



SIGACHI INDUSTRIES LIMITED

CIN: L24110TG1989PLC009497

ANEXCIPACTGMP,ISO9001:2015&FSSC22000CERTIFIEDCOMPANY

www.sigachi.com



To,

Date: 16.08.2023

The Manager BSE Limited P.J. Towers, Dalal Street Mumbai- 400001 (BSE Scrip Code: 543389)	The Manager National Stock Exchange of India Limited Exchange Plaza, BandraKurla Complex, Bandra (E), Mumbai- 400051 (NSE Symbol: SIGACHI)
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Dear Sir/ Madam,

Sub: 34th Annual Report

Unit: Sigachi Industries Limited

With reference to the subject cited, please find enclosed herewith the 34th Annual Report of Sigachi Industries Limited. The same is available on the following link:

<https://sigachi.com/Annual/34-annual.pdf>

Thanking you.

Yours sincerely

For Sigachi Industries Limited

Shreya Mitra

Company Secretary and Compliance Officer



Possibilities
inspire us
to deliver more

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Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward looking statement, whether as a result of new information, future events, or otherwise.



Scan this code to know more about the company.





Rs 3,020 MN
Operating Income **20.65% YoY ↑**

Rs 587 MN
EBITDA **10.54% YoY ↑**

Rs 436 MN
PAT **9% YoY ↑**

Rs 14.16/share
Diluted EPS **(8.29)% YoY ↑**

As we step ahead in a competitive business environment, we remain focused on exploring possibilities to take the organisation to newer heights of success. Our constant emphasis on product innovation and research and development augments our capacity to introduce novel products to the market. Besides, our strength as a leading manufacturer of Microcrystalline Cellulose enables us to uncover opportunities for varied product applications.

Possibilities
inspire us
to deliver more

With a sharp focus on quality and manufacturing excellence, we remain determined to meet the evolving demands of a global clientele. Alongside, our strong foothold in the Pharma Excipients, Nutraceuticals, Cosmetics and Food Ingredients industries, offers us the necessary impetus to ensure sustained business growth.

Brimming with an enthusiasm to further cement our position as market leaders, we look forward to exploring trajectories that empower us to deliver more and embolden the assurance of a promising future.

About Sigachi

Exploring possibilities, delivering more

Sigachi has earned a reputation as one of the world's largest manufacturers of Microcrystalline Cellulose. We produce essential molecules for Pharma Excipients, Nutraceuticals, Cosmetics and Food Ingredients.

Since our inception in 1989, we have established a robust manufacturing infrastructure, supported by an efficient supply chain that caters to the needs of our global clientele. With three state-of-the-art manufacturing facilities located in Telangana and Gujarat, we have developed a strong global sales and distribution network, serving customers in more than 50 countries across Asia, Australia, the Americas, Europe, and the Middle East

To stay ahead of the competition, we continue to strengthen our in-house research and development (R&D) division, equipped with advanced infrastructure for fostering the production of innovative cellulose-based excipients, from concept to commissioning.





3
Decades of expertise

4
State-of-the art manufacturing facilities

1348
Employees

337
Customers across 52 countries

Values



Excellence

Delivering goods & services of higher standards, thereby creating value and prosperity for all stakeholders.



Respect

Treating everyone with equality and having respect for the environment. Being truthful and building trust through our actions.



Integrity

Being honest in who we are and what we do. We take responsibility of our actions, which includes observing all the laws and regulations and encourage others to do so.



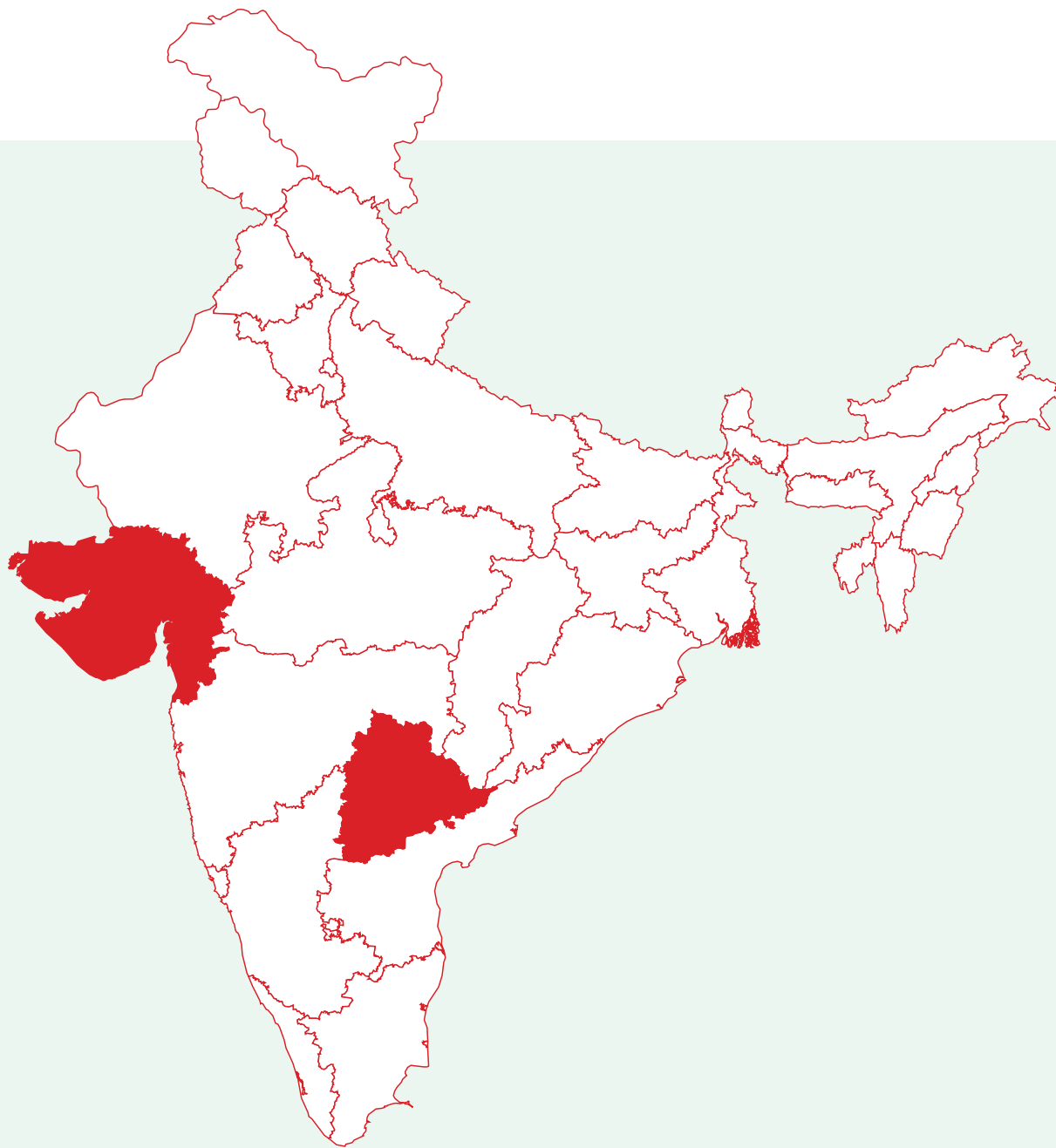
Resourcefulness

We find creative and ingenious solutions, which are within the best interest of Sigachi and its customers. If we own a problem, we don't sit back.

Our footprint

Embracing opportunities in diverse geographies





Unit - I

Hyderabad, Telangana

Installed Capacity (MTPA) - 6,400
 Production volume (MTPA)- 5,925
 Capacity utilization- 92.58%

Unit - II

Jhagadia, Gujarat

Installed Capacity (MTPA) - 2,750
 Production volume (MTPA)- 2,658
 Capacity utilization- 96.65%

Unit - III

Dahej, Gujarat

Installed Capacity (MTPA)- 4,800
 Production volume (MTPA)- 4,616
 Capacity utilization- 96.17%

Unit - IV

Proposed CCS Unit at Dahej, Gujarat

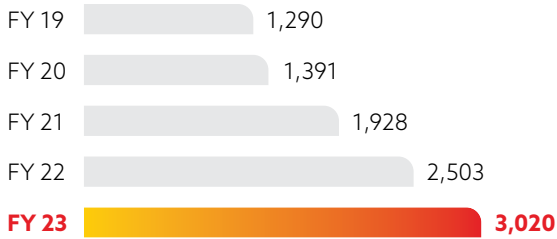
Expected Capacity 1,800 MTPA

Financial highlights

Delivering robust performance

Revenue from operations

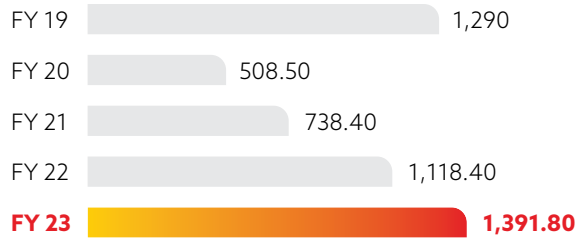
(Rs Mn)



