year and in receipt of remuneration of Rs.60 Lakhs or more, or employees who are employed for part of the year and in receipt of Rs.5 Lakhs or more per month.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

ACKNOWLEDGEMENTS :

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

for and on behalf of the Board

Place : Hyderabad

Date : 28.05.2016

(T. Adinarayana)

Chairman & Managing Director

DIN:00917498

Annexure - I

P.S. RAO & ASSOCIATES
Company Secretaries

Flat No.10, 4th Floor,
6-3-347/22/2,
Ishwarya Nilayam,
Opp: Sai Baba Temple,
Dwarakapuri Colony,
Panjagutta, Hyderabad-500 082.

SECRETARIAL AUDIT REPORT

*For the Financial Year ended on March 31, 2016
[Pursuant to Section 204(1) of the Companies Act, 2013
and rule No.9 of the Companies (Appointment
and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
M/s. Sigachi Laboratories Limited
Sy.No.530 & 534, Temple Road,
Bonhapally Village, Jinnaram Mandal.
Medak District, Telangana - 502313.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Sigachi Laboratories Limited, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.

- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment. **(Not applicable to the company during the audit period.)**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the audit period).**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the audit period).**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period).**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period).**
- vi. Other specifically applicable laws to the Company:
 - Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules 1945 made there under.
 - The Narcotics, Drugs & Psychotropic Substances Act, 1985
 - The Water (Prevention and Control of Pollution) Act, 1974.
 - Air (Prevention and Control of Pollution) Act, 1981.
 - Petroleum Rules, 2002.

We have also examined compliance with the applicable clauses of the following:

- i. Listing Agreements entered into by the Company with Stock Exchange(s) and
- ii. Secretarial Standards issued by the Institute of Company Secretaries of India.

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

We further report that:

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

We further report that

- there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

For P. S. Rao & Associates
Company Secretaries

MB Suneel
Company Secretary
M. No. : 31197
C.P. No.: 14449

Date : 28.05.2016
Place: Hyderabad

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

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2016
(pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

i	CIN	L24230AP1994PLC018786
ii	Registration date	21 st November, 1994
iii	Name of the Company	SIGACHI LABORATORIES LIMITED
iv	Category/Sub category of the Company Non- Government Company	Public Company - Indian Non- Government Company
v	Address of the Registered office and contact details	Regd. Office: S.No. 530 & 534, Bonthapally - 502 313, Jinnaram mandal, Medak District, Telangana. Corporate Office: 402, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500001. Telangana, Tel.: 040-23204230.
vi	Whether listed Company	Yes
vii	Name, Address & Contact details of Registrar and Transfer Agent, if any	Venture Capital and Corporate Investments Private Limited 12-10-167, Bharat Nagar, Hyderabad - 500 018. Tel: 040-23818475; Email: info@vccilindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the products/ services	% to total turnover of the Company
1	Pharmaceutical Products (Bulk Drugs and Drug Intermediates)	210	64%
2	Interest on loans/ ICDs, Fixed Deposits	649	36%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category - wise Share Holding

Sl. No.	Category of Shareholder	No. of Shares held at the Beginning of the Year (1 st April, 2015)				No. of Shares held at the End of the Year (31 st March, 2016)				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
1	Indian									
(a)	Individuals/Hindu Undivided Family	3,11,500	5,36,060	8,47,560	12.55	6,95,510	1,52,040	8,47,550	12.55	0.00
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	12,82,510	2,36,020	15,18,530	22.49	12,82,510	2,36,020	15,18,530	22.49	0.00
(e)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)		15,94,010	7,72,080	23,66,090	35.04	19,78,020	3,88,060	23,66,080	35.04	0.00
2	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-

(i)	Individual shareholders holding Nominal Share Capital upto Rs. 1 Lakh	1,09,150	24,44,000	25,53,150	37.81	1,21,750	24,45,610	25,67,360	38.02	0.21
(ii)	Individual shareholders holding Nominal Share Capital in Excess of Rs. 1 Lakh	34,910	40,000	74,910	1.11	34,910	1,38,300	1,73,210	2.56	1.46
(c)	Any Other (Specify)									
(i)	Non Resident Indians	14,250	16,19,200	16,33,450	24.19	15,250	15,05,700	15,20,950	22.52	(1.67)
	Sub-Total (B)(2)	1,58,310	42,28,700	43,87,010	64.96	1,71,910	42,15,110	43,87,020	64.96	-
	Total Public Shareholding (B) = (B) (1)+(B)(2)	1,58,310	42,28,700	43,87,010	64.96	1,71,910	42,15,110	43,87,020	64.96	-
(C)	Shares held by Custodian for GDRs and ADRs									
	Grand Total (A) + (B) + (C)	17,52,320	50,00,780	67,53,100	100.00	21,49,930	46,03,170	67,53,100	100.00	-

(ii). Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding			Shareholding			% Change in Shareholding during the Year
		At the beginning of the Year (1 st April, 2015)		At the end of the Year (31 st March, 2016)		% of Shares pledged/ Encumbered to total Shares		
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company			
1	T. Adinarayana	4,23,530	6.27	-	7,53,530	11.16	-	4.89
2	T.H.P.S Kumar	54,010	0.80	-	54,010	0.80	-	0.00
3	T. Bhagya Lakshmi	10	0.00	-	10	0.00	-	0.00
4	S.Chidhambaranadhan	10	0.00	-	-	0.00	-	0.00
5	T.Kumari	1,20,000	1.78	-	-	0.00	-	-1.78
6	M.Chinna Babu	1,30,000	1.93	-	-	0.00	-	-1.93
7	Y.Srinivasa Rao	1,20,000	1.78	-	40,000	0.59	-	-1.18
8	Krishnaraj Securities Pvt Ltd.,	15,18,530	22.49	-	15,18,530	22.49	-	0.00
	Total	23,66,090	35.04	-	23,66,080	35.04	-	0.00

(iii). Change in Promoter's Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the Year	23,66,090	35.04%		
Date wise Increase/Decrease in Promoters shareholding during the year specifying the reasons for Increase/Decrease (e.g.allotment /transfer/bonus /sweat equity etc)	S.P.Chidambaranathan holds 10 Equity Shares who Ceased to be Promoter	0.00%	23,66,080	35.04%
At the End of the year	23,66,080	35.04%		

Note: Inter-se transfer among promoters - 3,30,000 equity shares during the year.

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in Share Holding		Cumulative Shares- holding during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shasun Finance Limited	50,000	0.74	-	-	-	-	50,000	0.74
2	Indur kirpalani	50,000	0.74	-	-	-	-	50,000	0.74
3	Shasun Securities Limited	50,000	0.74	-	-	-	-	50,000	0.74
4	Muvva Nagaraju	-	-	24.12.2015	Transfer	40,000	0.59	40,000	0.59
5	Yelamanchi Swanagamani	-	-	24.12.2015	Transfer	33,000	0.49	33,000	0.49
6	Om Prakash Koyalkar	-	-	24.12.2015	Transfer	25,300	0.37	25,300	0.37
7	Prenkumar Parwal	25,000	0.37	-	-	-	-	25,000	0.37
8	Y Pulla Rao	20,010	0.30	-	-	-	-	20,010	0.30
9	Lachman Kishan Chand Kishore kishan chand Bharat kishan chand	20,000	0.30	-	-	-	-	20,000	0.30
10	Gurucharan Jeet Singh	20,000	0.30	-	-	-	-	20,000	0.30
11	Pushpawati Modi Keshavlal Modi	20,000	0.30	-	-	-	-	20,000	0.30
12	Shekhar J Bhansali	20,000	0.30	-	-	-	-	20,000	0.30
13	Tarun Agarwal	20,000	0.30	-	-	-	-	20,000	0.30
14	Kishan Lal Agrawal	20,000	0.30	-	-	-	-	20,000	0.30
15	Ugamraj Nahar B	20,000	0.30	-	-	-	-	20,000	0.30

