



24<sup>th</sup>  
**ANNUAL REPORT**  
2017 – 2018



**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 - Director
6. Sri. T.R. Sekhar - Director

**Key Managerial Personnel:**

Mr. Kuradia Ajay Kumar – Company Secretary & Compliance Officer  
Mr. B. Kumar – Chief Financial Officer.

**Registered Office:**

S. No. 530 & 534, Bonthapally - 502 313,  
Gummadidala Mandal, (formerly Jinnaram Mandal),  
Sangareddy District, (formerly Medak District), Telangana.

**Factories:**

Unit - I: S. No. 530 & 534, Bonthapally - 502 313, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana.

Unit - II: S. No.42, Ali Nagar, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana.

Corporate Office and Place where books of account are maintained:  
402, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001.

**Auditors:**

Niranjan & Narayan, Chartered Accountants, Hyderabad - 500 016.

**Secretarial Auditors:**

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

**Bankers:**

Axis Bank Limited, State Bank of India

**Registrars & Share Transfer Agents:**

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

## NOTICE

NOTICE is hereby given that the Twenty Fourth 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, Gummadidala Mandal, (formerly Jinnaram Mandal), Sangareddy District, (formerly Medak District), Telangana, on Friday, the 7<sup>th</sup> day of September, 2018 at 4.00 P.M., to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements as at 31<sup>st</sup> March, 2018, together with the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Sri. P.L.V. Subba Rao, (holding DIN: 07268648), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri. T. Adinarayana, (holding DIN: 00917498), who retires by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the consideration and recommendation of the Nomination and remuneration committee and Board of Directors and provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time, Sri. Tunuguntla Raja Sekhar (holding DIN:02943146) be and is hereby appointed as a Whole Time Director in the capacity and designation of Executive Director of the Company for a period of three years with effect from 11.06.2018 to 10.06.2021 on the following remuneration and other terms and conditions:

I. Salary:

Rs.90,000/- per month with perquisites as mentioned below with annual

increment of 5% in the salary in accordance with the limits specified in Section II of Part II of Schedule V of the Companies Act, 2013, as amended from time to time.

II. Perquisites:

1. Housing:

- a) The expenditure incurred by the Company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary; or
- b) In case the accommodation is owned by the Company, ten percent of the salary shall be deducted by the Company; or
- c) In case no accommodation is provided by the Company, Sri. T. Raja Sekhar shall be entitled to house rent allowance subject to the ceiling laid down in clause 1(a).

2. Reimbursement of expenditure incurred on gas, electricity, water and furnishing will be borne by the Company and the market value will be evaluated as per Income Tax Rules, 1962.

3. Medical Reimbursement:

Medical expenses incurred by the appointee on self, spouse and dependent children and/or Mediclaim policy will be reimbursed to him subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

4. Club Fees:

Fees of clubs subject to a maximum of two clubs excluding admission and life membership fees.

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

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

7. Company's contribution towards Provident Fund and Superannuation Fund, shall be as per the rules of the company; further the gratuity be

payable at a rate not exceeding half month's Salary for each completed year of service. Further these statutory contributions shall not be included in the computation of minimum remuneration to the extent these either singly or put together.

8. The Company shall reimburse actual entertainment and traveling expenses incurred by the Executive Director in connection with the Company's business.

III. Commission:

In the event of adequate profits, Executive Director shall be entitled for overall remuneration (i.e., salary, allowances, perquisites and commission) in any one financial year shall not exceed 5% of the net profits or any such higher limits prescribed from time to time under section 197 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) along with the schedule V of the Companies Act, 2013 as may for the time being, be in force and any amendments thereto.

The Executive Director is not entitled to any sitting fees for attending any meetings of Board of Directors or committee thereof. The remuneration including perquisites stated above shall be subject to and within the overall limits for managerial remuneration in Section II of Part II of Schedule V of the Companies Act, 2013 read with section 196,197 and 198 of the said Act. The nature of appointment shall be contractual, terminable by either party giving notice of two months so long as he functions as such. He is not liable to retire by rotation till he continues as Executive Director and further that the perquisites mentioned above shall be interchangeable."

"Resolved further that subject to the applicable provisions of the Companies Act, 2013, in the event of loss or inadequacy of profits, in any financial year during the tenure of appointment, the above mentioned salary shall be paid to Sri. Tunuguntla Raja Sekhar, Executive Director as minimum remuneration."

"Resolved further that the terms and conditions set out for appointment and / or agreements may be altered and varied from time to time by the Board during his tenure as Executive Director as it may, at its discretion, deem fit so as not to exceed the limits specified in Part II of Schedule V of the Companies Act, 2013 or any other amendments made there under in this regard."

