



21st
ANNUAL REPORT
2014 – 2015



SIGACHI LABORATORIES LIMITED



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
6. Sri T.R. Sekhar

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 : Janardhanrao Deshmukh & Co.,
Chartered Accountants,
Flat No.304, Lumbini Apartments,
Dharam Karan Road, Ameerpet,
Hyderabad - 500 016.

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.

NOTICE

NOTICE is hereby given that the Twenty First 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 29th day of September, 2015 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, 2015, together with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sri. T. Raja Sekhar, (holding DIN: 02943146), 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 the appointment of M/s. Janardhan Rao Deshmukh & Co., Chartered Accountants (who were appointed by the Members as Statutory Auditors of the Company, for a period of 3 years, from the conclusion of the Twentieth Annual General Meeting up to the conclusion of the Twenty Third Annual General Meeting), be and is hereby ratified until the conclusion of next Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company”

SPECIAL BUSINESS:

4. 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 Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, as amended from time to time, read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. T. Govardhana Rao, (holding DIN:07162634), who was appointed as an additional director of the Company by the Board of Directors as per section 161 of the Companies Act, 2013 and who holds office only up to the date of this Annual General Meeting, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the said Act and is eligible for appointment and in respect

of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting and not liable to retire by rotation”.

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

“RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. P.L.V. Subba Rao, (holding DIN-07268648) who was appointed as an Additional director of the company by the Board of Directors as per section 161 of the Companies Act, 2013 and who holds such office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as a Non-Executive Non-Independent Director of the company, who is liable to retire by rotation.”

6. Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.

To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all acts and deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors
For Sigachi Laboratories Limited

Place: Hyderabad
Date : 13.08.2015

(Surbhi Maheswari)
Company Secretary

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. The instruments of proxies in order to be effective must be deposited with the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
3. 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.
4. 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.
5. Shareholders desiring any information regarding the accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the Management to keep the information ready.
6. The members attending the meeting are requested to bring the enclosed Attendance Slip and deliver the same at the entrance of the Meeting Hall.
7. Duplicate Attendance Slip shall not be issued at the Annual General Meeting venue, however the same shall be issued at the Registered Office of the Company up to two days preceding the day of the Annual General Meeting.
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 23rd September, 2015 to 29th September, 2015 (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. 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.

13. All the documents referred to in the Notice and explanatory statement 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.
14. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
15. The information pursuant to Clause 49 of the Listing Agreement with respect to the Details of the Directors seeking appointment/ re-appointment in this Annual General Meeting is annexed herewith. Memorandum of Interest:

Except Mr. T. Adinarayana, Chairman and Managing director none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested financially or otherwise, in the Resolution for the reappointment of Mr. T. Raja Sekhar as Director of the Company as he is related to him, the Board commends the Ordinary Resolution as set out at item No. 2, for the approval of the Members.

16. E- Voting:

Voting through electronic means;

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to members the facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The Members whose names appear in the Register of Members / List of Beneficial owners as on 22nd September, 2015 (cut-off date), are entitled to vote on the resolutions set forth in this Notice.

The e-voting period will commence on 26th September, 2015 (09:00 hrs) and will end on 28th September, 2015 (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 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:

The instructions for members for voting electronically are as under:

A. In case of members receiving e-mail (for members whose e-mail address are registered with the Company/Registrars):

- (i) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on “Share holders” tab.
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.
- (iii) Next enter the Image Verification as displayed and Click on Login.
- (iv) 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.
- (v) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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.
(DOB)	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If both the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company, i.e., Sigachi Laboratories Limited on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the voting done by you clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) 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 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.

(xvii) 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.

B. In case of members receiving the physical copy of notice of 21st 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. (xvii) to cast vote.

C. General Instructions:

- i. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on the cut-off date (record date) of 22nd September, 2015.
- ii. 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.
- iii. Members who do not have access to e-voting facility have been additionally provided the facility through Ballot Form. They may send duly completed Ballot Form to the Scrutinizer, Mr. D. Venkata Ratnam, Chartered Accountant at the Registered Office of the company so as to reach on or before the conclusion of the 21st Annual General Meeting or can carry the same to the AGM and deposit in the Ballot Box during the Meeting. Members have the option to request for physical copy of Ballot Form by sending an email to sigachilaboratories@yahoo.co.in by mentioning their Folio No. / DP ID and Client ID.
- iv. The facility for voting through polling paper shall also be made available at the meeting and the members attending the meeting who have not

already cast their vote by e-voting shall be able exercise their right at the meeting.

- v. The members who 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.
- vi. The company has appointed Mr. D. Venkata Ratnam, Chartered Accountant (Membership No. 021342) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The scrutiniser, after scrutinising the votes cast at the meeting through poll and through e-voting will, not later than three days of conclusion of the Meeting, make a consolidated scrutiniser's report and shall be submitted to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.sillab.com and on the website of www.cdslindia.com. The results shall simultaneously be communicated to the Ahmedabad Stock Exchange.
- vii. The result of the voting on the Resolutions at the meeting will be announced by the Chairman or any other person authorized by him within three days of the AGM.

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

Item No. 4

In accordance with the provisions of Section 149 read with schedule IV to the Companies Act, 2013 appointment of independent director requires approval of members. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have proposed that Mr. T. Govardhana Rao be appointed as an independent director of the company. The appointment of Mr. T. Govardhana Rao shall be effective upon approval by the members in the Meeting.

The company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing the candidature of Mr. T. Govardhana Rao for the office of Director of the company. Mr. T. Govardhana Rao is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director. The company has received a declaration from Mr. T. Govardhana Rao that he meets the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the Listing

Agreement. In the opinion of the Board Mr. T. Govardhana Rao fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. T. Govardhana Rao is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Mr. T. Govardhana Rao

Mr. T. Govardhana Rao aged about 61 years is a science graduate from Andhra University and did CAIIB. He has worked at Allahabad Bank for about 37 years in various departments and cadres and has retired as an officer of the Bank during 2014.

Mr. T. Govardhana Rao has been appointed as an Additional Director by the Board with effect from 30th March, 2015. Mr. T. Govardhana Rao 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 his vast experience the Board recommends the resolution in relation to appointment of Mr. T. Govardhana Rao as an Independent Director, for the approval of share holders of the Company.

Except Mr. T. Govardhana 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.4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Copy of the draft letter of appointment of Mr. T. Govardhana Rao as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the company.

Your Directors recommend the Resolution for your approval.

Item No. 5

In accordance with the provisions of Section 152 of the Companies Act, 2013, appointment of Director requires approval of members. Based on the recommendation of Nomination and Remuneration Committee, the Board has proposed that Mr. P.L.V. Subba Rao be appointed as Non-Executive and Non-Independent director on the Board, whose office is liable to retire by rotation.

The appointment of Mr. P.L.V. Subba Rao shall be effective upon approval by the members in the meeting.

The company has received a notice in writing from a member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 proposing the candidature of Mr. P.L.V. Subba Rao for the office of Director of the company. Mr. P.L.V. Subba Rao is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Brief resume of Mr. P.L.V. Subba Rao,

Mr. P.L.V. Subba Rao is a post graduate in commerce from Andhra University and is aged about 60 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 2013.

Mr. P.L.V. Subba Rao has been appointed as an Additional Director by the Board with effect from 30th March, 2015 and 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 his vast experience the Board recommends the resolution in relation to the 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.

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.5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Copy of the draft letter of appointment of Mr. P.L.V. Subba Rao as Non-Executive and Non- Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the company.

Your Directors recommend the Resolution for your approval.

Item No. 6

The Articles of Association (“AOA”) of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the

SIGACHI LABORATORIES LIMITED

existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the present Companies Act, 2013.

With the coming into force of the Companies Act, 2013, several regulations of the existing AOA of the Company require alteration or deletions in several Articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles. The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

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.6.

Your Directors recommend the Resolution for your approval as Special Resolution.