(v). Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Director /KMP	Shareholding at the beginning of the year		Date	Increase / Decrease in Share Holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
Directors								
1	T. Adinarayana, Chairman and Managing Director	4,23,530	6.27	01.04.2015				
2	B. Kumar, CFO	100	0	01.04.2015	3,30,000	Transfer	7,53,530	11.16
					-	No Change during the year	100	0

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager
		Mr.T.Adinarayana, Chairman & Managing Director
1	Gross Salary	Rs.
	(a) Salary as per provisions contained in Section 17 (1) of the Income tax Act, 1961	12,19,082
	(b) Value of perquisites under Section 17 (2) of the Income tax Act, 1961	32,400
	(c) Profits in lieu of salary under Section 17 (3) of the Income tax Act, 1961	-
2	Stock option	-
3	Sweat Equity	-
4	Commission	-
	- as percentage of profit	-
	- others, please specify	-
5	Others, please specify	-
	Total (A)	12,51,482
Ceiling as per the Act - Rs.42,00,000/- per annum		

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount Rs.
		B S S Murthy	K.Suneetha	T.Govardhana Rao	
1	Independent Directors				
	Fee for attending board / committee meetings	10,000	10,000	10,000	30,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	10,000	10,000	10,000	30,000
2	Other Non-Executive Directors	Name of Directors			Total Amount Rs.
		P L V Subba Rao			
	Fee for attending board / committee meetings			10,000	10,000
	Commission			-	-
	Others, please specify			-	-
	Total (2)			10,000	10,000
	Total = (1 + 2)				40,000
	Total Managerial Remuneration				12,91,482

Note: Reverse Charge of Rs.5,772/- has been paid to Service Tax Department on the sitting fee/remuneration of Rs.40,000/- paid to the above 4 directors.

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total Rs.
		Surbhi Maheshwari	B.Kumar	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17 (1) of the Income tax Act, 1961	1,81,200	1,57,125	3,38,325
	(b) Value of perquisites under Section 17 (2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17 (3) of the Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as percentage of profit	-	-	-
	- others, please specify	-	-	-
5	Others, please specify	-	-	-
	Total	1,81,200	1,57,125	3,38,325

VII. Penalties / Punishment/ Compounding of Offences

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

Annexure – III**FORM NO. AOC – 2**

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Dates of approval by the Board, if any:	Amount in Rs.
T.Adinarayana, Chairman and Managing Director	Remuneration & Perquisites	5 years w.e.f 1-7-2013	N.A.	29-6-2013	12,51,482/-
Surbhi Maheshwari, Company Secretary	Remuneration & Perquisites	Regular Employee	N.A.	30-9-2014	1,81,200/-
B. Kumar, Chief Financial Officer	Remuneration & Perquisites	Regular Employee	N.A.	30-9-2014	1,57,125/-

Thus other than payment of remuneration to the Key Managerial Personnel amounting to **Rs.15,89,807/-** (Rs.13,15,210/-), there are no other contracts or arrangements with the related parties.

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

During the year 2015-2016, the GDP growth was estimated at around 7.6% as against the previous year's growth of 7.2% which is a positive development. There was no major improvement in the macroeconomic environment in the domestic markets and the global scenario continued to be depressed. The global economy slowdown and uncertainty, amidst China fears, in the recent year has made growth and profitability increasingly elusive. There is a tremendous focus on the Emerging Markets due to continuous pressure and stress at global level. Indian economy faced its own set of challenges in terms of weak / poor monsoons for two successive years, subdued consumer sentiment impacting consumption and slowdown of rural economy, natural calamities like unprecedented floods in certain pockets of Tamilnadu etc., India is a major manufacturer of Bulk Drugs and several reputed companies export Bulk Drugs and Intermediates to different countries regularly. Global growth in pharma sector remains moderate.

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. Macro economic factors driving the emerging market are primarily robust economic growth, greater market penetration into extra urban and rural areas, epidemiological changes, with rapid increase in chronic, age related disorders, continuing expansion of the private hospital sector and increased government spending on improvements in healthcare infrastructure. Developed markets are expecting good growth due to launch of innovative medicines and price increases.

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.161.26 Lakhs during the Financial year 2015-2016 as against total income of Rs. 133.19 Lakhs during the year 2014-2015 and has earned net profit of Rs.79.09 Lakhs as against Rs. 59.28 Lakhs respectively. The Segment-wise performance/ results have been placed at Note.28.

Risks and Threats

The Company is undertaking job works only and that too from one contractee party only, if the Company could not get Job works contracts the Company will face huge challenge and also the Company has to face challenges from the new entrants and also from the existing companies who are rapidly expanding their production capacities.

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.

Annexure – V

Conservation of Energy, Technology Absorption Foreign Exchange Earnings and Outgo:

Information as per Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the financial year ended 31st March, 2016:

A) CONSERVATION OF ENERGY:

i) Steps taken or impact on conservation of energy:

The Company is conscious of the need to conserve energy and is taking steps to save energy and appropriate measures are being taken for energy conservation.

ii) Steps taken by the Company for utilizing alternate sources of energy:

Your company is having multi fuel Boiler at one of its factories and is utilizing alternative sources of energy.

iii) Capital invested on energy conservation equipment: NIL

B) TECHNOLOGY ABSORPTION:

There is no new technology absorption during the year.

	2015-2016	2014-2015
Expenditure incurred on research and Development:	Nil	Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2015-2016	2014-2015
a) Foreign Exchange earnings & outgo		
i) Foreign Exchange earnings :	Nil	Nil
ii) Foreign Exchange out go :	Nil	Nil

Annexure - VI

Disclosure as per Section 197 of the Companies Act, 2013 and Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Employed throughout the year 2015-2016:

Name	Age	Qualification	Designation	Date of Commencement of employment	Experience (years)	Gross Remuneration (CTC)(Rs.)	Previous Employment	Previous Designation
T. Adinarayana	63	FCA.,ACMA., ACS., BL.,	Chairman and Managing Director	1-7-1998	18	12,51,482/-	NA	NA

i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Name of the Director	Ratio
T. Adinarayana	11.14
B.S.S. Murthy	0.09
K. Suneetha	0.09
T. Govardhana Rao	0.09
P.L.V. Subba Rao	0.09
T.R. Sekhar	NA

SIGACHI LABORATORIES LIMITED

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

Name of Director / KMP	Designation	% of increase
T. Adinarayana	Chairman & Managing Director	5.61%
B.S.S. Murthy	Non Executive & Independent Director	NA
K. Suneetha	Non Executive & Independent Director	NA
T. Govardhana Rao	Non Executive & Independent Director	NA
P.L.V. Subba Rao	Non Executive & Non Independent Director	NA
T.R. Sekhar	Non Executive & Non Independent Director	NA
Surbhi Maheshwari	Company Secretary	--
B. Kumar	Chief Financial Officer	4.17%

a. The Remuneration to all other directors except Mr. T.R. Sekhar has been paid towards sitting fee inclusive of out of pocket expenses, of Rs.10,000/- each during the financial year 2015-2016 and no remuneration has been paid to them during the financial year 2014-2015.

- iii) The percentage increase in the median remuneration of the employees in the financial year 2015-2016 was around 9%.
- iv) The number of permanent employees on the rolls of company are 5 as on 31st March, 2016.
- v) The explanation on the relationship between average increase in remuneration and company performance:

The Company's profit after Tax for the financial year 2014-2015 was Rs.59.28 lakhs as against Rs.79.09 lakhs for the financial year 2015-2016 and thus there is increase in PAT of 33%, as against this, the percentage increase in salaries of the employees is 38%. The increase in higher percentage is mainly due to the fact that the company secretary and chief financial officer were employed for only a part of the year during 2014-2015.

- vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

The Total Managerial Remuneration of all the Key Managerial Personnel was Rs.15,89,807/-, as against this the Company has earned Profit after Tax of Rs.79,09,468/- as at 31-3-2016. There has been increase in Managerial Remuneration of around 20% (as Company Secretary and CFO have been appointed for a part of the year during the financial year 2014-2015) during the financial year 2015-2016, as against increase in Profit after tax of 33%. The remuneration to the Chairman and Managing Director has been approved by the shareholders at the AGM held on 26.09.2013.