5. To consider and approve, the following resolution with or without modification(s), as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), sanctions and permissions as may be necessary, the consent of the Members of the company, be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, which the Board may constitute for this purpose or any person(s) authorized by the Board) to (a) grant/give loans and Advances from time to time, on such terms and conditions as it may deem expedient, to any person or other bodies corporate; (b) provide guarantee / security to secure any loan / obligations of any other person or bodies corporate; and (c) acquire by way of subscription, purchase or otherwise the securities, Investments, including Equity Shares, Preference shares, Bonds, Debentures, Mutual Funds etc., of any other bodies corporate and also to make investments, grant loans and advances in subsidiaries, associate companies, group companies and in all other bodies corporate or to any person in india or outside india, in excess of limits specified under section 186 of Companies Act, 2013 from time to time, as may be considered appropriate for an amount not exceeding Rs.30 Crores (Rupees Thirty Crores only), including the Company’s existing investments in all other bodies corporate, loans and guarantees already given/made.”

“RESOLVED FURTHER that the Board of Directors is hereby authorized to decide, from time to time, the amounts to be invested in securities, loans / guarantees to be given and securities to be provided to any person and / or bodies corporate within the above mentioned limits, finalize the terms and conditions, execute necessary documents, delegate all or any of these powers to any Sub-Committee / Director(s) / Officer(s) of the Company, settle any question, difficulty or doubt that may arise in this regard and do all acts, deeds and things which it considers proper for giving effect to this resolution.”

6. 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 20 of the Companies Act, 2013 and relevant rules framed there under and other

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applicable provisions, if any, whereby, a document may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed, consent of the members be and is hereby accorded to charge from the Member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above provided such request along with requisite fees has been duly received by the Company at least seven days in advance of dispatch of documents by the Company to the shareholder.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document(s) to be paid in advance and to give effect to this resolution.”

By Order of the Board of Directors  
for Sigachi Laboratories Limited

Place : Hyderabad  
Date : 23.07.2018

(Kuradia Ajay Kumar)  
Company Secretary  
ACS:44310



**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such a proxy need not be a member of the Company.
2. A person shall not act as a proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy provided that such person shall not act as a Proxy for any other member.
3. The instruments of proxies in order to be effective must be deposited with the Company at its Registered Office not less than 48 hours before the commencement of the meeting.
4. An Explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of special business as set out in the Notice is annexed hereto.
5. 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.
6. 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.
7. Members desiring any information regarding the accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the Management to keep the information ready.
8. The Members/Proxies attending the meeting are requested to bring the enclosed Attendance Slip and deliver the same at the entrance of the Meeting Hall.
9. Members are requested to bring their respective copies of the Annual report for reference during the Annual General Meeting.
10. The Register of Members and Share Transfer Books will remain closed from 1<sup>st</sup> September, 2018 to 7<sup>th</sup> September, 2018 (both days inclusive).
11. The Company's Shares have been listed at Metropolitan Stock Exchange of India Limited and the listing fee has been paid up to 2018-2019.
12. 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 (STA)/ Company.

13. Members are advised to register their email address in respect of shares held in physical form to the company or Registrars and Share Transfer Agent of the company and with concerned depository participant in respect of shares held in demat form to enable the company to serve documents in electronic form.
14. In support of the “Green Initiative” announced by the Government of India, the annual report for the financial year 2017-2018 is being sent through email to those members who have registered their email addresses with the Company/depository participants. The annual report is also available on the Company’s website [www.slllab.com](http://www.slllab.com). The physical copy of the annual report is being sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2017-2018, free of cost, upon sending a request to the Company Secretary, Sigachi Laboratories Limited, 402, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad-500 001.
15. 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 hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares. Further, as per the amended regulations of SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment Regulations), 2018, transfer of securities of listed companies shall not be processed unless the securities held in the demat form with a depository from 5<sup>th</sup> December, 2018.
16. All the documents referred to in the Notice 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.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository

Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and Bank Account details to the Company / STA.

18. Pursuant to Regulation 36 (3) of SEBI (LODR) Regulations, 2015 brief profile of the Director(s) proposed to be re-appointed, is Annexed to this Notice.