By Order of the Board of Directors
For Sigachi Laboratories Limited

Place : Hyderabad
Date : 13.08.2015

(Surbhi Maheswari)
Company Secretary

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the Twenty First Annual Report, together with the Audited statements of Accounts of the Company for the year ended 31st March, 2015 along with Auditors' Report thereon:

FINANCIAL HIGHLIGHTS:

(Rupees in Lakhs)

	2014-2015	2013-2014
Sales/Income from operations	133.19	138.55
Profit before Depreciation and Amortization	96.59	84.77
Depreciation and Amortization	12.57	20.79
Exceptional Items	-	3.00
Profit before Tax	84.02	60.98
Provision for Taxation:		
Current Tax	19.50	15.30
Prior period Tax	(0.74)	0.08
Deferred Tax	5.98	3.45
Profit after Tax	59.28	42.15

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

OPERATING RESULTS

Your company has generated total Income of Rs. 133.19 Lakhs during the financial year 2014-2015 as against Rs.138.55 Lakhs during the financial year 2013-2014 and has earned net profit of Rs. 59.28 Lakhs as against Rs.42.15 Lakhs respectively and thus there is an increase of 40% in the net profit of the company during the financial year 2014-2015.

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 2014-2015.

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

During the year the company has not issued any fresh shares.

DIRECTORS:

During the year under review Sri. T.R. Sekhar, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors have appointed Mr.T. Govardhana Rao as an Additional Director of the Company on 30th March, 2015 who holds office till the ensuing Annual General Meeting. The Board, based on the recommendation of Nomination and Remuneration Committee considered the appointment of Mr. T. Govardhana Rao as an Independent Director subject to approval of shareholders. Accordingly a resolution seeking approval of shareholders for his appointment as an Independent Director for a period of five years is included at Item No.4 of the Notice convening the Annual General Meeting.

The Board of Directors have appointed Mr. P.L.V. Subba Rao, as an Additional Director of the Company on 30th March, 2015 who holds office till the ensuing Annual General Meeting. The Board, based on the recommendation of Nomination and Remuneration Committee considered the appointment of Mr. P.L.V. Subba Rao, as a Director liable to retire by rotation, subject to approval of shareholders. Accordingly a resolution seeking approval of shareholders for his appointment as a Director liable to retire by rotation is included at Item No.5 of the Notice convening the Annual General Meeting.

During the year under review Sri Ch. Nageswara Rao Director of the Company has resigned on 30th March, 2015 due to his ill health. Your Director's place their appreciation for the valuable services rendered by him during his tenure as Director of the Company.

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 year Six Board Meetings were properly convened and held.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 had already appointed Sri. T. Adinarayana as Chairman & Managing Director, Mr. B. Kumar as Chief Financial Officer and Mrs. Surbhi Maheswari as the Company Secretary. The Board designated them as Key Managerial personnel of the Company under the provisions of the Companies Act, 2013.

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

To the best of our knowledge, the Company has not received any such orders from Regulators, Courts or Tribunals during the year, which may impact going concern status or the company's operations in future.

DETAILS IN RESPECT OF 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 and used economically.

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 2014-15 and of the profit of the Company for that period;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts for the year 2014-2015 have been prepared on a going concern basis.
- v. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and
- vi. That 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 2015-16 is included at item No.3 of the Notice convening the Annual General Meeting, as required under clause 49 of the Listing Agreement.

SECRETARIAL AUDIT

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 is annexed herewith as Annexure I to this Report.

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.

AUDIT COMMITTEE

The following is the composition of Audit Committee as at 31st March, 2015:

1. Sri. B.S.S. Murthy
2. Miss. K. Suneetha
3. Sri. T. Raja Sekhar

NOMINATION AND REMUNERATION COMMITTEE

The following is the constitution of Nomination and Remuneration Committee as at 31st March, 2015:

1. Sri. B.S.S. Murthy
2. Miss. K. Suneetha
3. Sri. T. Raja Sekhar

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

The terms of reference of the Nomination and Remuneration Committee includes the following:

To identify and recommend to the Board, in accordance with the criteria as laid down, for appointment/reappointment/removal of the Executive/Non-Executive Directors and the senior management of the Company;

To formulate criteria for evaluation and evaluate the performance of every director, including the independent Directors;

To formulate the criteria for determining qualifications, positive attributes and independence of the Directors;

To recommend to the Board a remuneration policy for the Directors, Key Managerial Personnel and other employees of the Company;

To formulate the policy of remuneration and ensure that

- a. The level and composition of remuneration is reasonable, commensurate with the qualifications and experience, and sufficient to attract, retain and motivate directors, key managerial personnel of the quality required to run the company successfully;
- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and;

Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

STAKE HOLDERS RELATIONSHIP COMMITTEE

The following is the composition of Stake Holders Relationship Committee as at 31st March, 2015:

1. Miss. K. Suneetha
2. Mr. B.S.S. Murthy
3. 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, 2015.

MEETING OF INDEPENDENT DIRECTORS

The Independent directors of the company have met separately without the attendance of Non-Executive Directors on 30th March, 2015 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

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 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.sllab.com.

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 32 (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.

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

CORPORATE GOVERNANCE:

Compliance with the provisions of clause 49 of the Listing Agreement with regard to corporate governance report is not mandatory as the Equity Share Capital of the company do not exceed Rs.10 crores and net worth do not exceed Rs.25 crores as per SEBI circular no.CIR/CFD/POLICYCELL/7/2014 dt. 15-9-2014, hence corporate governance report has not been enclosed to directors report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

ACKNOWLEDGEMENTS :

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

For and on behalf of the Board

Place : Hyderabad
Date : 29.05.2015

(T. ADINARAYANA)
Chairman & Managing Director

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,
Punjagutta,
HYDERABAD-500 082.

SECRETARIAL AUDIT REPORT

*For the Financial Year ended 31st March, 2015
[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,
Bonthapally Village, Jinnaram (M),
Medak District, Telangana - 502 313.

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, 2015 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, 2015 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, 1992.
 - (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 thereunder.
 - The Water (Prevention and Control of Pollution) Act, 1974.
 - Air (Prevention and Control of Pollution) Act, 1981.
 - The Narcotics, Drugs & Psychotropics Substances Act, 1985
 - 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 **(Not notified during the audit period and hence not applicable)**.

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

We further report that:

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

We further report that

- there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor 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 : 29.05.2015
Place: Hyderabad

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

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2015
(pursuant to Section 92(3) of the Companies Act, 2013 and Rules 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, 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

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 product/services	NIC Code of the product/ services	% to total turnover of the Company
1	Pharmaceutical Products (Bulk Drugs and Drug Intermediates)	210	70%
2	Interest on loans/ ICDs, Fixed Deposits	649	30%

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 (1st April, 2014)				No of Shares held at the End of the Year (31st March, 2015)				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters (Including Promoter Group)									
1	Indian									
(a)	Individuals/Hindu Undivided Family	.	847,560	847,560	12.55	311,500	536,060	847,560	12.55	.
(b)	Central Government	.	.	.	.	.	.	.	.	.
(c)	State Government(s)	.	.	.	.	.	.	.	.	.
(d)	Bodies Corporate	967,020	571,520	1,538,540	22.78	1,282,510	236,020	1,518,530	22.49	-0.29
(e)	Banks/Financial Institutions	.	.	.	.	.	.	.	.	.
(f)	Any Other	.	.	.	.	.	.	.	.	.
	Sub-Total (A)(1)	967,020	1,419,080	2,386,100	35.33	1,594,010	772,080	2,366,090	35.04	-0.29
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	101,150	2,444,000	2,545,150	37.69	109,150	2,444,000	2,553,150	37.81	0.12
(ii)	Individual shareholders holding Nominal Share Capital in Excess of Rs. 1 Lakh	14,900	40,000	54,900	0.81	34,910	40,000	74,910	1.11	0.3
(c)	Any Other									
(i)	Non Resident Indians	16,750	1,624,700	1,641,450	24.31	14,250	1,619,200	1,633,450	24.19	-0.12
	Sub-Total (B)(2)	132,800	4,234,200	4,367,000	64.67	158,310	4,228,700	4,387,010	64.96	0.29
	Total Public Shareholding (B) = (B) (1)+(B)(2)	132,800	4,234,200	4,367,000	64.67	158,310	4,228,700	4,387,010	64.96	0.29
(C)	Shares held by Custodian for GDRs and ADRs									
	Grand Total (A) + (B) + (C)	1,099,820	5,653,280	6,753,100	100.00	1,752,320	5,000,780	6,753,100	100.00	