- vii) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year:

The company's shares have been listed at Ahmedabad Stock Exchange but there is no trading in the Ahmedabad Stock Exchange, hence variations in the market capitalization of the company with respect to price earnings ratio as at the close of the current financial year and other related issues in this regard is not possible to furnish. Further, no public offer has been made during last 5 years by the Company, hence percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer is not applicable to the Company. The net worth of the company as at 31st March, 2016 is Rs.1,045.09 lakhs as against net worth of Rs.966 lakhs as at 31st March, 2015 and thus there is increase in net worth of Rs.79.09 lakhs during the financial year ended 31st March, 2016.

- viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration is around 7% for employees other than managerial personnel and around 5% for managerial personnel. There was no exceptional circumstances for increase in the managerial remuneration in the last financial year.

ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:

Name	Designation	Cost to Company (CTC) (31-3-2016) (Rs. in lakhs)	% increase in CTC	PAT (Rs. In lakhs)	% increase in PAT	Remuneration of KMPs (as % of PAT)
T. Adinarayana	Chairman and Managing Director	12.51	5.61%	79.09	33%	15.82%
B. Kumar	CFO	1.57	4.17%	79.09	33%	1.99%
Surbhi Maheshwari	Company Secretary	1.81	-	79.09	33%	2.29%

- x) The key parameters for any variable component of remuneration availed by the directors:
There is no variable component in the remuneration availed by Chairman and Managing Director/or by any other director.
- xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:
No Employee received remuneration in excess of the highest paid director.
- xii) Affirmation that the remuneration is as per the remuneration policy of the company:

The remuneration is as per the Remuneration Policy of the Company.

Statement showing the details of Employees of the company as per Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:

There is no employee who is drawing annual salary of Rs.60 lakhs and more and monthly salary of Rs.5 lakhs and more.

JANARDHAN RAO 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 Sigachi Laboratories Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to

be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Financial Statements, in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with 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 auditor's 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the 'the Companies (Auditor's Report) Order, 2016, ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations

which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the information and explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 26 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no funds, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Janardhan Rao Deshmukh & Co.,
Chartered Accountants
Firm Registration Number: 005979S

(L. Janardhan Rao)
Proprietor
Membership No. 18474

Place: Hyderabad
Date: 28th May, 2016.

ANNEXURE – A TO THE INDEPENDENT AUDITORS’ REPORT
(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the Management at reasonable intervals, and according to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. The Inventory has been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. Thus paragraphs 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, during the year, the Company has not given any loans, made investments, given guarantees or provided security to parties covered under the provisions of section 185 and 186 of the Companies Act, 2013. Thus paragraph 3 (iv) is not applicable to the company.
5. During the year the company has not accepted any deposits from the public.
6. In our opinion and according to the explanation given to us the maintenance of Cost records under section 148 (1) of the Companies Act, 2013, as prescribed by the Central Government are not applicable to the Company. Thus paragraph 3(vi) is not applicable to the company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is generally regular in depositing undisputed statutory

dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears as at 31st March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following are the particulars of disputed dues on account of Income Tax as at 31st March, 2016.

Nature of Statute	Nature of Demand	Period for which Relates (Assessment Year)	Amount (Rs. In Lakhs)	Forum Where dispute is Pending
Income Tax Act, 1961	Income Tax	1998 - 1999	6.54	Hon'ble High Court of Judicature at Hyderabad
Income Tax Act, 1961	Income Tax	1999 - 2000	7.88	Hon'ble High Court of Judicature at Hyderabad

8. According to the information and explanations given to us, the company has not defaulted in payment of dues to the financial institution, banks, government or debenture holders during the year. The Company has not obtained any loan from financial institutions and debenture holders.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
15. According to the information and explanations given to us and based on our examination of records of the company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Janardhan Rao Deshmukh & Co.,
Chartered Accountants
Firm Registration Number: 005979S

(L. Janardhan Rao)
Proprietor

Membership No. 18474

Place: Hyderabad
Date: 28th May, 2016.

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT
(Referred to in paragraph 2(f) under ‘Report on Other Legal and
Regulatory Requirements’ of our report of even date)**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls over financial reporting of Sigachi Laboratories Limited (the “Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the standards on auditing issued by the Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established

and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Janardhan Rao Deshmukh & Co.,
Chartered Accountants
Firm Registration Number: 005979S

(L. Janardhan Rao)
Proprietor
Membership No. 18474

Place: Hyderabad
Date: 28th May, 2016.

BALANCE SHEET AS AT 31st MARCH, 2016

	Note No.	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	7,31,05,500.00	7,31,05,500.00
(b) Reserves and Surplus	3	3,14,03,715.99	2,34,94,249.71
		10,45,09,215.99	9,65,99,749.71
(2) Non-Current Liabilities			
(a) Long-Term Borrowings		-	-
(b) Other Long Term Liabilities	4	4,50,000.00	4,50,000.00
(c) Long-Term Provisions	5	15,62,000.00	12,12,000.00
(d) Deferred Tax Liabilities (Net)		-	-
		20,12,000.00	16,62,000.00
(3) Current Liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	6	1,47,613.00	14,12,032.00
(d) Short-Term Provisions	7	3,36,239.43	3,30,995.85
		4,83,852.43	17,43,027.85
Total		10,70,05,068.42	10,00,04,777.56
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	8	2,66,59,469.40	2,63,12,259.40
(ii) Intangible Assets	8	-	-
		2,66,59,469.40	2,63,12,259.40
(b) Non-current Investments	9	2,31,70,088.20	2,14,83,519.34
(c) Deferred Tax Assets (Net)	10	16,32,757.00	17,89,757.00
(d) Long-Term Loans and Advances	11	66,72,744.00	94,86,940.00
		5,81,35,058.60	5,90,72,475.74
(2) Current Assets			
(a) Current Investments	12	17,03,449.93	-
(b) Trade Receivables	13	17,21,254.13	78,77,937.52
(c) Cash and Cash Equivalents	14	3,65,85,256.76	2,96,60,391.30
(d) Short-Term Loans and Advances	15	88,57,049.00	33,01,973.00
(e) Other Current Assets	16	3,000.00	92,000.00
		4,88,70,009.82	4,09,32,301.82
Total		10,70,05,068.42	10,00,04,777.56
Notes forming part of Financial Statements	1 to 33		

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

For and on behalf of the Board

(L.JANARDHAN RAO)
Proprietor
Membership No.18474

(T.Adinarayana)
Chairman & Managing Director
DIN:00917498

(T.Govardhana Rao)
Director
DIN:07162634

(Surbhi Maheshwari)
Company Secretary
ACS:33124

(B.Kumar)
Chief Financial Officer

Place : Hyderabad
Date : 28.05.2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

	Note No	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
I. Revenue from Operations	17	1,33,95,334.83	1,13,23,246.39
II. Other Income	18	27,30,165.31	19,96,089.34
III. Total Revenue (I+II)		1,61,25,500.14	1,33,19,335.73
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	20,62,380.63	18,20,713.00
Finance Costs	20	-	8,740.76
Depreciation and amortization expenses	21	12,51,978.00	12,57,337.00
Other expenses	22	21,68,561.23	18,30,288.44
Total Expenses (IV)		54,82,919.86	49,17,079.20
V. Profit before exceptional and extraordinary items and tax (III-IV)		1,06,42,580.28	84,02,256.53
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		1,06,42,580.28	84,02,256.53
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		1,06,42,580.28	84,02,256.53
X. Tax Expense:			
a) Current Tax		24,85,000.00	19,50,000.00
b) Prior Period Tax		91,114.00	(73,776.61)
c) Deferred tax		1,57,000.00	5,98,000.00
Total		27,33,114.00	24,74,223.39
XI. Profit/(Loss) for the period from continuing operations (IX-X)		79,09,466.28	59,28,033.14
XII. Profit/(Loss) from discontinued operations		-	-
XIII. Tax expense of discontinued operations		-	-
XIV. Profit/(Loss) from discontinued operations (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI+XIV)		79,09,466.28	59,28,033.14
XVI. Earnings per equity share:			
(1) Basic		1.17	0.88
(2) Diluted		1.17	0.88
Notes forming part of Financial Statements	1 to 33		