▲ **20.65**
Y-o-Y %

Gross profit

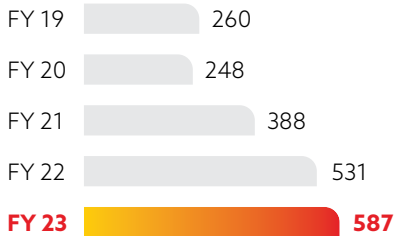
(Rs Mn)



▲ **24.44**
Y-o-Y %

EBITDA

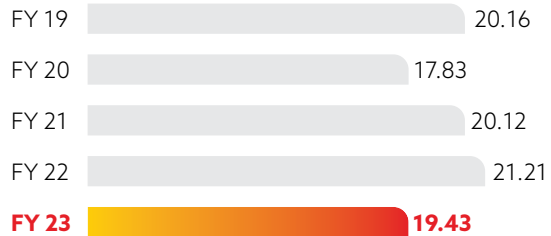
(Rs Mn)



▲ **10.54**
Y-o-Y %

EBITDA margin

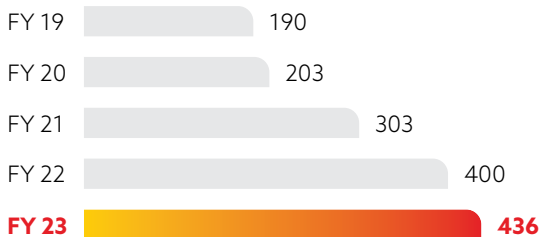
(%)



▼ **(178)**
Bps

PAT

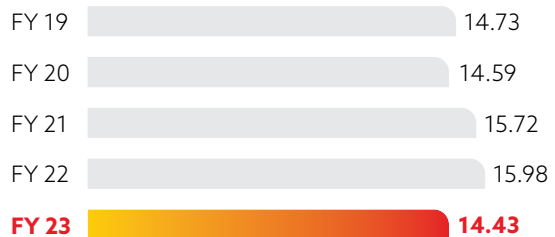
(Rs Mn)



▲ **9**
Y-o-Y %

PAT margin

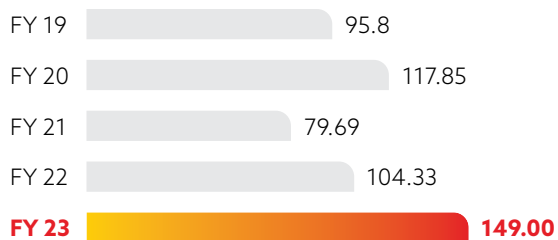
(%)



▼ **(155)**
Bps

Cash conversion cycle

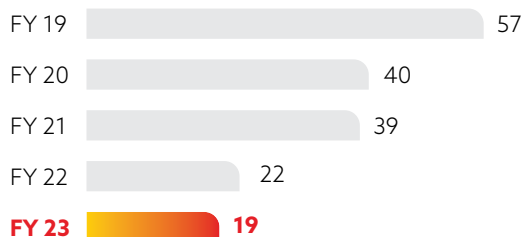
(Days)



▲ **42.81**
Y-o-Y %

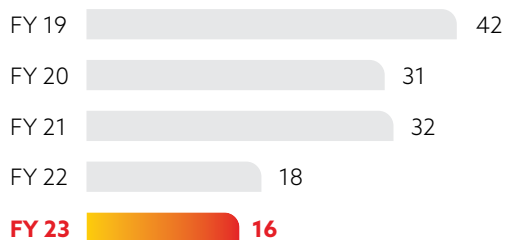
ROCE

(%)



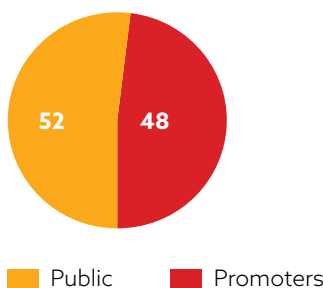
ROE

(%)



Shareholding pattern as on 31st March, 2023

(%)



Business model

Enabling prudent value creation

Input



Financial Capital

Rs 2,683.61 Mn Shareholder funds
Rs 18.86 Mn Debt funds
Rs 1,343.30 Mn Capex in last three years



Manufacturing Capital

4 Manufacturing units
1,508.81 Mn Gross block
3 Entities across globe



Natural Capital

6.96 Mn units Energy consumed
154.23 KLD Water consumed



Human Capital

1,348 Employees
24,836 Man-hours invested in training



Social and Relationship Capital

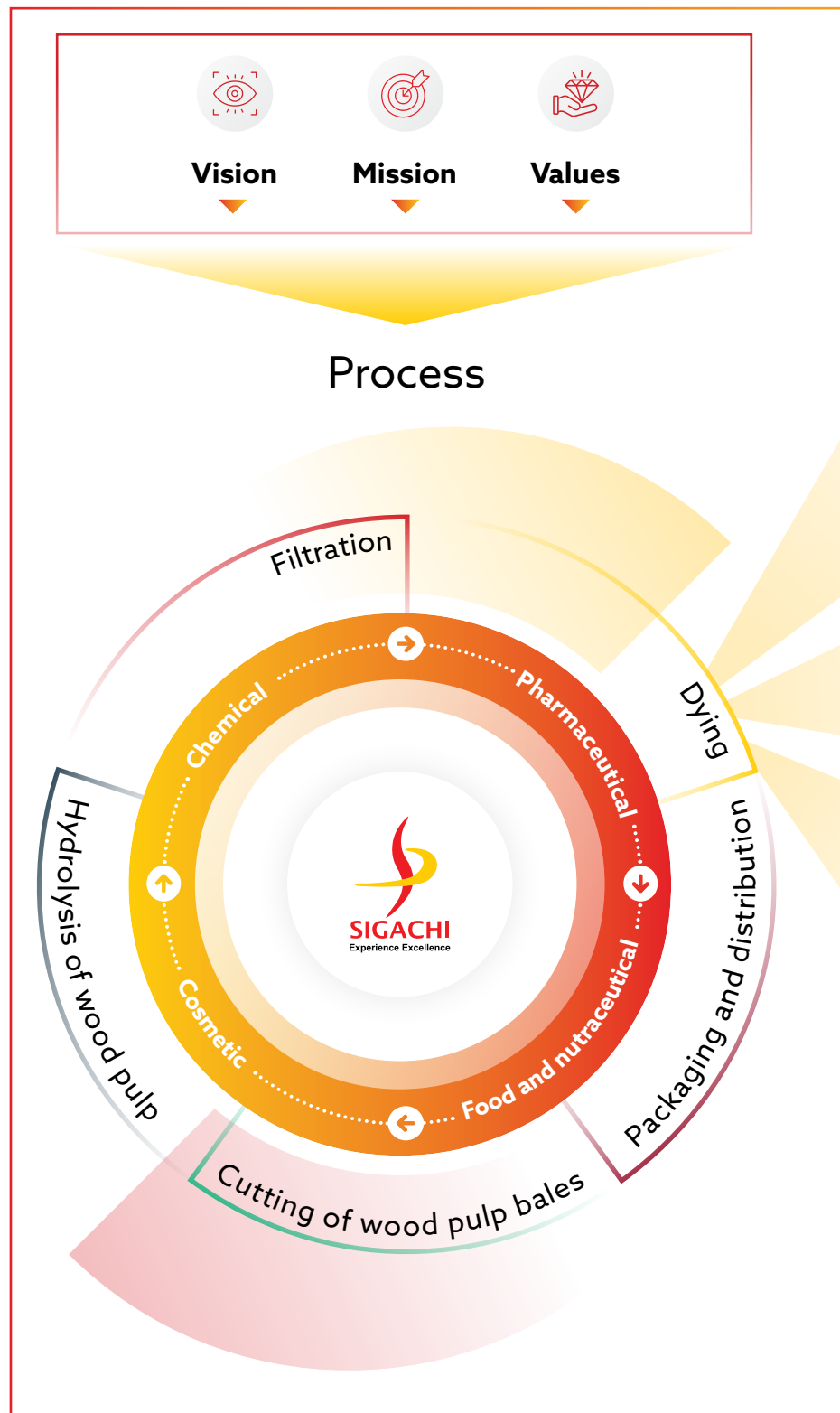
7.92 Mn invested in CSR
126 Vendors
86,576 Shareholders
337 Customers