(ii). Shareholding of Promoters

Sl. NO	Shareholder's Name	No. of Shares held						% Change in Shareholding during the Year
		At the beginning of the Year (1st April, 2014)		At the end of the Year (31st March, 2015)		% of Shares pledged/ Encumbered to Total Shares	% of Shares pledged/ Encumbered to Total Shares	
		No of Shares	% of Total Share of the Company	No of Shares	% of Total Share of the Company			
1	T. Adinarayana	112030	1.66	-	423530	6.27	-	4.61
2	T.H.P.S Kumar	54010	0.80	-	54010	0.80	-	0.00
3	T. Bhagya Lakshmi	10	0.00	-	10	0.00	-	0.00
4	S.Chidambaranathan	10	0.00	-	10	0.00	-	0.00
5	T.Satyanarayana	51000	0.76	-	-	-	-	-0.76
6	T.Seetharamanjaneyulu	50500	0.75	-	-	-	-	-0.75
7	T.Narasimha Rao	110000	1.63	-	-	-	-	-1.63
8	T.Kumari	120000	1.78	-	120000	1.78	-	0.00
9	M.Chinna Babu	130000	1.93	-	130000	1.93	-	0.00
10	T.L.Narasamma	100000	1.48	-	-	-	-	-1.48
11	Y.Srinivasa Rao	120000	1.78	-	120000	1.78	-	0.00
12	Ushakiran Finance Limited	20010	0.30	-	-	-	-	-0.30
13	Krishnaraj Securities Pvt Ltd	1518530	22.49	-	1518530	22.49	-	0.00
	Total	2386100	35.33	-	2366090	35.04	-	0.29

(iii). Change in Promoter's (Including Promoter Group) Shareholding

	Shareholding at the beginning of the year (1st April, 2014)		Cumulative Shareholding during the year (1st April, 2014 to 31st March, 2015)	
	No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
At the beginning of the Year	2386100	35.33%		
Date wise Increase/Decrease in shareholding during the year specifying the reasons for Increase/Decrease (e.g.allotment /transfer/bonus /seat equity etc)	2010 Equity Shares have been sold/ transferred on 18-7-2014 by Ushakiran Finance Ltd.,	0.29%	2366090	35.04%
At the end of the year	2366090	35.04%		

Note: Inter-se transfer among promoters - 3,11,500 equity shares during the year.

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 1st April, 2014		Date	Increase / Decrease in Share Holding	Reason	Cumulative Shareholding during the year 31st March, 2015	
		No of Shares	% of total Shares of the Company				No of Shares	% of total Shares of the Company
1	Shasun Finance Limited	50000	0.74	-	-	-	50000	0.74
2	Indur kirpalani	50000	0.74	-	-	-	50000	0.74
3	Shasun Securities Limited	50000	0.74	-	-	-	50000	0.74
4	Premkumar Parwal	25000	0.37	-	-	-	25000	0.37
5	Y Pulla Rao	-	-	18-7-2014	20010	Transfer	20010	0.30
6	Lachman Kishan Chand Kishore kishan chand Bharat kishan chand	20000	0.30	-	-	-	20000	0.30
7	Guruchanran Jeet Singh	20000	0.30	-	-	-	20000	0.30
8	Pushpawati Modi Keshavlal Modi	20000	0.30	-	-	-	20000	0.30
9	Shekhar J Bhansali	20000	0.30	-	-	-	20000	0.30
10	Tarun Agarwal	20000	0.30	-	-	-	20000	0.30
11	Kishan Lal Agrawal	20000	0.30	-	-	-	20000	0.30
12	Ugamraj Nahar B	20000	0.30	-	-	-	20000	0.30

(v). Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year 1st April, 2014		Date	Increase / Decrease in Share Holding	Reason	Cumulative Shareholding during the year 31st March, 2015	
		No of Shares	% of total Shares of the Company				No of Shares	% of total Shares of the Company
	Directors							
1	T. Adimarayana, Chairman and Managing Director	112030	1.66	1-4-2014				
				28-1-2015	311500	Transfer	423530	6.27
	Key managerial Personnel							
1	B. Kumar, CFO	100	.	1-4-2014	.	No Change during the year	100	.

V. INDEBTEDNESS

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

Sl No.	Particulars of Remuneration	Managing Director	Company Secretary	CFO	Total
		Rs.	Rs.	Rs.	Rs.
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	1152610	90600	72000	1315210
	(b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	32400	-	-	32400
	(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	-	-	-	-
5	Others	-	-	-	-
	Total	1185010	90600	72000	1347610

Total ceiling as per the Act - Rs.42,00,000/- per annum

(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 /B.Directors/C.Other Officers in default					
Penalty			NONE		
Punishment			NONE		
Compounding			NONE		

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 Contract / Arrangements entered into by the Company with the related parties referred to in sec. 188 (1) 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:

Other than payment of remuneration to key managerial personnel amounting to Rs.13,15,210/- there are no other contracts or arrangements with related parties.

ANNEXURE - IV

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

India is a major manufacturer of Bulk Drugs and several reputed companies export Bulk Drugs and Intermediates to different countries regularly. 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 markets during 2010-2015 period 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 seeing 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.133.19 Lakhs during the Financial year 2014-2015 as against total income of Rs.138.55 Lakhs during the year 2013-2014 and has earned net profit of Rs.59.28 Lakhs as against Rs. 42.15 Lakhs respectively.

Human Resources:

Relations with the employees remained positive and very cordial.

Cautionary statement:

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

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, 2015:

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.

Your company is having multi fuel Boiler at one of its factories.

ii) Capital invested on energy equipments:

During the financial year the company has not invested any amount on energy equipments.

B) TECHNOLOGY ABSORPTION:

There is no new technology absorption during the year.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2014-2015	2013-2014
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:

A.I. The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31st March, 2015:

Sri. T. Adinarayana,

Chairman and Managing Director 7.01

II. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	Cost to Company (CTC)	% Increase
------	-------------	-----------------------	------------

Sri. T. Adinarayana	CMD	Rs.11,85,010/-	9.39%
---------------------	-----	----------------	-------

III. The percentage increase in the median remuneration of employees in the financial year:

Around 8%.

IV. The number of permanent employees on the rolls of the company.
5 numbers as on 31st March, 2015.

V. The explanation on the relationship between average increase in remuneration and company performance:

The company's profit after tax has grown from Rs.42.15 lakhs to Rs.59.28 lakhs, an increase of 40% against which the average increase in remuneration is 8% as this increase is in line with the Remuneration policy of the company.

VI. 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 8% for employees other than managerial personnel and around 9.39% for managerial personnel. There was no exceptional circumstances or increase for managerial personnel in the last financial year.

VII. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

SIGACHI LABORATORIES LIMITED

Name	Designation	Cost to Company (CTC) (31-3-2015)	% increase in CTC	PAT (Rs. In lakhs)	% increase in PAT
T. Adinarayana	Chairman and Managing Director	Rs.11,85,010/-	9.39%	59.28	40%
B. Kumar	CFO	Rs.72,000/-	-	-	-
Surbhi Maheswari	Company Secretary	Rs.90,600/-	-	-	-

VIII. Key parameters for any variable component of remuneration availed by directors:

There is no variable component in the remuneration availed by Chairman and Managing Director and none of the other directors have not drawn any remuneration.