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

For and on behalf of the Board

(L.JANARDHAN RAO)
Proprietor
Membership No.18474

(T.Adinarayana)
Chairman & Managing Director
DIN:00917498

(T.Govardhana Rao)
Director
DIN:07162634

Place : Hyderabad
Date : 28.05.2016

(Surbhi Maheshwari)
Company Secretary
ACS:33124

(B.Kumar)
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

	2015-16 Rs.	2014-15 Rs.
A. CASH FLOW FROM OPERATING ACTIVITY		
Net Profit/(Loss) before Tax &		
Extraordinary items	1,06,42,580.28	84,02,256.53
Adjustments for:		
Add:		
Depreciation	12,51,978.00	12,57,337.00
Interest paid	-	8,740.76
Provision for diminution in value of Investments	-	-
	1,18,94,558.28	96,68,334.29
Less:		
Other Income	(27,30,165.31)	(19,96,089.34)
Interest received	(48,45,334.83)	(33,73,246.39)
	(75,75,500.14)	(53,69,335.73)
Operating Profit/(Loss) before Working Capital changes Adjustments for:	43,19,058.14	42,98,998.56
Trade and other Receivables	(10,12,842.54)	(53,46,457.52)
Trade Payables and other Liabilities	(12,59,175.42)	15,77,646.61
	(22,72,017.96)	(37,68,810.91)
Cash generated from operations	20,47,040.18	5,30,187.65
Direct Taxes Paid (Net)	(27,33,114.00)	(24,74,223.39)
Interest Paid	-	(8,740.76)
	(6,86,073.82)	(19,52,776.50)
Add: Provision for Gratuity and Leave Encashment	3,50,000.00	-
Net Cash Flow from Operating Activities (A)	(3,36,073.82)	(19,52,776.50)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Assets	-	-
Purchase of Investments (Net Aggregate Value taken)	(16,86,568.86)	-
Dividend Received	21,53,197.35	17,69,559.85
Profit/(Loss) on Sale of Investments	6,308.26	(4,85,113.51)
Interest (from Tax Free Bonds)	41,000.00	41,000.00

SIGACHI LABORATORIES LIMITED

Interest from Income tax refund	-	17,205.00
Purchase of Fixed Assets	(15,99,188.00)	(51,01,861.00)
Other receipts - keyman Insurance	-	6,53,438.00
Interest on Deposit with TSSPDCL	3,35,275.70	-
Profit on Margadarsi Chit Fund	1,94,384.00	-
Sale of Investments	-	13,98,061.88
Increase/Decrease in other Term Deposits	(76,68,269.49)	42,62,245.76
Net Cash Flow from Investing Activities (B)	<u>(82,23,861.04)</u>	<u>25,54,535.98</u>

C. CASH FLOW FROM FINANCING ACTIVITIES:

Deferred Tax	1,57,000.00	5,98,000.00
Increase/Decrease in Longterm Loans & Advances	28,14,196.00	(35,89,764.00)
Interest Received	48,45,334.83	33,73,246.39
Net Cash From/(Used in) Financing Activities (C)	<u>78,16,530.83</u>	<u>3,81,482.39</u>

D. NET INCREASE/(DECREASE) IN CASH

And Cash Equivalents (A+B+C)	(7,43,404.03)	9,83,241.87
Cash and Cash Equivalents At the Beginning of the year	15,03,895.27	5,20,653.40
Cash and Cash Equivalents at the End of the year	7,60,491.24	15,03,895.27

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

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

For and on behalf of the Board

(T.Adinarayana)
Chairman & Managing Director
DIN:00917498

(T.Govardhana Rao)
Director
DIN:07162634

(L.JANARDHAN RAO)
Proprietor
Membership No.18474

(Surbhi Maheshwari)
Company Secretary
ACS:33124

(B.Kumar)
Chief Financial Officer

Place : Hyderabad
Date : 28.05.2016

Notes forming part of the financial statements:**Note 1:****a) Basis of Preparation of Financial Statements:**

The Financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis, except those with significant uncertainties'. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates:

The preparation of Financial Statements is in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although such estimates and assumptions are made on reasonable and prudent basis, taking into account available information, current events and actions, the actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are known/materialized/crystallized.

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:

Depreciation has been provided on straight line method over the useful life, in the manner prescribed in Schedule II of the Companies Act, 2013.

e) Income and Expenditure are accounted on a going concern basis.

f) Sales: Sales, if any, includes sale value of goods and excludes Sales tax / VAT and Excise Duty/ Service Tax. Interest on Term Deposits is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

- g) Dividend is recognized as and when the company's right to receive the payment is established.
- h) There are no contingencies and events after the Balance Sheet date that affect the financial position of the Company. Contested liabilities and outstanding bank guarantees are disclosed by way of a note.

i) Investments:

Investments that are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current investments are carried at lower of cost and fair value determined on individual investment basis.

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.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j) 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.

k) Provisions, Contingent Liabilities and Contingent Assets:

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow or resources is remote, no provision or disclosure is made. Contingent Assets are neither recognized nor disclosed in the financial statements.

l) 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 on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantially enacted as on the Balance Sheet date.

Deferred Tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

m) 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.

n) Cash Flow Statement:

Cash-flow statement is prepared in accordance with the “Indirect Method” as explained in the Accounting Standard(AS) 3 – Cash Flow Statements.

o) Cash and Cash Equivalents:

Cash and cash equivalent in the cash flow statement comprises cash in hand, bank balances in current accounts, cheques and drafts on hand and term deposits with an original maturity of less than three months.

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

Note 2: Share Capital

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(a) Authorised Capital: 1,20,00,000 Equity Shares of Rs.10/- each	12,00,00,000.00	12,00,00,000.00
(b) Issued & Subscribed Capital: 89,82,900 Equity Shares of Rs.10/- each	8,98,29,000.00	8,98,29,000.00
(c) Paid up Capital 67,53,100 Equity Shares of Rs.10/- each	6,75,31,000.00	6,75,31,000.00
(d) Forfeiture of Shares	55,74,500.00	55,74,500.00
	7,31,05,500.00	7,31,05,500.00

2.(a) Reconciliation of Shares Outstanding

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
At the beginning of the year		
No.of shares	67,53,100	67,53,100
Amount in Rs.	6,75,31,000.00	6,75,31,000.00
Issued during the year		
No.of shares	-	-
Amount in Rs.	-	-
Shares outstanding at the end of the year		
No.of shares	67,53,100	67,53,100
Amount in Rs.	6,75,31,000.00	6,75,31,000.00

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. In the event of liquidation, the equity share-holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to share holding.

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

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	No.of Shares	% of shares Held	No.of Shares	% of shares Held
Krishnaraj Securities Private Limited	15,18,530	22.49	15,18,530	22.49
T. Adinarayana	7,53,530	11.16	4,23,530	6.27

2.(d) There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during five years preceding 31st March, 2016.