Intellectual Capital

44.12 Mn Invested in R&D
18 Employees in R&D team

Value Creation process



Output

Financial Capital

Rs 3,020 Mn
Revenue from operations

Rs 587 Mn
EBIDTA

Rs 436 Mn PAT
2,022.65 Mn
Exports

Manufacturing Capital

67 grades of MCC
94.62% Average capacity utilisation across 3 units

Natural Capital

39.72 KLD Water recycled using ETP plants
Focused on reducing carbon footprint

Human Capital

Focus on encouraging employee engagement activities
Inclusive workplace
Investing in training and development

Social and Relationship Capital

On-time payment to vendors
51.05% of revenue generated from customer associated for more than 5 years

Intellectual Capital

46 Trademarks
3 Patents Filed

Outcome

Financial Capital

- ◀ Enhancing revenue and profitability growth
- ◀ Creating and maintaining shareholder value
- ◀ Ensuring a strong cash flow

Manufacturing Capital

- ◀ Offering high-quality goods and services
- ◀ Preserving high brand recognition
- ◀ Ensuring client satisfaction

Natural Capital

- ◀ Use of water and electricity in a responsible manner
- ◀ Efficient environmental management systems
- ◀ Responsible use of natural resources

Human Capital

- ◀ Promoting equality and diversity
- ◀ Safe and healthy workplace
- ◀ Reduced employee attrition

Social and Relationship Capital

- ◀ Creating ongoing and consistent value for stakeholders
- ◀ Empowering the communities where we operate

Intellectual Capital

- ◀ Continue to innovate to provide long-term fixes
- ◀ Creative thinking and flexibility with change

SDG



Fluid bed drying



Spray drying



Spin flash dryer

Chairman's message

Weathering adversity, delivering more



I would like to express my deepest appreciation for our shareholders, investors and partners for their unwavering support and confidence in us. Your contributions have helped us achieve our goals and we look forward to working together to accomplish bigger milestones.



Dear Shareholders

I am extremely pleased to present the Annual Report of Sigachi Industries Limited for the financial year 2022-2023. With a legacy of over 30 years, Sigachi is one of the industry leaders in the field of Pharma Excipients, Nutra and food ingredients. We are one of the leading manufacturers of Microcrystalline Cellulose (MCC) worldwide and continue to sustain our market leadership on the back of extensive global operations, robust R&D efforts and a focus on driving excellence across the organisation.

Despite the uncertainties in the global economy, mostly on account of geopolitical conflicts, instability in the US banking sector and global supply chain disruptions, a swift recovery is being witnessed in different parts of the world. The Indian economy too has been stressed with inflationary pressures and rising commodity prices. However, a supportive policy environment, prudent efforts by the government and the central bank continue to provide some relief and fuel growth prospects for the near term.

Amid macroeconomic headwinds, our Company has delivered a strong performance in FY22-23. Our revenue has increased significantly over the previous year, mostly on

account of our ability to provide customers with a comprehensive product portfolio and serve diverse end-use applications.

This success is a testament to the hard work and dedication of our employees, who have shown great resilience and adaptability in the face of unprecedented circumstances. Our focus on excellence, respect, integrity and resourcefulness has enabled us to maintain our position as a leading player in the industry.

We ventured into human nutritional segment, primarily focusing on B2B markets, in India and abroad. Along with pharma, Sigachi now aims to broaden its scope by exploring prospects in the nutritional markets of India as well as its export market. We have also expanded our distribution network and forayed into new markets, which will help us further grow our business in the coming years.

At Sigachi, we are committed to sustainability and social responsibility. We have implemented several initiatives to reduce our environmental footprint and support local communities. We believe that responsible business practices are essential for long-term success and we will continue to prioritise them in the years to come.

Looking ahead, we are optimistic about the future. We believe that our strong financial position, experienced leadership team, and skilled workforce will enable us to continue to grow and succeed in the upcoming years.

Before I conclude, I would like to express my deepest appreciation for our shareholders, investors, and partners for their unwavering support and confidence in us. Your contributions have helped us achieve our goals and we look forward to working together to accomplish bigger milestones.

Thank you.

Best Regards,

Mr. Rabindra Prasad Sinha
Chairman

CFO's message

Ensuring financial prudence



We have invested prudently in R&D to stay ahead of the curve and drive innovation. Our R&D team has developed new products and technologies that have helped us differentiate ourselves in the market and drive revenue growth.



Dear Shareholders

As I look back on the financial year 2022-23, it gives me immense pleasure to report the robust growth witnessed by Sigachi Industries Limited. Despite a tough economic environment, with inflationary trends and spiking commodity prices impacting sentiments considerably, we have been successful in sustaining a strong financial performance.

Our operational revenue increased by 20.65%, amounting to Rs 3,020 million and our PAT has increased to Rs 436 million in FY22-23. Delivering a solid EBITDA of Rs 587 million in FY22-23, in comparison to Rs 531 million in FY21-22, our financial excellence is driven by our commitment to innovation, operational efficiency and customer satisfaction. Besides, our constant focus on cost optimisation and effective cash management has also enabled us to achieve a net profit of Rs 436 million.

During the year, we focused on implementing cost-effective manufacturing processes to streamline our operations and reduce costs. Our commitment to continuous improvement has resulted in significant savings in production costs, while also improving the quality of our products.

We have invested prudently in R&D to stay ahead of the curve and drive innovation. Our R&D team has developed new products and technologies that have helped us differentiate ourselves in the market and drive revenue growth.

We have also taken a proactive approach to inventory management, implemented effective systems and processes to optimise inventory levels and reduce logistics costs. This has led to improved cash flow, reduced waste, and increased profitability. In response to increased

freight and raw material costs, we have worked closely with our customers to ensure a fair and transparent pricing model.

Our strong financial performance has enabled us to continue strategic investments in our growth plans, helped expand our product portfolio and increased our market share. We have also strengthened our financial position with healthy liquidity levels and a robust balance sheet.

We remain committed to upholding a culture of good governance and transparency to embolden our business and strengthen the foundation of a sustainable organisation.

Best wishes,

O. Subbarami Reddy
Chief Financial Officer

MD's message

Exploring opportunities, diversifying our offerings



As we look ahead, we are optimistic about the growth prospects of our company. We remain committed to driving sustainable growth through an emphasis on excellence, innovation and R&D.



Dear Shareholders

FY22-23 has been an eventful year for Sigachi Industries Limited, and I am delighted to report that we have made significant progress towards achieving our strategic goals.

Despite the challenging business environment, we remained focused on innovation and operational excellence, delivering robust financial performance. Our revenues have increased by 20.65%, and we have achieved a net profit of Rs 436 million. These results are a testament to the hard work and dedication of our employees, and I would like to take this opportunity to thank each one of them.

We are exploring opportunities to diversify our product portfolio in the pharma, food and nutrition and health-care divisions. With the introduction of new value-added products, we seek to cater to the diverse requirements of a vast

clientele. Our expansion into the human nutritional segment is a strategic move to accelerate growth and further strengthen our foothold in the industry.

During the year, we continued to invest in R&D to introduce cost-effective manufacturing processes and further enrich our portfolio with innovative products. Besides, we are concentrating on efficient resource allocation, enhanced customer experience and improved quality standards.

The state-of-art manufacturing facilities in Telangana and Gujarat empower us to ensure supply chain reliability for customers in India and across the globe. Our total capacity from the three facilities add up to 14,000 metric tonnes per annum and with our ongoing capex, we intend to touch 21,000 metric tonnes per annum. It also enables us to deliver

products that are specifically tailored to customer needs and help us venture into untapped regions.

As we look ahead, we are optimistic about the growth prospects of our company. We remain committed to driving sustainable growth through an emphasis on excellence, innovation, R&D.

On behalf of the entire organisation, I would like to thank all our stakeholders for their relentless belief in our ability to take the Company to newer heights of success. We are committed to creating long-term value for all and we look forward to a better future.

Best wishes,

Amit Raj Sinha
Managing Director & CEO

Our strengths

Sigachi's winning capabilities

At Sigachi, we remain focused on exploring opportunities to set new benchmarks of success. Our relentless emphasis on delivering superior quality products, specialised R&D efforts and our manufacturing excellence enable us to consistently meet evolving customer requirements. It also paves the way for continued growth in a dynamic business environment.

Focus on quality

We consistently emphasise on developing the highest quality products that meet evolving customer needs. Our Quality Control laboratory oversees the entire production value chain, conducts tests at every stage to identify and resolve production issues and ensures consistency of every batch produced at our manufacturing facility.

With the use of advanced equipment such as pH meters, incubators, and particle size analysers, we ensure accuracy of material produced at our units. Besides, the quality control team is constantly offered training to maintain standard operating procedures.



Certifications



EXCI PACT™



HACCP



SGMP



EDQM CEP



FSSC 22000
Certification



ISO 9001:2015



Halal

Robust R&D facility

Our advanced R&D facility makes way for continuous innovation and ensures constant improvement of product quality. The state-of-the-art R&D centre creates an ideal environment for carrying out trials, discovering new compounds and exploring varied applications of cellulose-based excipients. We continuously monitor market trends to develop new products such as BARETab ODT, BareTab Nutra, HiCel HFS, and JoyMix range of stabilisers, to fulfil diverse customer requirements.