IX. 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.

X. 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 over 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 applicable. The net worth of the company as at 31st March, 2015 is Rs. 966 lakhs as against net worth of Rs. 907 lakhs as at 31st March, 2014 and thus there is increase in net worth of Rs.59 lakhs during the financial year ended 31st March, 2015.

XI. Affirmation that the remuneration is as per the remuneration policy of the company:

Yes.

B. 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 R.60 lakhs and more and monthly salary of Rs.5 lakhs and more.

JANARDHANRAO DESHMUKH & CO.,
CHARTERED ACCOUNTANTS

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

Independent Auditors' Report

To
The Members of
Sigachi Laboratories Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of Sigachi Laboratories Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, 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 the 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 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2015, 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, 2015, ("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 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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. 29 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 has been no delay in transferring amounts, 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 : 29th May, 2015.

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditor's Report .

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified by the Management at reasonable intervals; no material discrepancies have been noticed on such verification.
- (ii) (a) The inventory, has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the company has maintained proper records of the inventory.

The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.

- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013, therefore the provisions of clause (iii) (a) and (iii) (b) of the said order are not applicable.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and for undertaking job works. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system with regard to purchase of inventory and fixed assets and for the sale of goods and for undertaking job works.
- v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- vi) According to the information and explanations given to us the company is not required to maintain cost records as per Companies (Cost

Records and Audit) Rules, 2014 as per the notification of the Central Government dated 31st March, 2015.

- vii) a) According to the information and explanations given to us and the books and records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including employees state insurance, income tax , sales tax, service tax, excise duty, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as as at 31st March, 2015 for 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, 2015:

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

- c) The amounts which were required to be transferred to Investor Education and Protection Fund have been transferred to such fund within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made there under.
- viii) The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

SIGACHI LABORATORIES LIMITED

- x) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institutions.
- xi) According to the information and explanations given to us, the Company has not borrowed any term loans.
- xii) Based on the audit procedures adopted and the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

(L. Janardhan Rao)
Proprietor
Membership No. 18474

Place : Hyderabad
Date : 29th May, 2015.

BALANCE SHEET AS AT 31st MARCH, 2015

	Note No.	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	73,105,500.00	73,105,500.00
(b) Reserves and Surplus	3	23,494,249.71	17,566,216.57
		96,599,749.71	90,671,716.57
(2) Non-Current Liabilities			
(a) Long-Term Borrowings		-	-
(b) Other Long Term Liabilities	4	450,000.00	450,000.00
(c) Long-Term Provisions	5	1,212,000.00	1,212,000.00
		1,662,000.00	1,662,000.00
(3) Current Liabilities			
(a) Short-Term Borrowings	6	-	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	7	1,412,032.00	35,469.63
(d) Short-Term Provisions	8	330,995.85	129,911.61
		1,743,027.85	165,381.24
Total		100,004,777.56	92,499,097.81
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	9	26,312,259.40	22,461,026.40
(ii) Intangible Assets	9	-	6,709.00
		26,312,259.40	22,467,735.40
(b) Non-current Investments	10	21,483,519.34	22,881,581.22
(c) Deferred Tax Assets (Net)	11	1,789,757.00	2,387,757.00
(d) Long-Term Loans and Advances	12	9,486,940.00	5,897,176.00
		59,072,475.74	53,634,249.62
(2) Current Assets			
(a) Trade Receivables	13	7,877,937.52	2,511,980.00
(b) Cash and Cash Equivalents	14	29,660,391.30	32,939,395.19
(c) Short-Term Loans and Advances	15	3,301,973.00	3,406,973.00
(d) Other Current Assets	16	92,000.00	6,500.00
		40,932,301.82	38,864,848.19
Total		100,004,777.56	92,499,097.81
Notes forming part of Financial Statements	1 to 34		

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

(L.JANARDHAN RAO)
Proprietor
Membership No.18474

(T.Adinarayana)
Chairman & Managing Director

(Surbhi Maheswari)
Company Secretary

(B.S.S. Murthy)
Director

(B. Kumar)
Chief Financial Officer

Place : Hyderabad
Date : 29.05.2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

	Note No	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
I. Revenue from Operations	17	11,323,246.39	11,077,547.02
II. Other Income	18	1,996,089.34	2,777,392.47
III. Total Revenue (I+II)		13,319,335.73	13,854,939.49
IV. Expenses:			
Cost of Materials Consumed		-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
Employee benefit expenses	19	1,820,713.00	1,625,223.97
Finance Costs	20	8,740.76	10,806.74
Depreciation and amortization expenses	21	1,257,337.00	2,079,020.00
Other expenses	22	1,830,288.44	3,742,249.21
Total Expenses (IV)		4,917,079.20	7,457,299.92
V. Profit before exceptional and extraordinary items and tax (III-IV)		8,402,256.53	6,397,639.57
VI. Exceptional Items	23	-	300,000.00
VII. Profit before extraordinary Items and tax (V-VI)		8,402,256.53	6,097,639.57
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII-VIII)		8,402,256.53	6,097,639.57
X. Tax Expense:			
a) Current Tax		1,950,000.00	1,530,000.00
b) Prior Period Tax		(73,776.61)	7,786.00
c) Deferred tax		598,000.00	345,000.00
Total		2,474,223.39	1,882,786.00
XI. Profit/(Loss) for the period from continuing operations (IX-X)		5,928,033.14	4,214,853.57
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from discontinuing operations (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI+XIV)		5,928,033.14	4,214,853.57
XVI. Earnings per equity share:			
(1) Basic		0.88	0.62
(2) Diluted		0.88	0.62
Notes forming part of Financial Statements	1 to 34		

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

For and on behalf of the Board

(L.JANARDHAN RAO)
Proprietor

(T.Adinarayana)
Chairman & Managing Director

(B.S.S. Murthy)
Director

Membership No.18474

(Surbhi Maheswari)
Company Secretary

(B. Kumar)
Chief Financial Officer

Place : Hyderabad

Date : 29.05.2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	2014-15 Rs.	2013-14 Rs.
A. CASH FLOW FROM OPERATING ACTIVITY		
Net Profit/(Loss) before Tax &		
Extraordinary items	8,402,256.53	6,097,639.57
Adjustments for:		
Add:	-	-
Depreciation	1,257,337.00	2,079,020.00
Interest paid	8,740.76	10,806.74
Provision for diminution in value of Investments	-	300,000.00
	9,668,334.29	8,487,466.31
Less:		
Other Income	(1,996,089.34)	(2,777,392.47)
Interest received	(3,373,246.39)	(3,602,547.02)
	(5,369,335.73)	(6,379,939.49)
Operating Profit/(Loss) before Working Capital changes Adjustments for :	4,298,998.56	2,107,526.82
Trade and other Receivables	(5,346,457.52)	2,020,701.19
Trade Payables and other Liabilities	1,577,646.61	(57,967.99)
	(3,768,810.91)	1,962,733.20
Cash generated from operations	530,187.65	4,070,260.02
Direct Taxes Paid (Net)	(2,474,223.39)	(1,882,786.00)
Interest Paid	(8,740.76)	(10,806.74)
	(1,952,776.50)	2,176,667.28
Less: Provision for Gratuity and Leave Encashment	-	-
Net Cash Flow from Operating Activities (A)	(1,952,776.50)	2,176,667.28
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Assets	-	-
Purchase of Investments (Net Aggregate Value taken)	-	(567,225.55)
Dividend Received	1,769,559.85	1,945,154.07
Bad deposits recovered	-	40,717.40
Bad debts recovered	-	-

SIGACHI LABORATORIES LIMITED

Profit/(Loss) on Sale of Investments	(485,113.51)	100,000.00
Interest (from Tax Free Bonds)	41,000.00	41,000.00
Interest from Income tax refund	17,205.00	-
Purchase of Fixed Assets	(5,101,861.00)	(4,392,114.00)
Other receipts - keyman Insurance	653,438.00	650,521.00
Sale of Investments	1,398,061.88	-
Increase/Decrease in other Term Deposits	4,262,245.76	(2,693,995.63)
Net Cash Flow from Investing Activities (B)	<u>2,554,535.98</u>	<u>(4,875,942.71)</u>