Note 3: Reserves and Surplus

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(a) Capital Reserve		
Opening balance	13,22,000.00	13,22,000.00
Add: Current Year Transfer	-	-
Less: Written back in Current year	-	-
Closing balance	13,22,000.00	13,22,000.00
(b) Surplus		
Opening balance	2,21,72,249.71	1,62,44,216.57
Add: Net Profit for the current year	79,09,466.28	59,28,033.14
Closing balance	3,00,81,715.99	2,21,72,249.71
Total (a+b)	3,14,03,715.99	2,34,94,249.71

Note 4: Other Long Term Liabilities

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Others - Deposits from customers	4,50,000.00	4,50,000.00
Total	4,50,000.00	4,50,000.00

Note 5: Long-Term Provisions

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(a) Provision for Employee benefits:		
Gratuity	8,82,000.00	6,82,000.00
Leave Encashment	6,80,000.00	5,30,000.00
	15,62,000.00	12,12,000.00
(b) Others	-	-
Total	15,62,000.00	12,12,000.00

Note 6: Other Current Liabilities

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(a) Liability for Expenses	1,47,613.00	14,12,032.00
(b) Other Payables	-	-
Total	1,47,613.00	14,12,032.00

Note 7: Short-Term Provisions

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Provision for Taxation	3,36,239.43	3,30,995.85
Total	3,36,239.43	3,30,995.85

Note 8: Fixed Assets

Sl. No.	Particulars	Gross Block - At Cost			Depreciation			Net Block			
		As at 01.04.2015	Additions	Deletions/ Adjustments	Balance As at 31.03.2016	Balance As at 01.04.2015	Depreciation for the Year	Deletions/ Adjustments	Balance As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A	Tangible Assets:										
	Freehold Land	79,36,453.40	-	-	79,36,453.40	-	-	-	-	79,36,453.40	79,36,453.40
	Buildings	1,58,79,434.01	-	-	1,58,79,434.01	63,46,956.01	5,04,147.00	-	68,51,103.01	90,28,331.00	95,32,478.00
	Plant & Machinery	2,40,21,678.50	15,99,188.00	-	2,56,20,866.50	1,59,71,779.50	4,72,406.00	-	1,64,44,185.50	91,76,681.00	80,49,899.00
	Furniture & Fixtures	3,53,271.48	-	-	3,53,271.48	3,53,271.48	-	-	3,53,271.48	-	-
	Office Equipment	1,32,063.50	-	-	1,32,063.50	99,435.50	6,504.00	-	1,05,939.50	26,114.00	32,618.00
	Computers	6,26,200.00	-	-	6,26,200.00	6,26,200.00	-	-	6,26,200.00	-	-
	Vehicles	17,29,873.00	-	-	17,29,873.00	9,69,062.00	2,68,921.00	-	12,37,983.00	4,91,890.00	7,60,811.00
	Lab Equipment	84,042.00	-	-	84,042.00	84,042.00	-	-	84,042.00	-	-
	Total (A)	5,07,63,005.89	15,99,188.00	0.00	5,23,62,193.89	2,44,50,746.49	12,51,978.00	0.00	2,57,02,724.49	2,66,59,469.40	2,63,12,259.40
B.	Intangible Assets:										
	Computer Software	11,030.00	-	-	11,030.00	11,030.00	-	-	11,030.00	-	-
	Total (B)	11,030.00	-	-	11,030.00	11,030.00	-	-	11,030.00	-	-
	Total (A+B)	5,07,74,035.89	15,99,188.00	0.00	5,23,73,223.89	2,44,61,776.49	12,51,978.00	0.00	2,57,13,754.49	2,66,59,469.40	2,63,12,259.40

Note 9 : Non-Current Investments

	INVESTMENTS (LONG TERM) in Equity Instruments Quoted, at cost	No.of Shares/ units as at 31.03.2016	As at 31.03.2016 Rs.	No.of Shares/ units as at 31.03.2015	As at 31.03.2015 Rs.
1	Accelya Kale Solutions Limited Equity Shares of Rs.10/- each	1,100	1,32,000.00	1,100	1,32,000.00
2	Adani Ports and Special Economic Zone Limited, Equity shares of Rs.2/- each	1,635	1,43,880.00	1,635	1,43,880.00
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	9,651	8,02,324.55	9,651	8,02,324.55
5	Bank of Maharashtra Equity shares of Rs.10/- each	6,100	1,68,331.09	6,100	1,68,331.09
6	Bharat Petroleum Corporation Limited Equity Shares of Rs.10/- each	1,332	1,15,983.52	1,332	1,15,983.52
7	Cairn India Limited Equity Shares of Rs.10/- each	3,000	4,24,548.45	3,000	4,24,548.45
8	Century Enka Limited Equity Shares of Rs.10/- each	1,000	1,85,140.74	1,000	1,85,140.74
9	Cigniti Technologies Limited Equity Shares of Rs.10/- each	300	1,47,577.06	300	1,47,577.06
10	Classic Diamonds Limited Equity Shares of Rs.2/- each	6,980	1,85,605.24	6,980	1,85,605.24
11	Development Credit Bank Limited Equity Shares of Rs.10/- each	2,000	61,263.79	2,000	61,263.79
12	Dena Bank Equity Shares of Rs.10/- each	3,000	1,10,460.00	3,000	1,10,460.00
13	Dhunseri Tea & Industries Limited Equity Shares of Rs.10/- each	-	-	40	3,173.00
14	Divis Laboratories Limited Equity Shares of Rs.2/- each	3,000	21,000.00	1,500	21,000.00
15	Edelweiss Financial Services Limited Equity Shares of Rs.1/- each	1,730	1,42,725.00	1,730	1,42,725.00
16	Escorts Limited Equity Shares of Rs.10/- each	1,000	53,964.80	1,000	53,964.80
17	First Source Solutions Limited Equity shares of Rs.10/- each	3,000	1,53,128.38	3,000	1,53,128.38
18	Gayatri Sugars Limited Equity shares of Rs.10/- each	1,301	44,443.38	1,301	44,443.38
19	Gennex Laboratories Limited Equity shares of Rs.1/- each	70,000	37,889.00	70,000	37,889.00
20	Glenmark Pharmaceuticals Limited Equity Shares of Rs.1/- each	4,200	42,000.00	4,200	42,000.00
21	GMR Infrastructure Limited Equity shares of Rs.1/- each	2,200	2,10,627.66	2,200	2,10,627.66

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22	GOCL Corporation Limited Equity Shares of Rs.2/-	2,000	1,27,213.27	2,000	1,27,213.27
23	Gujarat State Petronet Limited Equity Shares of Rs.10/- each	1,218	48,266.00	1,218	48,266.00
24	Gulf Oil Lubricants India Limited 2,000 Equity Shares of Rs.2/- each	2,000	1,27,213.26	2,000	1,27,213.26
25	HCL Technologies Limited Equity Shares of Rs.2/- each	1,796	30,287.80	1,796	30,287.80
26	HDFC Bank Limited Equity Shares of Rs.2/- each	7,000	80,500.00	7,000	80,500.00
27	Heidelberg Cement India Limited Equity Shares of Rs. 10/- each	1,000	51,394.30	1,000	51,394.30
28	Hindustan Petroleum Corporation Limited, Equity shares of Rs.10/- each	300	80,056.11	300	80,056.11
29	IDBI Bank Limited Equity shares of Rs.10/- each	2,500	2,34,133.06	2,500	2,34,133.06
30	IDFC Bank Limited Equity Shares of Rs.10/- each	2,265	1,34,687.00	-	-
31	IDFC Limited Equity Shares of Rs.10/- each	2,265	2,06,984.75	1,265	1,85,671.27
32	India Cements Limited Equity Shares of Rs.10/- each	500	15,398.50	500	15,398.50
33	Indian Overseas Bank Equity Shares of Rs.10/- each	1,700	1,20,083.12	1,700	1,20,083.12
34	Indraprastha Gas Limited Equity Shares of Rs.10/- each	1,200	57,600.00	1,200	57,600.00
35	Infosys Limited Equity Shares of Rs.5/- each	440	2,12,183.63	220	2,12,183.63
36	Integrated Hi-Tech Limited Equity Shares of Rs.10/- each	700	7,000.00	700	7,000.00
37	ITC Limited Equity Shares of Rs.1/- each	6,000	3,47,723.95	6,000	3,47,723.95
38	Jaiprakash Power Ventures Limited Equity Shares of Rs.10/- each	3,400	1,08,800.00	3,400	1,08,800.00
39	Larsen & Toubro Limited Equity shares of Rs.2/- each	375	3,05,243.61	375	3,05,243.61
40	Mahindra & Mahindra Limited Equity Shares of Rs.5/- each	1,200	29,421.86	1,200	29,421.86
41	Maruti Suzuki India Limited Equity Shares of Rs.5/- each	300	37,500.00	300	37,500.00
42	MPS Limited Equity shares of 10/- each	171	7,328.99	171	7,328.99
43	Mukand Limited Equity Shares of Rs.10/- each	2,100	2,500.00	2,100	2,500.00
44	NHPC Limited Equity Shares of Rs. 10/- each	3,500	1,05,195.63	3,500	1,05,195.63
45	NTPC Limited Equity Shares of Rs.10/- each	9,079	6,41,110.48	9,079	6,41,110.48