The R&D team also ensures regulatory compliance and helps file product patents for new products. Currently, we are working on various premixes for pharmaceutical, food, and nutraceutical applications, including sustain release, coating, fortification, and immunity boosters.

We seek to provide customised solutions to our clients and rely on advanced processes using nanotechnology to cater to emerging opportunities in the pharmaceutical and nutraceutical industries.

Rs 44.12 MN
R&D investment

18
R&D team members

3
Patents

46
Trademarks



Manufacturing excellence

Our company operates three advanced manufacturing facilities, located in Hyderabad, Jhagadia, and Dahej. These plants are designed to meet the surging global demand for Microcrystalline Cellulose (MCC). We anticipate continued growth in the demand for MCC and are determined to scale up our production capacity through the expansion of existing facilities at Units II and III.

We propose to establish a production unit for Croscarmellose Sodium (CCS), a modified cellulose product that is used for varied applications.

Rs 323 MN
CAPEX

Our strengths

Skilled workforce

We recognise the crucial role that our employees play in the long-term success of our business and therefore, strive to create a working environment that fosters growth and well-being. We have implemented various initiatives to encourage employee engagement and continue to implement on people-centric policies that foster their professional as well as personal development.

1,348

Workforce

Rs 382.51 MN

Investment for employee benefits



Employee engagement

To foster a dynamic working environment and improve the quality of work, it is essential for employees to feel motivated and satisfied in their job roles. At Sigachi, we try to organise various employee engagement activities to create a sense of belonging to the organisation.

Training and development

We provide our employees with the necessary resources to facilitate skill development and nurture an environment of continuous learning. It enables us to develop a future-ready workforce that is trained to adhere to the needs of evolving businesses. At Sigachi, we support employee mobility and interact with them to meet their needs for flexibility, career advancement, and professional growth. It also empowers us to create a positive work culture that helps attract and retain talented individuals.

12

Training and development initiatives



Sustainability

Caring for the environment

As a responsible corporate entity, we aspire to build a sustainable organisation that is committed to limit its environmental footprint and focus on resource conservation. Our dedicated efforts to minimise our operational impact on the natural environment empowers us to undertake initiatives that help us maintain ecological balance.

Water management

At Sigachi, we believe that water conservation is not just a matter of environmental responsibility but also a social and economic imperative. We, therefore, implement responsible water management techniques, undertake steps to minimise water consumption, recycle waste water and foster efficient utilisation of water across the organisation.

5,933 KL
Water recycled





Energy management

To reduce our carbon footprint, we remain committed to take necessary steps for ensuring efficient energy management practices.

Waste management

We implement rigorous waste management practices across our operations to promote environmental sustainability and limit our carbon footprint. The waste generated at our facilities are treated according to the regulatory guidelines of the Central Pollution Control Board (CPCB). We implement efficient waste reduction techniques, segregate and recycle waste, ensuring responsible waste disposal. We have also installed advanced waste water treatment facilities to make sure that water is discharged safely.

28,470 Kg
Waste generated

3,600 LTR
Hazardous waste generated

154.23 KLD
Water treated



Corporate social responsibility

Nurturing inclusive growth

At Sigachi, we realise our responsibility towards people and aim to strengthen relationships with local communities, while also contributing to the improvement of living conditions in areas where we operate. With regular engagements with community members, we undertake initiatives that are designed to ensure holistic development of the society at large.

Rs **7.92** MN
CSR expenditure

238
Lives impacted



Governance

Driving progress through effective leadership

We are committed to upholding the highest standards of corporate governance and conduct business ethically and responsibly, in compliance with global norms and regulations.

Our goal is to establish a transparent and sustainable governance framework that promotes accountability and integrity across the organisation. We believe that by adhering to these principles, we can foster trust and confidence among our stakeholders and create long-term value for our business.



Board diversity

At Sigachi, we have a diverse and experienced Board of Directors. Our board members bring a wealth of knowledge and expertise from various fields, which enables us to make informed decisions that are in the best interest of the Company and its stakeholders. It also allows the exchange of different perspectives and ideas, enabling us to deliver effective solutions that augur well for the entire organisation. We also value transparency in our decision-making process and strive to ensure that our board operates in an open and accountable manner.



Code of Conduct

We have established a comprehensive Code of Conduct that serves as a guiding principle for all our employees, directors, and business partners. This code ensures strict compliance with all relevant laws and regulations related to financial and non-financial management, and promotes fair, transparent, and ethical business practices within the organisation.

The Code of Conduct outlines our commitment to maintaining the highest standards of integrity and professionalism in all our business dealings. It is designed to foster a culture of accountability, responsibility, and ethical behaviour. It also encourages the management as well as the staff to engage in activities that align with our values and help maintain a culture of honesty and integrity.



Whistle-blower Policy

We place great emphasis on creating a work environment that is equitable, diverse, and free from any form of discrimination. Our commitment to conducting business in a transparent and ethical manner is fundamental to our core values. To ensure the effective implementation of our Code of Conduct, we have also established a Whistle-blower Policy. It enables stakeholders to report incidents of misbehaviour, unacceptable conduct and potential areas of improvement.

Awards and accolades

Sharing our achievements



Top SME award by the India SME Forum



Great place to work certified

Board of Directors

Guided by visionary leaders

Independent, Non-Executive



C M

Mr. R.P. Sinha
Chairman

- ◀ Holds Master's degree in Chemical Engineering from Banaras Hindu University
- ◀ He has over 3 decades of experience in the cellulose and fine chemicals industry
- ◀ Has played an instrumental role in setting up of the wholly owned Subsidiary, Sigachi US Inc. and in expansion of our export operations



M M

Mr. S. Chidambaranathan
Executive Vice Chairman

- ◀ Holds PG Diploma in business administration from Annamalai University
- ◀ Has over 5 decades of experience in the field of chemicals & derivatives of cellulose
- ◀ Has played an instrumental role in expanding the domestic operation & in setting up of manufacturing units in Gujarat



M M M C C

Mr. Amit Raj Sinha
Managing Director & CEO

- ◀ He has an MBA from Indian School of Business, B. Tech & fellow member of the Institute of Engineers
- ◀ Served in Indian naval forces onboard warships & other vital defence installations.
- ◀ Has over 15 years of experience in the pharma and fine chemicals & has played an instrumental role in strengthening the R&D Division.

Board Committees

C Chairman M Member

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- IPO Committee
- Risk Management Committee

Board of Directors

Independent, Non-Executive



M M

Ms. Dhanalakshmi Guntaka
Independent Director

- ◀ She holds a Master's and bachelor's degree in Commerce from Nagarjuna University, Andhra Pradesh.
- ◀ She is fellow member of the Institute of Chartered Accountants of India.
- ◀ She is the founding partner of D A Y & Associates, Chartered Accounts. She is an Independent Director of the Company.



C C M M M M

Mr. Sarveswar Reddy Sanivarapu
Independent Director

- ◀ Holds a bachelor's degree in commerce. He is an associate of the Institute of Company Secretaries of India and has also received the certificate of practice as a company secretary.
- ◀ He is a recognized insolvency professional vide a certificate of 203 registration issued by the Insolvency and Bankruptcy Board of India.
- ◀ In the past, he has served as an Executive Director in the Hyderabad Stock Exchange and presently is the sole proprietor of S. S. Reddy & Associates, Company Secretaries. He is an independent director of the Company.



C

Ms Bindu Vinodhan
Independent Director

- ◀ Bindu holds a Bachelors degree in Engineering from Mumbai University and a Masters degree in Learning technology from Oxford University.
- ◀ She is trained and certified on business storytelling and executive presence from Cranfield University and in High Impact Negotiation from Harvard University.
- ◀ Bindu also delivers guest lectures at Oxford and has been doing that since the last decade.

Board Committees

C Chairman **M** Member

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- IPO Committee
- Risk Management Committee

Director's Report

To
The Members,
SIGACHI INDUSTRIES LIMITED

Your directors are pleased to present the 34th Annual Report together with the audited financial statements for the year ended 31st March 2023. The consolidated performance of the Company and its subsidiary has been referred to wherever required.