C. CASH FLOW FROM FINANCING ACTIVITIES:

Deferred Tax	598,000.00	345,000.00
Increase / decrease in Longterm Loans & Advances	(3,589,764.00)	(1,330,737.00)
Interest Received	3,373,246.39	3,602,547.02
Net Cash From/(Used in)		
Financing Activities (C)	<u>381,482.39</u>	<u>2,616,810.02</u>

D. NET INCREASE/(DECREASE) IN CASH

And Cash Equivalents (A+B+C)	983,241.87	(82,465.41)
Cash and Cash Equivalents		
At the Beginning of the year	520,653.40	603,118.81
Cash and Cash Equivalents		
at the End of the year	1,503,895.27	520,653.40

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

Per our report of even date annexed
for JANARDHANRAO DESHMUKH & CO.,

Chartered Accountants
(Firm Regn. No.005979S)

(L.JANARDHAN RAO)
Proprietor

Membership No.18474

Place : Hyderabad

Date : 29.05.2015

For and on behalf of the Board

(T.Adinarayana)
Chairman & Managing Director

(Surbhi Maheswari)
Company Secretary

(B.S.S. Murthy)
Director

(B. Kumar)
Chief Financial Officer

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) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention, except those with significant uncertainties. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation.

b) **Use of Estimates:**

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

c) **Fixed Assets:**

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

d) **Depreciation:**

Depreciation has been provided on straight line method over the useful life, in the manner prescribed in Schedule II of the Companies Act, 2013 effective from 1st April, 2014, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956.

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

Interest on Term Deposits is recognized on a time proportion basis taking into account the amounts invested and the fixed rate of interest.

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

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

h) **Expenses:** All the expenses are accounted on accrual basis.

i) **Retirement benefits to employees:**

All employees' benefits due wholly within a year of rendering services are classified as short term benefits. These benefits like salaries,

wages, short term compensation absence, expected cost of bonus, ex-gratia are recognized as expenses on accrual basis of undiscounted amounts in the statement of Profit and Loss. Provision for Gratuity and Leave Encashment has been made. The retirement benefits to employees will be provided as and when the relevant acts are applicable to the company.

j) Provisions, Contingent Liabilities and Contingent Assets:

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

k) Accounting for Taxes on income:

- (i) Current Tax is determined as the amount of tax payable in respect of its taxable income as per the provisions of the Income Tax Act, 1961.
- (ii) Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates. However deferred tax assets are recognized only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

l) Earnings per Share:

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

m) 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.

n) 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.

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

Note 2: Share Capital

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Authorised Capital: 1,20,00,000 Equity Shares of Rs.10/- each	120,000,000.00	120,000,000.00
(b) Issued & Subscribed Capital: 89,82,900 Equity Shares of Rs.10/- each	89,829,000.00	89,829,000.00
(c) Paid up Capital 67,53,100 Equity Shares of Rs.10/- each	67,531,000.00	67,531,000.00
Less: Calls Unpaid	-	-
(d) Forfeiture of Shares	5,574,500.00	5,574,500.00
	73,105,500.00	73,105,500.00

2.(a) Reconciliation of shares Outstanding

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
At the beginning of the year		
No.of shares	6,753,100	8,982,900
Amount in Rs.	67,531,000.00	73,105,500.00
Issued during the year	-	-
No. Shares forfeited during the year	-	2,229,800
Amount in Rs.	-	5,574,500.00
Shares outstanding at the end of the year		
No.of shares	6,753,100	6,753,100
Amount in Rs.	67,531,000.00	67,531,000.00

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.

SIGACHI LABORATORIES LIMITED

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

Name of the Shareholder	As at 31.03.2015		As at 31.03.2014	
	No.of Shares	% of shares Held	No. of Shares	% of shares Held
Krishnaraj Securities Private Limited	1,518,530	22.49	1,518,530	22.49
T. Adinarayana	423,530	6.27	1,12,030	1.66

Note 3: Reserves and Surplus

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Capital Reserve		
Opening balance	1,322,000.00	1,322,000.00
Add: Current Year Transfer	-	-
Less: Written back in Current year	-	-
Closing balance	1,322,000.00	1,322,000.00
(b) Surplus		
Opening balance	16,244,216.57	12,029,363.00
Add: Net Profit for the current year	5,928,033.14	4,214,853.57
Closing balance	22,172,249.71	16,244,216.57
Total (a+b)	23,494,249.71	17,566,216.57

Note 4: Other Long Term Liabilities

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Others - Deposits from customers	450,000.00	450,000.00
Total	450,000.00	450,000.00

Note 5: Long-Term Provisions

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Provision for Employee benefits:		
Gratuity	682,000.00	682,000.00
Leave Encashment	530,000.00	530,000.00
	1,212,000.00	1,212,000.00
(b) Others	-	-
Total	1,212,000.00	1,212,000.00

Note 6: Short-Term Borrowings

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Secured		
Loans repayable on demand:		
From Banks	-	-
Total	-	-

Note 7: Other Current Liabilities

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Liability for Expenses	1,412,032.00	34,937.00
(b) Other Payables	-	532.63
Total	1,412,032.00	35,469.63

Note 8: Short-Term Provisions

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Provision for Taxation	330,995.85	129,911.61
Total	330,995.85	129,911.61

Note 9: Fixed Assets

Sl. No.	Particulars	Gross Block - At Cost			Depreciation			Net Block		
		As at 01.04.2014 Rs.	Additions Rs.	Deletions/ Adjustments Rs.	Balance As at 31.03.2015 Rs.	Depreciation for the Year Rs.	Deletions/ Adjustments Rs.	Balance As at 31.03.2015 Rs.	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
A	Tangible Assets:									
	Freehold Land	7,936,453.40	.	.	7,936,453.40	.	.	.	7,936,453.40	7,936,453.40
	Buildings	14,935,625.01	943,808.00	.	15,879,434.01	504,146.00	.	6,346,956.01	9,532,478.00	9,092,816.00
	Plant & Machinery	19,663,625.50	4,158,053.00	.	24,021,678.50	463,202.00	.	15,971,779.50	8,049,899.00	4,345,048.00
	Furniture & Fixtures	353,271.48	.	.	353,271.48	.	.	353,271.48	.	.
	Office Equipment	132,053.50	.	.	132,053.50	16,064.00	.	99,435.50	32,618.00	48,682.00
	Computers	626,200.00	.	.	626,200.00	8,295.00	.	626,200.00	.	8,295.00
	Vehicles	1,729,873.00	.	.	1,729,873.00	288,921.00	.	969,062.00	760,811.00	1,029,732.00
	Lab Equipment	84,042.00	.	.	84,042.00	.	.	84,042.00	.	.
	Total (A)	45,661,144.89	5,101,861.00	.	50,763,005.89	1,250,628.00	.	24,450,746.49	26,312,259.40	22,461,026.40
B	Intangible Assets:									
	Computer Software	11,030.00	.	.	11,030.00	6,709.00	.	11,030.00	.	6,709.00
	Total (B)	11,030.00	.	.	11,030.00	6,709.00	.	11,030.00	.	6,709.00
	Total (A+B)	45,672,174.89	5,101,861.00	.	50,774,035.89	1,257,337.00	.	24,461,776.49	26,312,259.40	22,467,735.40