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46	Oil and Natural Gas Corporation Limited, Equity Shares of Rs.5/- each	600	61,005.00	600	61,005.00
47	Petronet LNG Limited Equity Shares of Rs.10/- each	30,125	4,54,535.25	30,125	4,54,535.25
48	Power Grid Corporation of India Limited, Equity Shares of Rs.10/- each	873	60,064.00	873	60,064.00
49	PTC India Financial Services Limited Equity Shares of Rs.10/- each	35,500	9,94,000.00	35,500	9,94,000.00
50	PTC India Limited Equity Shares of Rs.10/- each	2,100	85,825.63	2,100	85,825.63
51	Rallis India Limited Equity Shares of Rs.1/- each	3,000	8,465.67	3,000	8,465.67
52	Reliance Communications Limited Equity Shares of Rs.5/- each	781	1,92,334.34	781	1,92,334.34
53	Reliance Industries Limited Equity shares of Rs.10/- each	960	4,75,423.42	960	4,75,423.42
54	Reliance Power Limited Equity Shares of Rs.10/- each	1,670	2,38,089.31	1,670	2,38,089.31
55	Rural Electrification Corporation Limited, Equity Shares of Rs.10/- each	1,000	1,64,259.03	-	-
56	Sadbhav Engineering Limited Equity Shares of Rs.1/- each	2,180	40,330.00	2,180	40,330.00
57	Sahara Housing Finance Corporation Limited, Equity shares of Rs.10/- each	250	9,612.00	250	9,612.00
58	SMS Pharmaceuticals Limited Equity Shares of Rs.1/- (Rs.10/-) each	10,000	2,38,715.07	1,000	2,38,715.07
59	Snowman Logistics Limited Equity Shares of Rs.10/- each	500	50,841.99	500	50,841.99
60	Steel Authority of India Limited Equity Shares of Rs.10/- each	2,000	84,400.00	2,000	84,400.00
61	Sun Pharmaceutical Industries Limited Equity Shares of Rs.1/- each	200	1,65,218.72	-	-
62	Suzlon Energy Limited Equity Shares of Rs.2/- each	1,000	13,764.20	-	-
63	Syndicate Bank Equity Shares of Rs.10/- each	32,000	4,86,542.50	32,000	4,86,542.50
64	Tata Coffee Limited Equity shares of Rs.1/- each	2,500	2,39,543.43	2,500	2,39,543.43
65	Tata Consultancy Services Limited Equity shares of Rs.1/- each	248	52,700.00	248	52,700.00
66	Tata Steel Limited Equity shares of Rs.10/- each	2,684	7,80,851.77	2,684	7,80,851.77
67	Tech Mahindra Limited Equity Shares of Rs.5/- each	2,032	3,41,746.25	2,032	3,41,746.25
68	The KCP Limited Equity Shares of Rs.1/- each	1,000	32,149.73	1,000	32,149.73

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69	The Karnataka Bank Limited Equity Shares of Rs.10/- each	2,414	1,30,650.00	2,414	1,30,650.00
70	UCO Bank Equity Shares of Rs.10/- each	11,900	2,30,045.00	11,900	2,30,045.00
71	Union Bank of India Equity Shares of Rs.10/- each	1,004	19,839.04	1,004	19,839.04
72	Vijaya Bank Equity Shares of Rs.10/- each	20,400	5,26,238.57	20,400	5,26,238.57
73	Virgo Global Media Limited Equity Shares of Rs.4/- each	20,000	2,00,000.00	20,000	2,00,000.00
74	Voltas Limited Equity Shares of Rs.1/- each	5,000	42,795.00	5,000	42,795.00
	Total (A)		1,27,60,302.90		1,22,64,233.47
	Bonds - At Cost				
1	National Highways Authority of India, 8.2% Tax Free Bonds of Rs.1,000/- each	500	5,00,000.00	500	5,00,000.00
	Total (B)		5,00,000.00		5,00,000.00
	Mutual Funds - At Cost				
1	Birla Sun Life Dividend Yield Plus - Growth - Regular Plan Units of Rs.10/- each	4,045.221	2,80,231.69	4,045.221	2,80,231.69
2	Birla Sun Life Frontline Equity Fund - Dividend - Regular Plan Units of Rs. 10/- each	8,113.556	1,83,395.03	6,671.872	1,46,891.88
3	DSP Black Rock Equity Fund - Regular Plan - Dividend Units of Rs.10/- each	37,321.113	17,99,286.51	33,269.032	16,12,979.93
4	Franklin India Blue Chip Fund - Growth Units of Rs.10/- each	2,238.138	50,000.00	2,238.138	50,000.00
5	ICICI Prudential Focused Blue Chip Equity Fund - Dividend Units of Rs.10/- each	45,859.151	7,38,113.03	42,217.729	6,70,564.66
6	ICICI Prudential Value Discovery Fund - Dividend Units of Rs. 10/- each	42,117.406	9,27,390.15	38,687.650	8,30,671.02
7	L & T Equity Fund - Growth Units of Rs.10/- each	23,949.364	3,00,000.00	23,949.364	3,00,000.00
8	L & T India Special Situations Fund - Growth Units of Rs.10/- each	48,899.756	5,00,000.00	48,899.756	5,00,000.00
9	Reliance Regular savings Fund - Equity Plan - Growth Plan - Growth Option Units of Rs.10/- each	15,757.882	4,30,540.00	15,757.882	4,30,540.00
10	SBI Contra Fund - Regular Plan - Dividend Units of Rs.10/- each	35,076.562	7,23,748.32	31,214.547	6,61,319.23

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11	Templeton India Growth Fund - Dividend Units of Rs.10/- each	23,920.647	8,02,578.63	21,967.613	6,92,740.56
12	UTI Opportunities Fund - Dividend Plan - Reinvestment Units of Rs.10/- each	62,179.666	8,41,328.21	57,460.385	7,55,137.63
13	UTI Treasury Advantage Fund - Daily Dividend Plan - Reinvestment Units of Rs.10/- each	1.435	1,500.83	1.435	1,500.83
14	UTI Banking Sector Fund - Dividend Plan - Reinvestment Units of Rs.10/- each	34,076.273	6,62,449.73	31,356.368	5,84,058.81
15	UTI Banking Sector Fund - Growth Plan - Growth Units of Rs.10/- each	20,070.570	7,33,980.73	20,070.570	7,33,980.73
16	UTI Dividend Yield Fund - Growth option - Growth Units of Rs.10/- each	23,783.312	7,22,299.21	23,783.312	7,22,299.21
17	UTI - Master Share Unit Scheme - Dividend Plan - Reinvestment Units of Rs.10/- each	57,991.501	14,01,413.89	53,127.856	12,52,655.89
18	UTI Mid Cap Fund - Dividend Plan - Reinvestment Units of Rs.10/- each	61,297.171	13,68,397.58	55,621.472	11,18,100.96
19	UTI MNC Fund - Dividend Plan - Reinvestment Units of Rs.10/- each	20,054.026	6,43,131.76	19,291.120	5,75,612.84
	Total (C)		1,31,09,785.30		1,19,19,285.87
	Total(A+B+C)		2,63,70,088.20		2,46,83,519.34
	Less: Provision for diminution in value of investments		32,00,000.00		32,00,000.00
	Grand Total		2,31,70,088.20		2,14,83,519.34

(i) Aggregate amount of Quoted Shares	1,27,60,302.90	1,22,64,233.47
(ii) Aggregate Value of Quoted Shares	4,97,31,635.00	5,12,68,720.00
(iii) Aggregate Provision for diminution in value of investments	32,00,000.00	32,00,000.00