FINANCIAL SUMMARY/HIGHLIGHTS:

A summary of the Company's financial results for the Financial Year 2022-23 is as under:

(Rs In Lakhs)

Particulars	2022-23		2021-22	
	Consolidated	Standalone	Consolidated	Standalone
Total Revenue	30,871.68	29,699.54	25,291.94	25,203.44
Total Expenses	25,423.80	24,541.77	20,132.07	20,306.88
Profit before depreciation, amortization and tax	6,110.4	5,819.87	5,450.34	5,187.04
Depreciation and amortization	662.52	662.10	290.48	290.8
Profit before tax	5,447.88	5,157.77	5,159.87	4,896.56
Tax Expense	1,094.26	1,001.75	1,156.13	1,093.68
Profit after Tax	4,353.62	4,156.02	4,003.73	3,802.88
Net Profit for the Year	4,353.62	4,156.02	4,003.73	3,802.88
Opening balance of retained earnings	10,051.85	9,891.43	7,746.38	7,786.05
Net profit for the year	4,353.62	4,156.02	4,003.73	3,802.88
Dividend paid during the year	307.43	307.43	230.48	230.48
Transfer to General Reserve	101.80	103.90	95.83	95.07
Transfer to SEZ Re-Investment Allowance reserve	1,547.80	1,547.80	-	-
Bonus Issue	-	-	1,371.96	1,371.96
Closing balance of Retained earnings	12,448.44	12,088.32	10,051.85	9,891.43

REVIEW OF OPERATIONS:

Standalone:

During the year under review, the total income has increased to Rs. 29,699.54 lakhs from Rs. 25,203.44 lakhs of the previous year. Your company reported a Net Profit of Rs. 4,156.02 lakhs (Previous Year of Rs. 3,802.88 lakhs) after providing for Income Tax and Deferred Tax of Rs. 1,001.75 lakhs (Previous Year of Rs. 1,093.68 lakhs).

Consolidated:

During the year under review, the total income has increased to Rs. 30,871.68 lakhs from Rs. 25,291.94 lakhs of the previous year. Your company reported a Net Profit of Rs. 4,353.62 lakhs (Previous Year of Rs. 4,003.73 lakhs) after providing for Income Tax and Deferred Tax of Rs. 1,094.25 lakhs (Previous Year of Rs. 1,156.13 lakhs).

BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis report, which has been prepared, inter-alia, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and forms part of this Report.

CHANGE IN THE NATURE OF THE BUSINESS, IF ANY:

During the period under review and as on the date of this Board's Report, there was no change in Business. However, the company has expanded its business into OTC, nutraceutical and Food & Nutrition markets.

AMOUNTS TRANSFERRED TO RESERVES:

During the year under review, your Company transferred a sum of Rs. 103.90 lakhs being 2.5% of the Profit after Tax of the Financial Year to the general reserve. An amount of Rs. 12,088.32 lakhs is proposed to be retained in the profit and loss account.

DIVIDEND:

The Directors are pleased to recommend a Dividend of 10% i.e., Re. 1/- per equity share on the Paid-up Equity Share Capital of the Company for the financial year 2022-23. The total outgo on account of dividend, stands at Rs. 3,07,42,500/- for which necessary provision has been made in the accounts.

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend

paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their KYC requirements with the Company/ Bigshare Services (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).

In case the Dividend payable to any shareholder exceeds Rs. 5000/- a tax of 7.5% will be deducted at source from the gross dividend. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to cs@sigachi.com, or before 07.09.2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to cs@sigachi.com. The aforesaid declarations and documents need to be submitted by the shareholders on or before 07.09.2023.

In terms of Regulation 43A of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"),

MEETINGS OF THE BOARD:

Five(5) Board Meetings were held during the financial year ended 31st March 2023. The details of the Board Meetings with regard to their dates and attendance is as below: and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

Sl. No.	Date of Meeting	Total No. of Directors on the Date of the Meeting	No. of Directors attended	% of the Attendance
1.	13/05/2022	8	8	100%
2.	22/07/2022	6	6	100%
3.	27/10/2022	6	6	100%
4.	10/01/2023	8	8	100%
5.	30/01/2023	8	8	100%

COMMITTEES OF THE BOARD:

1. Audit Committee

The Audit Committee was duly constituted and is in line with the provisions of Regulation 18(1) of SEBI (LODR) Regulations read with Section 177 of the Companies Act, 2013 and is included in the Corporate Governance report, which forms part of this report.

2. Nomination & Remuneration Committee:

The Nomination and Remuneration Committee of the Company was duly constituted in line with the provisions

of Regulation 19(1) of SEBI (LODR) Regulations read with Section 178 of the Companies Act, 2013 and is included in the Corporate Governance report, which forms part of this report.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government.

The provisions of Section 125(2) of the Companies Act, 2013 (the Act) do not apply as there was no amount in the unclaimed dividend account remaining unpaid under sub-section (5) of section 124 of the Companies Act, 2013.

MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no major material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report (i.e., 25.05.2023)

4. IPO Committee:

The Company constituted an IPO Committee before the Initial Public Offer consisting of one Independent Director with Mr. Amit Raj Sinha as the Chairperson, Mr. Rabindra Prasad Sinha, Mr. S. Chidambaranathan, Mr. Sarveswar Reddy Sanivarapu and Mr. Swami Das Nigam as Members. However, Mr. Swami Das Nigam resigned w.e.f. 07.01.2023.

5. Risk Management Committee

The Company had been undertaking the activity of identifying key business and sustainability risks and taking actions to mitigate such risks from time to time. The matters related to risks and their management has been shared with the Board of Directors from time to time. However, a structured process is now felt necessary in the light of global sustainability risks faced by all businesses in the light of the challenges that have unfolded over the last 15 months. The Company has put in place a Risk management Policy and has constituted a Risk Management Committee of the Board. The details of constitution of the Committee and its terms of reference are set out in the Report on Corporate Governance. The Company has formulated a Risk Management Policy under which various risks associated with the business operations are identified and risk mitigation plans have been put in place.

6. Transformation Committee

The Board of Directors in its meeting held on 10.01.2023 has constituted the Transformation Committee to monitor the growth of business of the Company. Details of the member of the Committee are:

Sl. No.	Name of the member	Designation
1.	Ms. Bindu Vinodhan - Independent	Chairperson Director
2.	Mr. Amit Raj Sinha - MD & CEO	Member
3.	Mr. Lijo Stephen Chacko, CEO Sigachi MENA	Member
4.	Mr. Subramanian Ananthanarayanan	Member
5.	Mr. Jaideep Rao, VP Strategy & Operations	Member
6.	*Mr. Mohankrishna Reddy Arvabumi - Independent Director	Member

*Mr. Mohankrishna Reddy Arvabumi resigned as Independent Director on 15.02.2023.

APPOINTMENT/RE-APPOINTMENT/RESIGNATION/RETIREMENT OF DIRECTORS/CEO/ CFO AND KEY MANAGERIAL PERSONNEL:

Mr. Lijo Stephen Chacko and Mr. Vijay Amrutlal Bhavsar, vide their letters dated 8th June 2022, stepped down from the Board as an Independent Director and whole-time Director respectively due to their personal reasons. The Board through circular resolution on 8th June 2022 acknowledged and accepted their resignations and has placed on record its sincere appreciation for the services rendered by them during their tenure.

In the Board meeting held on 27th October 2022, the Board appointed Ms. Bindu Vinodhan and Mr. Mohankrishna Reddy Arvabumi as an additional Independent Directors and their appointment was regularized in the Extra-Ordinary General Meeting of the company held on 23rd January 2023.

Further, Mr. Swami Das Nigam, Non-Independent, Non-Executive Director of the Company, resigned from the board vide his letter dated 7th January 2023. The Board in its meeting held on 10th January 2023 took the resignation on record.

Mr. Mohankrishna Reddy, vide his resignation letter dated 15th February 2023, stepped down from the Board as an Independent Director due to his personal reasons.

As of the end of the current Financial Year, the Company has a total strength of 6 Directors out of which 3 are Independent Directors.

Mr. Rabindra Prasad Sinha and Mr. Chidambarnathan Shanmuganathan, Whole-time Directors being eligible has offered themselves to retire by rotation in the ensuing Annual General Meeting.

KEY MANAGERIAL PERSONNEL:

Mr. Amit Raj Sinha, Managing Director & CEO, Mr. O. Subbarami Reddy, CFO and Ms. Shreya Mitra, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company.

INDEPENDENT DIRECTORS:

The Board in its meeting held on 27th October 2022 appointed Ms. Bindu Vinodhan and Mr. Mohankrishna Reddy Arvabumi as Additional Independent Directors for a period of two years w.e.f. 27th October 2022, subject to approvals of the Members at the Annual General Meeting.

At the Extra-Ordinary General Meeting of the Company held on 23rd January 2023, their appointment was regularized and they were appointed as Independent Directors of the Company for the period of 2 years w.e.f. 27.10.2022.

Mr. Mohankrishna Reddy, vide his resignation letter dated 15th February 2023, stepped down from the Board as an Independent Director due to his personal reasons.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with both the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the SEBI (LODR), Regulations, 2015.

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the PIDs of the Company have registered themselves with the India Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the

statutory timeline. All the Independent Directors have all registered themselves with IICA and all the three Independent Directors have cleared the proficiency test as prescribed by IICA.