Note 10 : Non-Current Investments

	INVESTMENTS (LONG TERM) in Equity Instruments Quoted, at cost	No.of Shares/ units as at 31.03.2015	As at 31.03.2015 Rs.	No.of Shares/ units as at 31.03.2014	As at 31.03.2014 Rs.
1	3i Infotech India Limited Equity shares of Rs.10/- each	-	-	800	104,633.37
2	Accelya Kale Solutions Limited Equity Shares of Rs.10/- each	1,100	132,000.00	1,100	132,000.00
3	Adani Ports and Special Economic Zone Limited Equity shares of Rs.2/- each	1,635	143,880.00	1,635	143,880.00
4	Allahabad Bank Equity Shares of Rs.10/- each	3,000	39,600.00	3,000	39,600.00
5	Andhra Bank Equity shares of Rs.10/- each	9,651	802,324.55	7,651	673,882.00
6	Bank of Maharashtra Equity shares of Rs.10/- each	6,100	168,331.09	6,100	168,331.09
7	Ballarpur Industries Limited (BLT) Equity Shares of Rs.2/- each	-	-	3,000	28,500.00
8	Bharat Petroleum Corporation Limited Equity Shares of Rs.10/- each	1,332	115,983.52	1,332	115,983.52
9	BL Kashyap & Sons Limited Equity Shares of Rs. 1/- each	-	-	1,000	40,138.24
10	Cairn India Limited Equity Shares of Rs.10/- each	3,000	424,548.45	3,000	424,548.45
11	Century Enka Limited Equity Shares of Rs.10/- each	1,000	185,140.74	1,000	185,140.74
12	Cigniti Technologies Limited Equity Shares of Rs.10/- each	300	147,577.06	-	-
13	Classic Diamonds Limited Equity Shares of Rs.2/- each	6,980	185,605.24	6,980	185,605.24
14	Coal India Limited Equity Shares of Rs.10/- each	-	-	80	19,600.00
15	Dena Bank Equity Shares of Rs.10/- each	3,000	110,460.00	3,000	110,460.00
16	Development Credit Bank Limited Equity Shares of Rs.10/- each	2,000	61,263.79	2,000	61,263.79
17	Dhunseri Petro chem and Tea Limited Equity Shares of Rs.10/- each	-	-	200	19,038.00
18	Dhunseri Tea & Industries Limited Equity Shares of Rs.10/- each	40	3,173.00	-	-
19	Digjam Limited Equity shares of Rs.10/- each	-	-	1,600	94,612.26
20	Divis Laboratories Limited Equity Shares of Rs.2/- each	1,500	21,000.00	1,500	21,000.00
21	Edelweiss Financial Services Limited Equity Shares of Rs.1/- each	1,730	142,725.00	1,730	142,725.00

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22	Escorts Limited Equity Shares of Rs.10/- each	1,000	53,964.80	1,000	53,964.80
23	First Source Solutions Limited Equity shares of Rs.10/- each	3,000	153,128.38	3,000	153,128.38
24	Gayatri Sugars Limited Equity shares of Rs.10/- each	1,301	44,443.38	1,588	54,247.30
25	Gennex Laboratories Limited Equity shares of Rs.1/- each	70,000	37,889.00	70,000	37,889.00
26	Gitanjali Gems Limited Equity Shares of Rs.10/- each	-	-	100	14,077.83
27	Glenmark Pharmaceuticals Limited Equity Shares of Rs.1/- each	4,200	42,000.00	4,200	42,000.00
28	GMR Infrastructure Limited Equity shares of Rs.1/- each	2,200	210,627.66	2,200	210,627.66
29	G.T.L.Infrastructure Limited Equity shares of Rs.10/- each	-	-	619	3,190.00
30	Gujrat NRE Coke Limited Equity shares of Rs.10/- each	-	-	700	61,211.08
31	Gujarat State Petronet Limited Equity Shares of Rs.10/- each	1,218	48,266.00	1,218	48,266.00
32	Gulf Oil Corporation Limited Equity Shares of Rs.2/- (Rs.10/-) each	2,000	127,213.27	4,000	254,426.53
33	Gulf Oil Lubricants India Limited 2,000 Equity Shares of Rs.2/- each	2,000	127,213.26	-	-
34	HCL Technologies Limited Equity Shares of Rs.2/- each	1,796	30,287.80	898	30,287.80
35	HDFC Bank Limited Equity Shares of Rs.2/- each	7,000	80,500.00	7,000	80,500.00
36	Heidelberg Cement India Limited Equity Shares of Rs. 10/- each	1,000	51,394.30	1,000	51,394.30
37	Helios & Matheson Information Technologies Limited Equity Shares of Rs.10/- each	-	-	3,600	20,000.00
38	Hindustan Petroleum Corporation Limited Equity shares of Rs.10/- each	300	80,056.11	300	80,056.11
39	Indosolar Limited Equity shares of Rs.10/- each	-	-	1,000	27,405.15
40	IDBI Bank Limited Equity shares of Rs.10/- each	2,500	234,133.06	2,500	234,133.06
41	IDFC Limited Equity Shares of Rs.10/- each	1,265	185,671.27	265	9,010.00
42	India Cements Limited Equity Shares of Rs.10/- each	500	15,398.50	500	15,398.50
43	Indraprastha Gas Limited Equity Shares of Rs.10/- each	1,200	57,600.00	1,200	57,600.00
44	Infosys Limited Equity Shares of Rs.5/- each	220	212,183.63	110	212,183.63

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45	Integrated Hi-Tech Limited Equity Shares of Rs.10/- each	700	7,000.00	700	7,000.00
46	ITC Limited Equity Shares of Rs.1/- each	6,000	347,723.95	6,000	347,723.95
47	Indian Overseas Bank Equity Shares of Rs.10/- each	1,700	120,083.12	1,700	120,083.12
48	Jaiprakash Power Ventures Limited Equity Shares of Rs.10/- each	3,400	108,800.00	3,400	108,800.00
49	KCP Cements Limited Equity Shares of Rs.1/- each	1,000	32,149.73	1,000	32,149.73
50	Larsen & Toubro Limited Equity shares of Rs.2/- each	375	305,243.61	375	305,243.61
51	Uttam Value Steel Limited Equity Shares of Rs.10/- each	-	-	2,000	42,950.67
52	Mahindra & Mahindra Limited Equity Shares of Rs.5/- each	1,200	29,421.86	1,200	29,421.86
53	Madras Fertilizers Limited Equity Shares of Rs.10/- each	-	-	1,000	28,245.00
54	Maruti Suzuki India Limited Equity Shares of Rs.5/- each	300	37,500.00	300	37,500.00
55	Mega Soft Limited Equity Shares of Rs.10/- each	-	-	500	132,074.05
56	MOIL Limited Equity Shares of Rs.10/- each	-	-	28	10,500.00
57	MPS Limited Equity shares of 10/- each	171	7,328.99	171	7,328.99
58	Mukand Limited Equity Shares of Rs.10/- each	2,100	2,500.00	2,100	2,500.00
59	NHPC Limited Equity Shares of Rs. 10/- each	3,500	105,195.63	3,500	105,195.63
60	NTPC Limited Equity Shares of Rs.10/- each	9,079	641,110.48	9,079	641,110.48
61	Oil and Natural Gas Corporation Limited Equity Shares of Rs.5/- each	600	61,005.00	600	61,005.00
62	Petronet LNG Limited Equity Shares of Rs.10/- each	30,125	454,535.25	30,125	454,535.25
63	Power Grid Corporation of India Limited Equity Shares of Rs.10/- each	873	60,064.00	873	60,064.00
64	Power Trading Corporation of India Limited Equity Shares of Rs.10/- each	2,100	85,825.63	2,100	85,825.63
65	Power Trading Corporation of India Financial Services Limited Equity Shares of Rs.10/- each	35,500	994,000.00	35,500	994,000.00
66	Punjab & Sind Bank Equity Shares of Rs.10/- each	-	-	97	11,640.00