Note 10: Deferred Tax Assets (Net)

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(a) Deferred Tax Assets	46,35,757.00	46,35,757.00
(b) Deferred Tax Liabilities	30,03,000.00	28,46,000.00
Total Deferred Tax Assets - Net	16,32,757.00	17,89,757.00

Note 11: Long-Term Loans & Advances - Unsecured

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(a) Capital advances	-	50,00,000.00
(b) Security Deposits	42,89,149.00	24,96,045.00
(c) Other Deposits	6,13,750.00	6,13,750.00
(d) Other Loans & Advances	17,69,845.00	13,77,145.00
Total	66,72,744.00	94,86,940.00

Note 12: Current Investments

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
UTI - Liquid Cash Plan - Institutional - Direct Plan - Daily Dividend Reinvestment Plan - 1,669.929 Units of Rs.1,000/- each	17,03,449.93	-
Total	17,03,449.93	-

Note 13: Trade Receivables

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(a) Outstanding for a period exceeding Six months from the date they are due for payment	-	28,30,777.00
(b) Others	17,21,254.13	50,47,160.52
Total	17,21,254.13	78,77,937.52

Note 14: Cash and Cash Equivalents

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(a) Cash on hand	26,375.85	5,976.80
(b) Cheques/ Drafts on hand	2,76,273.00	6,75,000.00
(c) Balance with banks:		
(i) In current accounts	4,57,842.39	8,22,918.47
(ii) In Fixed Deposit Accounts (with original maturity period of less than 3 months)	-	-
	7,60,491.24	15,03,895.27
Other bank Balances:		
In Fixed Deposit Accounts (with original maturity period of more than 3 months)	3,58,24,765.52	2,81,56,496.03
Total	3,65,85,256.76	2,96,60,391.30

Note 15: Short-Term Loans & Advances

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(a) Loans & Advances to Related parties	-	-
(b) Loans & ICD's, un secured	88,57,049.00	33,01,973.00
Total	88,57,049.00	33,01,973.00

Note 16: Other Current Assets

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Other Advances, un secured	3,000.00	92,000.00
Total	3,000.00	92,000.00

Note 17: Revenue from Operations

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Conversion /Job Work Charges	85,50,000.00	79,50,000.00
Interest Income:		
Interest on FD's	31,48,086.49	28,03,246.39
Interest on Loans/ICD's	16,97,248.34	5,70,000.00
	48,45,334.83	33,73,246.39
Total	1,33,95,334.83	1,13,23,246.39

Note 18: Other Income

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Dividend Income	21,53,197.35	17,69,559.85
Net gain/(loss) from sale of Investments	6,308.26	(4,85,113.51)
Interest (from Tax Free Bonds)	41,000.00	41,000.00
Interest from Income tax refund	-	17,205.00
Interest on deposit with TSSPDCL	3,35,275.70	-
Profit on Margadarsi Chit Fund	1,94,384.00	-
Keyman Insurance	-	6,53,438.00
Total	27,30,165.31	19,96,089.34

Expenditure

Note 19: Employee Benefits Expenses

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Salaries and Wages	20,08,306.00	17,67,466.00
ESI	16,956.00	12,654.00
Staff Welfare	37,118.63	40,593.00
Total	20,62,380.63	18,20,713.00

Note 20: Finance Costs

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Interest to Banks	-	-
Bank Charges	-	8,740.76
Total	-	8,740.76

Note 21: Depreciation and Amortization Expenses

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Depreciation	12,51,978.00	12,57,337.00
Total	12,51,978.00	12,57,337.00

Note 22: Other Expenses

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Power and Fuel	7,571.00	12,479.00
Rent	1,10,100.00	82,600.00
Repairs and Maintenance	7,42,461.00	8,53,759.00
Insurance	1,43,698.00	1,27,606.00
Audit Fee	21,200.00	21,734.00
Advertisement Expenses	46,582.00	56,123.00
Bank Charges	6,902.32	-
Consultancy Charges	-	22,472.00
Conveyance Expenses	1,88,680.32	2,06,296.73
Court Fee	-	40,000.00
Gratuity	2,00,000.00	-

SIGACHI LABORATORIES LIMITED

Leave Encashment	1,50,000.00	-
Listing Fee	11,400.00	11,236.00
Secretarial Audit Fee	34,450.00	22,800.00
Miscellaneous Expenses	50,681.46	46,817.80
Office Maintenance	1,03,258.95	1,11,253.00
Postage & Telegrams	26,754.00	31,183.00
Printing & Stationary	25,804.00	21,927.25
Professional charges	36,000.00	27,000.00
Sitting Fee & Incidental Expenses	45,772.00	-
Share Transfer & Depository Fee	1,02,477.62	79,832.00
Communication Expenses	48,494.56	37,301.66
Travelling Expenses	21,578.00	6,200.00
Vehicle Maintenance	44,696.00	11,668.00
Total	21,68,561.23	18,30,288.44

Other Notes to the Financial Statements

23. Auditors' remuneration:

	As at	As at
	31.03.2016	31.03.2015
	Rs.	Rs.
Audit Fee	17,250.00	15,000.00
Tax Audit Fee	3,450.00	3,000.00
Reimbursement of Expenses	500 .00	3,734.00
	-----	-----
	21,200.00	21,734.00
	-----	-----

24. As per the records and information available with the company, there are no dues to Micro, Small and Medium Enterprises. Hence, information as required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is not furnished.

25. 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).

26. Contingent Liabilities and Commitments:

a. Claims against the company:

Income Tax department has filed an appeal with the Hon'ble High Court of Judicature at Hyderabad against the orders of 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.

b. Bank Guarantees:

Rs.5,00,000/- as at 31-3-2016 and Rs.5,00,000/- as at 31-03-2015. The Bank Guarantee is secured against the lien on the fixed deposit receipt for **Rs.6,40,815/-** (Rs.6,40,815/-).

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

	As at	As at
	31.03.2016	31.03.2015
	Rs.	Rs.
(a) Net profit after tax available for equity shareholders	79,09,466	59,28,033

SIGACHI LABORATORIES LIMITED

(b) Weighed average number of Basic/Diluted equity Shares of Rs.10.00 each outstanding during the Year (No. of shares)	67,53,100	67,53,100
(c) Basic /Diluted Earnings per Share (Rs.) (a/b)	1.17	0.88

28. Segment information for the year ended 31st March, 2016:

a) Primary Segment Reporting: Business Segment.

(Rs. in lakhs)

S. No.	Particulars	Year Ended 31st March, 2016 (AUDITED)	Year Ended 31 st March, 2015 (AUDITED)
1.	Segment Revenue:		
	Net Sales/Income from each Segment:		
	a) Bulk Drugs & Intermediates, (Job works/processing charges)	85.50	79.50
	b) Interest on ICD's & FD's	48.45	33.73
		133.95	113.23
	Less: Inter Segment Revenue	-	-
	Net Sales/Income from Operations	133.95	113.23
2.	Segment Results:		
	Profit/(Loss) before Finance Costs, Exceptional items and tax:		
	a) Bulk Drugs & Intermediates	64.31	57.33
	b) On ICD's & FD's	48.45	33.73
		112.76	91.06
	Less (i) Finance Costs	-	0.09
	(ii) Other Un-allocable Expenditure	33.64	26.91
	Add (iii) Un-allocable Income	27.30	19.96
	Total Profit before Tax	106.42	84.02
3.	Capital Employed: (Segment Assets-Segment Liabilities)		
	a) Bulk Drugs & Intermediates	366.57	436.58
	b) On ICD's & FD's	446.82	314.58
	c) Unallocated	231.70	214.84
		1045.09	966.00

b) Secondary Segment Reporting: Not Applicable.