The Independent Directors are in compliance with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

The Independent Directors are in compliance with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013. Code of Conduct for Directors and senior management personnel under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the website of the company the link to which is <https://www.sigachi.com/Policies/1.pdf>

REVISION OF FINANCIAL STATEMENTS

There was no revision of the financial statements for the year under review.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

SHARE CAPITAL:

The authorized share capital as at March 31, 2023 was Rs.3200.00 Lakhs and the paid-up Equity Share Capital as at March 31, 2023 stood at Rs 3074.25 Lakhs.

HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The information on the subsidiary, Sigachi US Inc., & Sigachi MENA FZCO, pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is annexed hereto as Annexure-I in Form AOC-1. However, the Company does not have any holding, associate and joint venture Companies during the year under review.

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

In the financial year ended March 31, 2023, there have not been any instances, wherein companies which have become or ceased to be subsidiaries, associates and joint ventures except incorporation of "SIGACHI MENA FZCO" as a wholly Owned Subsidiary in Dubai.

DEPOSITS:

The Company has not accepted/renewed any deposits from the public/members under Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 during the financial year ended March 31, 2023 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

DETAILS OF DEPOSITS NOT IN COMPLIANCE WITH THE REQUIREMENTS OF THE ACT:

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2023, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company shall comply with these requirements within the prescribed timelines.

CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and the applicable Securities laws. The Policy of the Company on prevention of Insider Trading lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

NON-EXECUTIVE DIRECTORS' COMPENSATION & DISCLOSURES:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors other than the Sitting fees and reimbursement of expenses.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company are also made to the directors. Direct meetings with the chairman are further facilitated to familiarize the incumbent Director about the Company/ its Businesses and the group practices.

INTERNAL AUDIT AND FINANCIAL CONTROLS:

The Company's internal control procedures which include financial controls, ensure compliance with various policies, practices and statutes and keeping in view the organization's pace of growth and increasing complexity of operations. The Internal Auditors' team carries out extensive audits throughout the year. During the year under review such controls were tested and no reportable material weaknesses in the design or operation were observed.

DISCLOSURE OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

During the period under review, there is no material or serious observations have been noticed for inefficiency or inadequacy of such controls.

Further, details of internal financial control and its adequacy are included in the Management Discussion and Analysis Report which is appended as Annexure IV and forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR, COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSRPOLICY):

The CSR Committee was constituted as per Section 135 of the Companies Act, 2013 and Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as disclosed in the Corporate Governance report.

Disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 in prescribed form is enclosed as Annexure II to the Directors Report. During the financial year 2022-23, the Company has spent Rs.79.25 lakhs towards various CSR activities in line with the requirements of Section 135 of Companies Act, 2013. Areas of Activities undertaken by the Company are Eradicating hunger, poverty and malnutrition & making available safe drinking water.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position.

The potential Board Member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015.

In accordance with Section 178(3) of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) Regulations, 2015, on the recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management. The Policy is attached as a part of Corporate Governance Report.

The Board affirms that the remuneration paid to the Directors is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

POLICY ON NOMINATION AND REMUNERATION:

In compliance with requirements of Section 178 of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has laid down a Nomination & Remuneration policy.

The salient features of the NRC Policy are as under:

1. Setting out the objectives of the Policy
2. Definitions for the purposes of the Policy
3. Policy for appointment and removal of Director, KMP and Senior Management
4. Policy relating to the Remuneration for the Managerial Personnel, KMP, Senior Management & other employees.
5. Remuneration to Non-Executive/ Independent Director.

The Nomination and Remuneration Policy is available on the website of the company, the link to which is: <https://www.sigachi.com/Policies/6.pdf>

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017 and as approved by the Nomination and Remuneration Committee and the Board.

The Board has worked out the following Evaluation Criteria of working of the Board and of the Committees of the Board:

A) For Independent Directors:

- Knowledge and Skills
- Professional conduct
- Duties, Roles and Functions
- Fulfillment of the Independence criteria and his / her independence from the management.

B) For Executive Directors:

- Performance as Team Leader/ Member
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key Set Goals and Achievements
- Professional Conduct and Integrity
- Sharing of Information with the Board

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated. All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held in March 2023. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors and Independent External Persons. The Board upon discussion noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

The detailed procedure followed for the performance evaluation of the Board, Committees and Individual Directors is enumerated in the Corporate Governance Report.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2022-23, there were no materially significant related party transactions with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

In line with the provisions of Section 177 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, omnibus approval for the estimated value of transactions with the related parties for the financial year is obtained from the Audit Committee. The transactions with the related parties are routine and repetitive in nature.

The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed and approved by the Audit Committee and the Board of Directors on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business.

Form AOC-2 has been attached as an Annexure- III to the Directors' Report.

LOANS, GUARANTEES OR INVESTMENTS:

Your company has not given any Loans, Investments & Guarantees whatsoever to any other company as envisaged under Section 186 of the Companies Act, 2013.

AUDITORS:

a) Statutory Auditors

The members of the Company in accordance with Section 139 of the Companies Act, 2013 have passed a resolution for the appointment of M/s. T. Adinarayana & Co., (Firm Registration No. 00041S) as Statutory Auditors of the Company for a period of 5 years in the 32nd Annual General Meeting held on 20th September 2021 to hold office up to the conclusion of 37th Annual General Meeting of the Company.

The Auditors' Report for fiscal 2023 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for both Standalone and Consolidated audited financial results of the Company for the Financial Year ended March 31, 2023 from the statutory auditors of the Company.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and held valid certificate issued by the Peer Review Board of the ICAI.

b) Cost Auditor

Your Company is required to make and maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Act.

M/s. MPR & Associates (Registration No. 000413), Cost Accountants carried out the cost audit of products included under CTA CODES 7204, 7228, 7326, 7503, 7602, 8108, 8401, 8482, 8483, 8487, 8803 and 9306 in relation to the financial year ending 31st March 2023. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The Cost Auditors have confirmed that they are not disqualified to be appointed as the Cost Auditors of the Company for the year ending 31st March 2023.

The Company has maintained the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

c) Secretarial Auditor

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, the Board has appointed Ms. Aakanksha, Practicing Company Secretary, as the Secretarial Auditor of the Company. She has undertaken Secretarial Audit of the Company for financial year ending 31st March 2023.

d) Internal Auditor

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditor of the Company, M/s PSRV & Co. LLP, Chartered Accountants for the Financial Year 2022-23.

Deviations are reviewed periodically and due compliances were ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

The Board has re-appointed by M/s PSRV & Co. LLP, Chartered Accountants, Hyderabad as Internal Auditors for the Financial Year 2023-24.

SECRETARIAL AUDIT REPORT:

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed Ms. Aakanksha, Company Secretary in practice as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2023.

The Secretarial Audit was carried out by Ms. Aakanksha, Company Secretary in practice for the financial year ended March 31, 2023.

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2023 on the Compliances according to the provisions of Section 204 of the Companies Act, 2013

The Report given by the Secretarial Auditor is annexed herewith as Annexure- V and forms integral part of this Report.

ANNUAL SECRETARIAL COMPLIANCE REPORT

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder.

The Company has filed the Annual Secretarial Compliance Report for the year 2022-23 with the BSE Ltd and National

Stock Exchange of India Limited, as provided by the a Practicing Company Secretary was filed within the stipulated time as specified under Regulation 24A of the SEBI (LODR) Regulations.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

During the Financial Year 2022-23, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

RISK MANAGEMENT:

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks and also to identify business opportunities. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis.

Risk Management Committee of the Board of Directors of your Company assists the Board in:

- (a) overseeing and approving the Company's enterprise-wide risk management framework; and
- (b) overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this Report.

Pursuant to Section 134(3)(n) of the Companies Act, 2013 the Company has formulated and implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges.

Major risks identified for the Company by the management are Currency fluctuation, Compliance, Regulatory changes, Manufacturing & Supply. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is no impact on the Company in case any of these risks materialize.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM:

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Company promotes ethical behavior and has put

in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may report their genuine concerns to the Chairman of the Audit Committee. During the year under review, no employee sought or was denied access to the Audit Committee.

Vigil Mechanism Policy has been established by the Company for directors and employees to report genuine concerns pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013. The link to our Vigil Mechanism Policy is: <https://www.sigachi.com/Policies/15.pdf>

REMUNERATION RECEIVED BY MANAGING/WHOLE TIME DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANY:

The Managing/Whole time Director of the Company did not receive any remuneration from the subsidiary company.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Companies Act, 2013 and on the basis of explanation given by the executives of the Company and subject to disclosures in the Annual Accounts of the Company from time to time, we state as under:

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that we have selected such accounting policies and applied them 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 and of the profit and loss of the Company for that period;
- c. that 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;
- d. that the annual accounts have been prepared on a going concern basis;
- e. that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information pertaining to conservation of energy, technology absorption, foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure-VI and attached to this report.

DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace.

This is in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules made thereunder. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this Policy. The policy is available on the website at www.sigachi.com.

As per the provisions of Section 4 of Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and all other applicable, if any, provisions for the time being in force read with rules & regulations framed under the Act and subject to such guidelines issued from time to time for the protection of women against sexual harassment at the workplace, the Board re-constituted the Internal Committee (IC) in its meeting held on 27th December 2021 as follows:

CONSTITUTION OF COMMITTEE:

Name	Designation
Ms. Shreya Mitra	Presiding Officer
Mr. Subramanian A	Member
Mr. Jaideep Rao	Member
Ms. Monika Tomar	Member
Mr. MihirPuranik	Member
Ms. ChitraSadhoo	External Member

All employees are covered under this policy. During the year 2022-23, there were no complaints received by the Committee.

BUSINESS RESPONSIBILITY AND SUSTAINBILTY REPORT:

As stipulated under Regulation 34 of the Listing Regulations, the Business Responsibility and Sustainability Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report and is annexed as Annexure VII.

ORDERS, IF ANY, PASSED BY REGULATORS OR COURTS OR TRIBUNALS:

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and company's operations in future.

INSURANCE:

The properties and assets of your Company are adequately insured.

CREDIT & GUARANTEE FACILITIES

The Company has availed Working Capital facilities and Term Loan from Kotak Mahindra Bank.

ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an annual return is disclosed on the website www.sigachi.com.

COMPLIANCE WITH SECRETARIAL STANDARDS:

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs and other Secretarial Standards voluntarily adopted by the company.

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of your Company for the year ended March 31, 2023 have been prepared in accordance with the provisions of Section 129(3) of the Companies Act and applicable Accounting Standards and form part of this report.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with first proviso of Section 129(3) of the Companies Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a separate statement containing salient features of the Financial Statements of Subsidiary Company in Form AOC-1 is appended to this report, which forms part of the Financial Statements. The separate Audited Financial Statements in respect of the Subsidiary are also available on the website of the Company at www.sigachi.com

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

The Company has implemented all of its major stipulations as applicable under Regulation 34 read with schedule V of SEBI (LODR) Regulations, 2015, and a report on Corporate Governance duly audited is appended as Annexure VIII for information of the Members. A requisite certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to the Report on Corporate Governance.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

The Management Discussion and Analysis Report, for the year under review as stipulated under Regulation 34 (e) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and Segment-

wise operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems is appended as Annexure IV for information of the Members.

POLICIES:

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on the website of the Company www.sigachi.com.

ENVIRONMENTS AND HUMAN RESOURCE DEVELOPMENT:

Your Company always believes in keeping the environment pollution free and is fully committed to its social responsibility.

The Company has been taking utmost care in complying with all pollution control measures from time to time strictly as per the directions of the Government.

The Directors would like to place on record our appreciation for the efforts made by the management and the keen interest shown by the Employees of your Company in this regard.

STATUTORY COMPLIANCE:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

No corporate insolvency resolution process was initiated against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

DETAILS OF DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS, IF ANY:

During the year under review, there has been no one-time settlement of loans taken from banks and financial Institutions.

DECLARATION BY THE COMPANY:

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Act, as on March 31, 2023.

CEO/ CFO CERTIFICATION:

The Managing Director cum CEO and CFO certification on the financial statements under regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 for the year 2022-23 is annexed in this Annual Report as Annexure IX.

STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure X (a) to this Report.

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report as Annexure X (b).

In terms of section 136 of the Companies Act, 2013 the said annexure is open for inspection at the registered office of the Company during the working hours. Any member interested in obtaining a copy of the same may write to the Company.

RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Mr. Amit Raj Sinha, Managing Director, Rabindra Prasad Sinha, Director and S Chidambaranathan Director of the Company to the median remuneration of the employees is 1:0.012, 1:0.017 and 1:0.017 respectively.

CODE OF CONDUCT COMPLIANCE:

All Members of the Board and Senior Management have affirmed compliance to the Code of Conduct for the Financial Year 2022-23. A declaration signed by the Managing Director affirming compliance with the Company's Code of Conduct by the Board of Directors and Senior Management for the Financial Year 2022-23 as required under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Corporate Governance Report which is appended as Annexure 'XI' and forms part of this Report.

INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required

FAILURE TO IMPLEMENT CORPORATE ACTIONS:

During the year under review, no corporate actions were done by the Company which were failed to be implemented.

EVENT BASED DISCLOSURES:

During the year under review, the Company has not taken up any of the following activities except as mentioned below:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA

3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: The proposed special resolution seeking consent for making the preferential issue of shares did not secure the requisite majority at the Extraordinary General Meeting held on 04.02.2023 and hence the proposed preferential issue was dropped.
8. Rights Issue of Shares: NA.

CREDIT RATING:

The Company has been awarded Care A- Stable credit rating for its long-term bank facilities by Care Ratings Limited.

The Company is also assigned by Care Ratings a Care A- long-term rating and A2 for short term rating. The rated instrument reflects strong degree of safety and lowest credit risk.

AWARDS AND RECOGNITIONS:

- a. Top SME award by India SME Forum
- b. Great place to work certification

ACKNOWLEDGEMENTS:

Your directors place on records their sincere thanks to bankers, business associates, consultants, employees and various Government Authorities for their continued support extended to the Company activities during the year under review. Your directors also acknowledge gratefully the shareholders for their support and confidence reposed in the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
SIGACHI INDUSTRIES LIMITED

(Sarveswar Reddy Sanivarapu)

Chairman
DIN: 00459605

Amit Raj Sinha

CEO and Managing Director
DIN: 01263292

Place: Hyderabad
Date: 25.05. 2023

Annexure-I

Annexure to the Directors' Report

FORM No. AOC-1

[Pursuant to first proviso to sub-section 3 of Section 139 read with Rule 5 of Companies (Accounts) Rules, 2014]

Salient Features of Financial Statements of Subsidiary/Associate Companies/Joint Ventures as per Companies Act, 2013

Part "A": SUBSIDIARIES

S No	Particulars		
1	Name of the Subsidiary	Sigachi US, Inc	Sigachi MENA FZCO
2	Date since when subsidiary was acquired	20.01.2017	06.03.2023
3	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	January to December	April to March
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	USD @ Rs 82.21	AED @22.37
5	Share Capital	INR 13,00,800	INR 1,56,,66,000
6	Reserves & Surplus/ (Accumulated Loss)	INR 5,42,21,827	INR (58,84,360)
7	Total Assets	INR 27,16,57,463	INR 1,27,55,890
8	Total Liabilities	INR 21,61,34,836	INR 29,74,250
9	Investments	NIL	NIL
10	Turnover	INR 50,21,59,017	INR NIL
11	Profit Before Taxation	INR 3,44,19,571	INR (56,42,842)
12	Provision for Taxation	INR 92,50,458	INR NIL
13	Profit After Taxation	INR 2,51,69,112	INR (56,42,842)
14	Proposed Dividend	NIL	NIL
15	Extent of Shareholding (in percentage)	100%	100%

Additional Information:

S No.	Particulars	Names
1	Names of subsidiaries which are yet to commence operations	NIL
2	Names of subsidiaries which have been liquidated or sold during the year	

Part "B": Associates/Joint Ventures-NIL

S No	Particulars	Name of the Company
1	Name of Associates/Joint Ventures	
2	Latest Audited Balance Sheet Date	
3	Date on which the Associate or Joint Venture was associated or acquired	
4	Shares of Associate/Joint Ventures held by the Company on the year end	
	Number of shares	
	Amount of investment in Associates/Joint Ventures	
	Extent of holding (in percentage)	NIL
5	Description of how there is significant influence	
6	Reasons why Associate /joint venture is not consolidated	
7	Net worth attributable to Shareholding as per latest audited balance sheet	
8	Profit or Loss for the year	
	a. Considered in Consolidation	
	i. Not considered in Consolidation	

Additional Information :

S No.	Particulars	Names
1	Names of associates/joint ventures which are yet to commence operations	NA
2	Names of associates/joint ventures which have been liquidated or sold during the year	NA

For and On Behalf of the Board of Directors
Sigachi Industries Limited

Place: Hyderabad
Date: 25.05.2023

(Amit Raj Sinha)
Managing Director & CEO
DIN: 01263292

Annexure-II

REPORT ON CSR ACTIVITIES

[Pursuant to section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief Outline of Company's CSR Policy, including overview of projects or programmes undertaken/ proposed to be undertaken:

The CSR Policy adopted by the Board consists of activities as specified in Schedule VII of Companies Act, 2013.