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67	Rallis India Limited Equity Shares of Rs.1/- each	3,000	8,465.67	3,000	8,465.67
68	Rashtriya Chemicals & Fertilizers Limited Equity Shares of Rs.10/- each	-	-	3,200	376,044.93
69	Reliance Communications Limited Equity Shares of Rs.5/- each	781	192,334.34	781	192,334.34
70	Reliance Industries Limited Equity shares of Rs.10/- each	960	475,423.42	960	475,423.42
71	Reliance Power Limited Equity Shares of Rs.10/- each	1,670	238,089.31	1,670	238,089.31
72	Sadbhav Engineering Limited Equity Shares of Rs.1/- each	2,180	40,330.00	2,180	40,330.00
73	Sahara Housing Finance Limited Equity shares of Rs.10/- each	250	9,612.00	250	9,612.00
74	Steel Authority of India Limited Equity Shares of Rs.10/- each	2,000	84,400.00	2,000	84,400.00
75	SMS Pharmaceuticals Limited Equity Shares of Rs.10/- each	1,000	238,715.07	1,000	238,715.07
76	Surya Chakra Power Corporation Limited Equity Shares of Rs.10/- each	-	-	1,000	44,886.32
77	Snowman Logistics Limited Equity Shares of Rs.10/- each	500	50,841.99	-	-
78	Syndicate Bank Equity Shares of Rs.10/- each	32,000	486,542.50	32,000	486,542.50
79	Tata Consultancy Services Limited Equity shares of Rs.1/- each	248	52,700.00	248	52,700.00
80	Tata Coffee Limited Equity shares of Rs.10/- each	2,500	239,543.43	-	-
81	Tata Steel Limited Equity shares of Rs.10/- each	2,684	780,851.77	2,684	780,851.77
82	Tata Teleservices Limited Equity Shares of Rs.10/- each	-	-	3,966	21,350.00
83	Tech Mahindra Limited Equity Shares of Rs.10/- each	2,032	341,746.25	508	341,746.25
84	The Karnataka Bank Limited Equity Shares of Rs.10/- each	2,414	130,650.00	2,414	130,650.00
85	TV 18 Broadcast Limited Equity Shares of Rs.2/- each	-	-	380	36,000.00
86	UCO Bank Equity Shares of Rs.10/- each	11,900	230,045.00	11,900	230,045.00
87	Union Bank of India Equity Shares of Rs.10/- each	1,004	19,839.04	1,004	19,839.04
88	Unitech Limited Equity Shares of Rs.2/- each	-	-	500	33,138.34
89	Vijaya Bank Equity Shares of Rs.10/- each	20,400	526,238.57	20,400	526,238.57

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90	Virgo Global Media Limited Equity Shares of Rs.4/- each	20,000	200,000.00	20,000	200,000.00
91	Vista Pharmaceuticals Limited Equity Shares of Rs.10/- each	-	-	1,500	45,752.82
92	Voltas Limited Equity Shares of Rs.1/- each	5,000	42,795.00	5,000	42,795.00
93	Zodiac - JRD - MKJ Limited Equity Shares of Rs.10/- each	-	-	1,000	43,148.98
	Total (A)		12,264,233.47		12,785,935.13
1	Bonds - At Cost National Highways Authority of India, 8.2% Tax Free Bonds of Rs.1,000/- each	500	500,000.00	500	500,000.00
	Total (B)		500,000.00		500,000.00
1	Mutual Funds - At Cost Franklin Templeton India Growth Fund - Dividend Reinvestment Units of Rs.10/- each	21,967.613	692,740.56	20,334.892	591,066.10
2	Franklin India Blue Chip Fund - Growth Units of Rs.10/- each	2,238.138	50,000.00	2,238.138	50,000.00
3	B91 Birla Sun life Frontline Equity Fund - Dividend - Reinvestment Units of Rs. 10/- each	6,671.872	146,891.88	6,078.053	131,918.65
4	L & T Equity Fund - Growth Units of Rs.10/- each	23,949.364	300,000.00	23,949.364	300,000.00
5	L & T India Special Situations Fund - Growth Units of Rs.10/- each	48,899.756	500,000.00	48,899.756	500,000.00
6	B261G Birla Sun Life Dividend Yield Plus - Growth - Regular Plan (ING Dividend Yield Fund - Growth Option) Units of Rs.10/- each	4,045.221	280,231.69	14,741.278	280,231.69
7	DSP Black Rock Equity Fund - Regular Plan - Dividend Units of Rs.10/- each	33,269.032	1,612,979.93	29,868.620	1,409,873.31
8	SBI Magnum Sector funds Umbrella Contra - Dividend Units of Rs.10/- each	31,214.547	661,319.23	28,419.748	604,479.73
9	Reliance Regular savings Fund - Equity Plan - Growth Option Units of Rs.10/- each	15,757.882	430,540.00	15,757.882	430,540.00
10	ICICI Prudential Value Discovery Fund - Dividend Units of Rs. 10/- each	38,687.650	830,671.02	35,140.297	714,708.04
11	ICICI Prudential Focused Blue chip Equity Fund -Reinvestment Units of Rs.10/- each	42,217.729	670,564.66	38,305.460	584,377.37

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12	UTI - Master Share Unit Scheme - Dividend - Reinvestment Units of Rs.10/- each	53,127.856	1,252,655.89	49,016.765	1,117,859.79
13	UTI Mid Cap Fund Dividend - Reinvestment Units of Rs.10/- each	55,621.472	1,118,100.96	51,277.436	912,991.22
14	UTI MNC Fund - Dividend Reinvestment Units of Rs.10/- each	19,291.120	575,612.84	18,690.220	528,887.29
15	UTI Banking Sector Fund - Dividend - Reinvestment Units of Rs.10/- each	31,356.368	584,058.81	31,356.368	584,058.81
16	UTI Treasury Advantage Daily Dividend -Reinvestment Units of Rs.10/- each	1.435	1,500.83	1.435	1,500.83
17	UTI Banking Sector Fund Growth Units of Rs.10/- each	20,070.570	733,980.73	20,070.570	733,980.73
18	UTI Dividend Yield Fund Growth option Units of Rs.10/- each	23,783.312	722,299.21	23,783.312	722,299.21
19	UTI Opportunities Fund - Dividend - Reinvestment Units of Rs.10/- each	57,460.385	755,137.63	53,037.280	688,841.03
20	UTI Liquid Cash Plan Units of Rs.10/- each	-	-	400.599	408388.93
21	UTI Liquid Cash Plan Institutional Direct Plan Re-investment Units of Rs.10/- each	-	-	1,471.038	1499643.36
	Total (C)		11,919,285.87		12,795,646.09
	Total(A+B+C)		24,683,519.34		26,081,581.22
	Less: Provision for diminution in value of investments		3,200,000.00		3,200,000.00
	Grand Total		21,483,519.34		22,881,581.22

(i) Aggregate amount of Quoted Shares	12,264,233.47	12,785,935.13
(ii) Aggregate Value of Quoted Shares	51,268,720.00	39,411,406.00
(iii) Aggregate Provision for diminution in value of investments	3,200,000.00	3,200,000.00

Note 11: Deferred Tax Asset (Net)

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Deferred Tax Asset	4,635,757.00	4,635,757.00
(b) Deferred Tax Liability	2,846,000.00	2,248,000.00
Total Deferred Tax Asset - Net	1,789,757.00	2,387,757.00

Note 12: Long-Term Loans & Advances - unsecured

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Capital advances	5,000,000.00	-
(b) Security Deposits	2,496,045.00	2,496,045.00
(c) Other Deposits	613,750.00	613,750.00
(d) Other Loans & Advances	1,377,145.00	2,787,381.00
Total	9,486,940.00	5,897,176.00

Note 13: Trade Receivables

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Outstanding for a period exceeding Six months from the date they are due for payment	2,830,777.00	-
(b) Others	5,047,160.52	2,511,980.00
Total	7,877,937.52	2,511,980.00

Note 14: Cash and Cash Equivalents

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Cash on hand	5,976.80	15,427.53
(b) Cheques/ Drafts on hand	675,000.00	-
(c) Balance with banks:		

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(i) In current accounts	822,918.47	303,899.87
(ii) In Fixed Deposit Accounts (with original maturity period of less than 3 months)	-	201,326.00
	1,503,895.27	520,653.40
Other bank Balances:		
In Fixed Deposit Accounts (with original maturity period of more than 3 months)	28,156,496.03	32,418,741.79
Total	29,660,391.30	32,939,395.19