29. Related Party Transactions:

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

Enterprises significantly influenced by Key Managerial 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 Managerial Personnel: Sri. T. Adinarayana, Chairman and Managing Director, Mrs. Surbhi Maheshwari, Company Secretary and Sri. B. Kumar, Chief Financial Officer. Total Managerial Remuneration paid **Rs. 15,89,807/-** (Rs.13,15,210/-). Sitting fee and reimbursement of expenses paid to the directors:

	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
a) Mr. B.S.S. Murthy	10,000/-	Nil
b) Miss. K. Suneetha	10,000/-	Nil
c) Mr. T. Govardhana Rao	10,000/-	Nil
d) Mr. P.L.V. Subba Rao	10,000/-	Nil

Further Reverse Charge of Rs.5,722/- has been paid to Service tax department on the fee paid to directors.

30. Since the Company is undertaking conversion/job works only, it is not practicable to give consumption per unit cost of production. The Company has not incurred any amount on raw materials.

31. Repairs and Maintenance includes repairs to plant & machinery of **Rs.7,02,461/-** (Rs.7,87,884/-), repairs to buildings **NIL** (Rs.26,875/-) and factory up keep of **Rs.40,000/-** (Rs.39,000/-).

SIGACHI LABORATORIES LIMITED

32. Foreign Exchange Transactions:	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
a) Value of Imported Raw Materials Consumed	Nil	Nil
b) Value of Imports on CIF Basis	Nil	Nil
c) Earnings in Foreign Currency (FOB value of Exports)	Nil	Nil
d) Expenditure in Foreign Currency	Nil	Nil

33. Previous year figures have been regrouped/reclassified/rearranged wherever Necessary to conform to the current year presentation.

Per our report of even date annexed. For and on behalf of the Board
for JANARDHAN RAO DESHMUKH & CO.,
Chartered Accountants
(Firm Regn No.005979S)

(T. Adinarayana)
Chairman &
Managing Director
DIN:00917498

(T.Govardhana Rao)
Director
DIN:07162634

(L. JANARDHAN RAO)
Proprietor

(Surbhi Maheshwari)
Company Secretary
ACS:33124

(B. Kumar)
Chief Financial Officer

Place : Hyderabad
Date : 28.05.2016

Form No. MGT - 11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L24230AP1994PLC018786
Name of the Company	SIGACHI LABORATORIES LIMITED
Registered Office	530 & 534, Bonthapally – 502313, Jinnaram Mandal, Medak District, Telangana.

Name of the member(s)	
Registered Address	
E-Mail ID	
Folio No/DP & Client ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

Name		Signature
Address		
E mail ID		

Or failing him;

Name		Signature
Address		
E mail ID		

Or failing him;

Name		Signature
Address		
E mail ID		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Second Annual General Meeting of the Company, to be held on Tuesday, 27th September, 2016 at 4.00 p.m., at the Regd. Office: 530 & 534, Bonthapally - 502 313, Jinnaram Mandal, Medak District, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

SIGACHI LABORATORIES LIMITED

1.	Adoption of Audited Financial Statements, Reports of Board of Directors and Auditors for the year ended 31 st March, 2016.	Ordinary Resolution		
2	Re-appointment of Mr. P.L.V. Subba Rao, as a director of the Company who retires by rotation and is eligible for re-appointment.	Ordinary Resolution		
3	Ratification of Appointment of M/s. Janardhan Rao Deshmukh & Co., as Statutory Auditors of the company.	Ordinary Resolution		

Signed this Day of 2016.

Signature of shareholder

Affix Re. 1/- Revenue stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

SIGACHI LABORATORIES LIMITED

Regd. Office: 530 & 534, Bonthapally – 502313,
Jinnaram Mandal, Medak District, Telangana.

Tel: 040-2320 4230 / 2320 4273, Fax: 0091-40-23204273, www.slllab.com.
CIN:L24230AP1994PLC018786; Email: sigachilaboratories@yahoo.co.in

TWENTY SECOND ANNUAL GENERAL MEETING

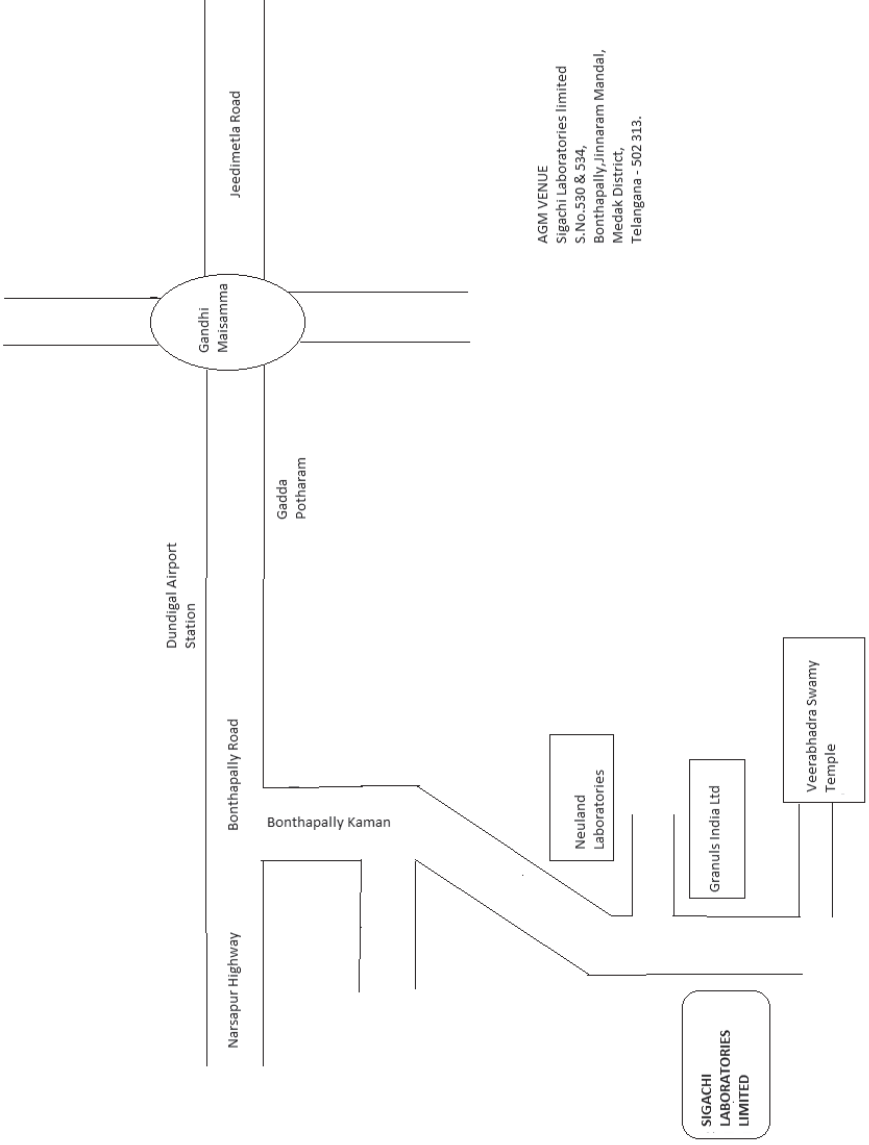
Date: 27th September, 2016 Time: 4.00 P.M.,

ATTENDANCE SLIP

To be handed over at the entrance of Meeting Hall

Regd. Folio / DP ID & Client ID	
No. of shares held	
Name and Address of The Shareholder	
Name of the Proxy	
Signature of the Shareholder / Proxy Present	

1. I/We, hereby record my/our presence at the Twenty Second Annual General Meeting of the Company at the Regd. Office: 530 & 534, Bonthapally – 502 313, Jinnaram Mandal, Medak District, Telangana.
2. Shareholder / Proxy holder wishing to attend the meeting complete this Attendance Slip, duly signed, and hand it over at the entrance.
3. Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.



AGM VENUE
Sigachi Laboratories limited
S.No.530 & 534,
Bonthapally, Innaram Mandal,
Medak District,
Telangana - 502 313.

PRINTED MATTER

If undelivered Please return to:

SIGACHI LABORATORIES LIMITED

CIN: L24230AP1994PLC018786

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