19. E- Voting:

- a. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members with the facility to exercise their right to vote on resolutions proposed to be considered at the 24<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- b. The results of the e-voting and result of the physical voting at the meeting will be declared within 48 hours of conclusion of the meeting and the results along with the scrutinizer's report shall be placed on the website of the Company.
- c. The voting rights of members shall be in proportion to their shareholding in the paid up equity share capital of the company as on 31<sup>st</sup> August, 2018, being the cut-off date.
- d. The members of the Company, holding shares either in physical form or in dematerialized form, as on 31<sup>st</sup> August, 2018, being the cut-off date, may cast their vote (for or against) electronically. In case a person has become the member of the company after despatch of AGM Notice but on or before the cut-off date i.e., 31.08.2018 may write to M/s. Venture Capital and Corporate Investments Private Limited, (STA), email: info@vccilindia.com requesting for the user ID and pass word/sequence number. After receipt of the above credentials please follow the instructions for share holders voting electronically.
- e. The facility for voting through poll shall be made available at the meeting and the members attending the meeting who have not already cast their vote electronically through e-voting shall be able to exercise their voting right at the Meeting.

- f. The members who have cast their vote by e-voting prior to the meeting may also, attend the meeting but shall not be entitled to cast their vote again.
- g. The Company has appointed Mr. D. Venkata Ratnam, Chartered Accountant, as scrutinizer for conducting the remote e-voting and also the physical ballot process in the Annual General Meeting in a fair and transparent manner.
- h. Members can opt for only one mode of voting, i.e., either by physical poll or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical poll will be treated as invalid.
- i. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting as mentioned here under:  
Members receiving Notice of 24<sup>th</sup> Annual General Meeting by e-mail from M/s. Venture Capital and Corporate Investments Private Limited, Registrars and Share Transfer Agents of the company or in case of members receiving the physical copy of Notice of 24<sup>th</sup> 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. (xx) to cast vote.

**The instructions for shareholders voting electronically are as under:**

- (i) The e-voting period will commence on Tuesday, the 04<sup>th</sup> September, 2018 (09:00 hrs) and will end on Thursday, 06<sup>th</sup> September, 2018 (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 (record date) i.e., 31<sup>st</sup> August, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders tab.
- (iv) 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.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• 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 (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company, Sigachi Laboratories Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print out of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password earlier used then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com.

A. General Instructions:

- i. The Chairman of the Meeting shall at AGM venue, at the end of discussions on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- ii. The Scrutinizer shall after the conclusion of voting at AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or a person authorized by him in writing.
- iii. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting ie., on 7<sup>th</sup> September, 2018.
- iv. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.slllab.com](http://www.slllab.com) and on the web site of CDSL i.e., [www.evotingindia.com](http://www.evotingindia.com) and will be communicated to the Metropolitan Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.

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

**Item No. 4**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, at their meeting held on 11<sup>th</sup> June, 2018, have appointed Sri. T. Raja Sekhar as Whole time Director in the capacity and designation of Executive director of the company for a period of 3 years with effect from 11<sup>th</sup> June, 2018, subject to the approval of Members and such other provisions of the Companies Act, 2013, on a remuneration and other terms and conditions mentioned in the proposed resolution.

Except Sri. T. Raja Sekhar and Sri. T. Adinarayana, Directors of the company, none of the Directors and Key Managerial Personnel of the company or their respective relatives are concerned or interested in the said special resolution.

The Board is of the opinion that the aforesaid Resolution at Item No.4 is in the interests of the Company and hence, recommends for the approval of Members.

**Annexure :**

I. General Information:

1. Nature of Industry:

Manufacture of Bulk Drugs and Intermediates (Pharmaceutical Products) and also carrying on Investments in securities.

2. Year of Commencement of Commercial production: 2000

3. In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus: Not Applicable.

4. Financial Performance:

(Rs. In Lakhs)

Particulars	Year Ended 31.03.2018 (As per Ind AS)	Year Ended 31.03.2017	Year Ended 31.03.2016
Turnover	209.10	188.42	161.26
Profit Before Interest, Depreciation and Tax	146.49	136.65	118.95
Net Profit as per Statement of Profit and Loss	111.11	100.02	79.09



The effective capital of the Company based on the latest audited accounts of the Company for the year ended 31<sup>st</sup> March, 2018 was Rs.896.57 Lakhs.

5. Foreign investment or collaboration, if any: The Company has no foreign collaboration.

II. Information about the appointee:

1. Background details:

Sri T. Raja Sekhar, aged about 35 years, has studied BE., and did his Masters in Engineering in USA with experience of about 7 years.

2. Past remuneration:

Rs.4,20,000 P.A., for Part time job.

3. Job profile and his suitability:

Sri T. Raja Sekhar, is a director of the company for about 8 years and is also having about 7 years experience in service. He is eminently suited for the job.