Note 15: Short-Term Loans & Advances

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
(a) Loans & Advances to Related parties	-	-
(b) Loans & ICD's, un secured	3,301,973.00	3,406,973.00
Total	3,301,973.00	3,406,973.00

Note 16: Other Current Assets

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Other Advances, un secured	92,000.00	6,500.00
Total	92,000.00	6,500.00

Note 17: Revenue from Operations

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Conversion /Job Work Charges	7,950,000.00	7,475,000.00
Interest Income		
Interest on FD's	2,803,246.39	3,032,547.02
Interest on Loans/ICD's	570,000.00	570,000.00
	3,373,246.39	3,602,547.02
Total	11,323,246.39	11,077,547.02

Note 18: Other Income

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Dividend Income	1,769,559.85	1,945,154.07
Net gain/loss from sale of Investments	(485,113.51)	100,000.00
Recovery of Bad deposits	-	40,717.40
Interest (from Tax Free Bonds)	41,000.00	41,000.00
Interest from Income tax refund	17,205.00	-
Keyman Insurance	653,438.00	650,521.00
Total	1,996,089.34	2,777,392.47

Expenditure

Note 19: Employee Benefits Expenses

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Salaries and Wages	1,767,466.00	1,559,088.00
ESI	12,654.00	13,736.00
Staff Welfare	40,593.00	52,399.97
Total	1,820,713.00	1,625,223.97

Note 20: Finance Costs

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Interest to Banks	-	372.74
Bank Charges	8,740.76	10,434.00
Total	8,740.76	10,806.74

Note 21: Depreciation and Amortization Expenses

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Depreciation	1,257,337.00	2,079,020.00
Total	1,257,337.00	2,079,020.00

Note 22: Other Expenses

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Power and Fuel	12,479.00	4,648.00
Rent	82,600.00	87,150.00
Repairs and Maintenance	853,759.00	648,239.00
Insurance	127,606.00	143,210.00
Audit Fee	21,734.00	21,405.00
Advertisement Expenses	56,123.00	51,360.00
Bad debts	-	1,306,940.00
Consultancy Charges	22,472.00	29,045.00
Conveyance Expenses	206,296.73	216,302.24
Court Fee	40,000.00	-
Listing Fee	11,236.00	11,321.00
Secretarial Audit Fee	22,800.00	-
Miscellaneous Expenses	46,817.80	61,146.57
Office Maintenance	111,253.00	80,682.00
Postage & Telegrams	31,183.00	72,166.00
Printing & Stationary	21,927.25	24,252.00
Professional charges/Fee	27,000.00	27,500.00
Share Transfer & Depository Fee	79,832.00	77,231.84
Communication Expenses	37,301.66	43,179.56
Travelling Expenses	6,200.00	62,125.00
Vehicle Maintenance	11,668.00	42,093.00
Saral Tax Office	-	3,500.00
APCPDCL Charges	-	728,753.00
Total	1,830,288.44	3,742,249.21

Note 23: Exceptional Items

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Provision for Diminution in the value of Investments	-	300,000.00
Total	-	300,000.00

Other Notes to the Financial Statements

24. Auditors' remuneration:

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
Audit Fee	15,000.00	15,000.00
Tax Audit Fee	3,000.00	3,000.00
Reimbursement of Expenses	3,734.00	3,405.00
	21,734.00	21,405.00

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

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

Particulars	2014-15	2013-14
a. Principal amount remaining unpaid as on 31 st March.	NIL	NIL
b. Interest due thereon as on 31 st March.	NIL	NIL
c. Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year.	NIL	NIL
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	NIL	NIL

e. Interest accrued and remaining unpaid as at 31 st March.	NIL	NIL
f. Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small and medium enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	NIL	NIL

27. The depreciation expense in the Statement of Profit and Loss for the year is higher by **Rs.10,835/-** due to charging of depreciation as prescribed in Schedule II to the Companies Act, 2013.

28. 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).

29. Contingent Liabilities and Commitments:

a. Claims against the company:

Income Tax department has filed an appeal with the Hon'ble High Court of 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 31-3-2015 and Rs.5,00,000/- as at 31-03-2014. The Bank Guarantee is secured against the lien on the fixed deposit receipt for Rs.5,00,000/-.

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

	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
a) Net Profit	59,28,033	42,14,854
b) Number of Equity shares adjusted Nos	67,53,100	67,53,100
c) Basic and Diluted Earnings per share	0.88	0.62

31. Segment information for the year ended 31st March, 2015:

a) Primary Segment Reporting: Business Segment.

(Rs. in lakhs)

S.No.	PARTICULARS	Year Ended 31st March, 2015 (AUDITED)	Year Ended 31st March, 2014 (AUDITED)
1. Segment Revenue:			
Net Sales/Income from each Segment:			
a)	Bulk Drugs & Intermediates, (Job works/processing charges)	79.50	74.75
b)	Interest on ICD's & FD's	33.73	36.03
c)	Others	19.96	27.77
		133.19	138.55
	Less: Inter Segment Revenue	-	-
	Net Sales/Income from Operations	133.19	138.55
2. Segment Results:			
Profit/(Loss) before Finance Costs, Exceptional items and tax:			
a)	Bulk Drugs & Intermediates	57.33	39.50
b)	On ICD's & FD's	33.73	22.96
c)	Others	19.96	24.77
		111.02	87.23
	Less (i) Finance Costs	0.09	0.11
	(ii) Other Un-allocable Expenditure	26.91	26.14
	Total Profit before Tax	84.02	60.98
3. Capital Employed:			
(Segment Assets-Liabilities)			
a)	Bulk Drugs & Intermediates	436.58	317.63
b)	On ICD's & FD's	314.58	360.27
c)	Others	214.84	228.82
		966.00	906.72

b) Secondary Segment Reporting: Not Applicable

32. Related Party Transactions:

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

Enterprises significantly influenced by Key Management personnel or their relatives.

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

The following transactions were carried out during the year with related parties in the ordinary course of business:

Key Management Personnel: Sri T. Adinarayana, Chairman and Managing Director, Mrs. Surbhi Maheswari, Company Secretary and B. Kumar, Chief Financial Officer. Total Managerial Remuneration paid **Rs. 13,15,210/-** (Rs.10,53,706/-). Sitting fee and reimbursement of expenses paid to the directors: **Nil** (Nil).

33. Foreign Exchange Transactions:

	As at 31.03.2015 Rs.	As at 31.03.2014 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

34. 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 JANARDHANRAO DESHMUKH & CO.,
Chartered Accountants
(Firm Regn No.005979S)

(T. Adinarayana) (B.S.S. Murthy)
Chairman & Managing Director Director

(L. JANARDHAN RAO) (Surbhi Maheswari) (B. Kumar)
Proprietor Company Secretary Chief Financial Officer

Place : Hyderabad

Date : 29.05.2015

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	Regd. 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 First Annual General Meeting of the Company, to be held on Tuesday, 29th September, 2015 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement and Reports of Board of Directors and Auditors for the year ended 31st March, 2015.	Ordinary Resolution		
2.	Re-appointment of Mr. T. Raja Sekhar, as a director of the Company who retires by rotation and is eligible for re-appointment.	Ordinary Resolution		
3.	Re-Appointment of M/s. Janardhan Rao Deshmukh & Co., as Statutory Auditors of the company.	Ordinary Resolution		
4.	Appointment of Mr. T. Govardhana Rao, as an Independent Director of the company.	Ordinary Resolution		
5.	Appointment of Mr. P.L.V. Subba Rao, as a Director of the company.	Ordinary Resolution		
6.	Approval of adoption of new Articles of Association.	Special Resolution		

Signed this Day of 2015.

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 FIRST ANNUAL GENERAL MEETING

Date: 29th September, 2015 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 First 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 must bring this Attendance Slip, duly signed, to the meeting 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.

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