4. Remuneration proposed: As mentioned in the resolution.

5. Comparative remuneration with respect to industry, size of the Company, profile of the position and person:

Considering the size of the Company and the job profile of the position and the credentials, qualifications and experience of the appointee, the remuneration proposed is moderate and reasonable and compares well with that of similar companies.

6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Sri T. Raja Sekhar is part of promoter group and together with his family members and associate company, holds substantial stake in the Company. He has no relationship with any other Directors except Sri. T. Adinarayana, Director of the Company.

III. Other Information:

1. Reasons for loss or inadequate profits:

The margins in the business are reasonable and the company had been undertaking Job works till 31-10-2017 and from 1-11-2017 has leased its two factories and as such there were no losses but inadequate profits.

2. Steps taken or proposed to be taken for improvement:

The Company is looking forward to take all such steps and measures including investments and exploring diversification, restructuring which are in the best interests of the company, the Company is making all possible efforts to improve its profitability.

3. Expected increase in productivity and profits in measurable terms:

The company had leased out its two factories and is expected to register an increase of about 5% per annum due to investment management, barring unforeseen circumstances.

IV. Disclosures:

The shareholders of the Company are informed of the remuneration package of the Managerial Personnel through the notice of the Annual General Meeting.

Though it is a listed Company, the Corporate Governance reporting is not applicable.

**Item No. 5**

The Company had, from time to time, made investments in the shares and securities of bodies corporate in listed, unlisted companies, Mutual Funds, Bonds, Debentures etc., and has given ICDs, Loans.

In order to make investment(s) in securities, granting loans and advances, providing guarantees, in excess of limits specified under section 186 of Companies Act, 2013, the Company requires approval from the shareholders in a general meeting. The Board recommends the Special Resolution set out at Item No.5 of the Notice for approval of the Members of the Company.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No.5 of the Notice.

**Item No. 6**

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his/her

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office address or by such electronic or other mode as may be prescribed. It further provides that a Member can request for delivery of any document to him/her through a particular mode for which he/she shall pay such fees as may be determined by the Company in its Annual General Meeting.

Therefore, to enable the members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since the Companies Act, 2013 requires the fees to be determined in the General Meeting, the Directors accordingly commend the Ordinary Resolution as set out at item no.6 of the Notice, for approval of the Members of the Company.

None of the Directors and Key Managerial Personnel or their relatives are in any concerned or interested, financially or otherwise, in the resolution as set out at Item No.6 of the Notice.

By Order of the Board of Directors  
for Sigachi Laboratories Limited

Place : Hyderabad  
Date : 23.07.2018

(Kuradia Ajay Kumar)  
Company Secretary  
ACS:44310

**SIGACHI LABORATORIES LIMITED**

**Annexure**

Details of Directors/KMP's seeking appointment and / or re-appointment at the ensuing Annual General Meeting (as per Regulation 36 (3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2 (SS-2).

Name	Tunuguntla Raja Sekhar	P.L.V. Subba Rao	Tunuguntla Adinarayana
Date of Birth	21/12/1982	07/05/1955	02/05/1953
Nationality	Indian	Indian	Indian
Age	35 years	63 years	64 years
Date of Appointment	30/01/2010	30/03/2015	20/03/1986
DIN	02943146	07268648	00917498
Experience	He has worked at USA for about 1 year and 2 years in India in software companies. He has also worked in a granite company for about 4 years.	33 Years	He had about 9 Years of Experience in A.P. State Financial Corp., and about 8 years experience as a Chartered Accountant and about 20 years experience in the company.
No. of equity shares held in the Company (as on 31 <sup>st</sup> March, 2018)	22,000	NIL	7,53,530
Qualifications	B.E., MS (USA),,	M.Com.,	B.Com., FCA., ACMA., ACS., B.L, DISA (ICA),,
Directorships other Public Companies (excluding Foreign, Private and Section. 8 Companies)	Ushakiran Finance Ltd.,	NIL	Ushakiran Finance Ltd.,
Membership/ Chairmanship of Committees of other Public Companies	--	--	1. Member of Stakeholder relationship committee in Ushakiran Finance Ltd.,
Relationships, if any, between Directors inter- se	Son of Mr. T. Adinarayana, Director	--	Father of Mr. T. Raja Sekhar, Director
Remuneration Sought to be paid per annum	Rs.10.08 Lakhs + Perks	--	--
Remuneration last drawn per annum	Rs. 4.20 Lakhs	--	--
Terms and conditions of appointment / reappointment	Appointed for a period of 3 years and not Liable to retire by rotation	Liable to retire by rotation	Liable to retire by rotation
Number of board meetings attended during the year	7	4	7