2. Composition of CSR Committee:

The details of the composition of the committee are given below:

S No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Rabindra Prasad Sinha	Whole-Time Director	2	2
2.	Mr. Chidambaranathan Shanmuganathan	Whole-Time Director	2	2
3.	Mr. Sarveswar Reddy Sanivarapu	Independent Director	2	2
4.	Mr. Amit Raj Sinha	Managing Director & CEO	2	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.sigachi.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable since the Company's average CSR obligation is less than Rupees Ten Crores in the three immediately preceding financial years.**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
NIL			

6. Average net profits of the company for last three financial years as per section 135(5)

The average net profit of the Company for the last three financial years as per Section 135 of the Companies Act, 2013 was Rs. 37,17,85,323/-

Sl. No.	Particulars	Amount (in Rs.)
(a)	Two percent of average net profit of the company as per section 135(5)	74,35,706
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
(c)	Amount required to be set off for the financial year, if any	NIL
(d)	Total CSR obligation for the financial year (7a+7b-7c).	74,35,706

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs.79,25,419	NIL		NIL		

- (b) Details of CSR amount spent against ongoing projects for the financial year: N.A.
- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Safe water drinking facility – Initiative	Eradicating hunger, poverty and malnutrition & making available safe drinking water	YES	Hyderabad		18.41 Lakhs	Yes	-	-
2.	Promoting Education	Education to Poor Students	YES	Hyderabad		11.11 Lakhs	Yes	-	-
3.	Integrated Development Project	Eradicating hunger, poverty and malnutrition & making available safe drinking water	YES	Gujarat		49.73 Lakhs	No	Aga Khan Rural Support Programme (India)	CSR00004229
Total						Rs.79.25Lakhs			

- (d) Amount spent in Administrative Overheads- **NIL**
- (e) Amount spent on Impact Assessment, if applicable-**NIL**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)- Rs 79.25 Lakhs
- (g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	74,35,706
(ii)	Total amount spent for the Financial Year	79,25,419
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4,89,712
(iv)	Surplus arising out of the CSR projects or pro-programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4,89,712

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – No Capital asset Acquired
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

For and behalf of the Board
Sigachi Industries Limited

Amit Raj Sinha
(Managing Director & CEO, Member)

Rabindra Prasad Sinha
(Whole-Time Director, Chairman CSR Committee).

Annexure-III

FORM No. AOC-2

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

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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 transactions:

Nature of transaction	Name of the related party	Year ended 31st Mar 2023
Sale of goods or services	Sigachi US, INC	38,49,45,166
Rent	Amit Raj Sinha	19,21,316
Lease Rentals	RPS Industries Private Limited	2,63,19,973
Purchase of goods or services	RPS Industries Private Limited	5,34,000
Purchase of goods or services	S D Nigam and Associates Consultants LLP	19,25,000

For and On Behalf of the Board of Directors
Sigachi Industries Limited

Place: Hyderabad
Date: 25.05.2023

(Amit Raj Sinha)
Managing Director & CEO
DIN: 01263292

Annexure - IV

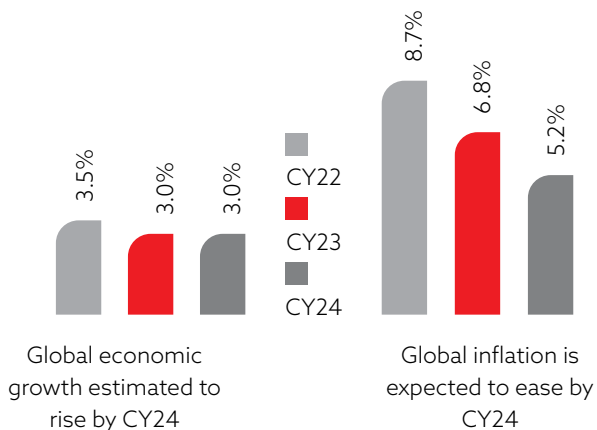
MANAGEMENT DISCUSSION & ANALYSIS

Global economic overview

Over the past year alone, the most significant surge in inflation in the past four decades has affected several economies. Synchronised tightening of monetary policy, the impact of the Russia-Ukraine conflict and worsening financial conditions have significantly increased the risk of recession. Along with disruptions in the supply chain, a severe shortage of labour in many countries, commodity-market volatility, and weak investment growth in emerging markets and developing economies (EMDEs) continue to burden the global economy.

Economies across the globe faced several changes, including the cost-of-living crisis, food and energy crises in Europe, soaring inflation, geopolitical turbulence and the resurgence of COVID in China. Despite the availability of vaccines, China once again went into lockdown in the last two quarters, and it affected the supply of raw materials. Apart from the pharma sector, several other sectors, including the output of the electronic sector, have been affected by the increased input costs.

Outlook



(Source- IMF World Economic Outlook, July 2023)

The IMF's most recent economic outlook predicts that in CY23, the rate of global growth will decrease to 3.0%. But, taking into account the positive measures undertaken by various countries, global growth is estimated to stabilise at 3.0% in CY24. High energy prices have pushed up inflation, which is estimated to gradually moderate in CY23 and CY24. The IMF predicted global inflation to decline to 6.8% in CY23 from 8.7% in CY22. For CY24, the inflation rate is also expected to decline to 5.2% [Source- IMF World Economic Outlook, July 2023].

Central banks across the globe are using liquidity-tightening measures in an effort to find a balance between inflationary pressures and economic development. They are keeping

a close eye on liquidity and working to improve sentiment. The future of the global economy is, however, significantly dependent on the future course of monetary policy, the outcome of the war in Ukraine, and the potential for more supply-side shocks connected to the pandemic.

Indian economic overview

The Indian economy showed remarkable resilience in the face of widespread headwinds, such as geopolitical tensions and the rising cost of living crisis. Owing to its strong fiscal and geopolitical policies, it is estimated to grow by 7.2% in FY23, down from 9.1% growth in the previous financial year [Source: National Statistical Office]. It continues to grow at one of the highest rates in the world, outpacing the major emerging and developing economies, including China.

India's large-scale vaccination campaign, which crossed the 220-crore mark, has enabled it to considerably tackle the third wave of COVID. It ended the probability of a third nationwide lockdown, which further helped the continuation of economic activities in the country.

Outlook

As reported by the IMF, India is expected to be the fastest-growing country among the G-20 nations. The growth momentum of India continues to make it a lucrative investment destination. Also, recent developments in the country, especially in the area of infrastructure and digitisation, are expected to augur well for the economy. According to a recent report published by EY, the Indian economy is expected to report a GDP of USD 26 trillion in terms of the exchange market by 2047. However, the direction of global economic and political developments will have a considerable impact on the course of the Indian economy.

Industry overview

Global pharmaceutical industry

After the onset of the pandemic, the importance of healthcare and the pharmaceuticals industry has grown manifold. Between FY2020 and FY2027, the pharmaceutical industry is projected to grow by a net cumulative USD 500 billion¹ and the worldwide market growth is expected to return to pre-pandemic levels by 2024.

In terms of usage of pharmaceutical products, Latin America, Asia, and Africa are expected to see the highest volume growth, driven by a combination of a burgeoning population and greater access to medical facilities. North America and Europe, on the other hand, are expected to experience sluggish

¹<https://www.iqvia.com/newsroom/2023/01/global-market-for-medicines-to-rise-to-19-trillion-by-2027-says-report-from-iqvia-institute>

growth. Market growth in the United States is estimated to be -1% to 2% compound annual growth rate (CAGR) through 2027, compared to 4% CAGR during the preceding five years.

Oncology spending is expected to reach USD 370 billion by FY2027, nearly doubling the current level, due to the consistent demand for innovative drugs. In addition, biotech drugs are expected to account for 35% of worldwide spending in FY2027 and will comprise both breakthrough cell and gene.

Outlook

- The global generic medication industry is expected to reach USD 332.43 billion in FY2022 at a CAGR of 9.9% and USD 426.30 billion in FY2026 at a CAGR of 6.4%. Sedentary lifestyles and the rising incidence of chronic disorders, including diabetes and cardiovascular diseases, will be the primary growth drivers.²
- The global market for orphan drugs is anticipated to increase from USD 140.40 billion in FY2021 to USD 154.81 billion in FY2022 at a compound annual growth rate (CAGR) of 10.3% before rising to USD 229.71 billion in FY2026. In FY2022, the market for orphan drugs was dominated by North America and the Middle East is anticipated to experience the fastest growth during the forecast period.³
- The global market for oncology medications is anticipated to grow at a CAGR of 10.9%, starting in FY2021 and reach USD 342.54 billion by FY2030. An increase in the number of older people, a greater incidence of cancer and higher R&D expenditure are expected to drive market growth.⁴

India's pharmaceutical industry

The domestic pharmaceutical industry in India was estimated to be valued at USD 41 billion in FY2021 and is likely to be valued at USD 65 billion by FY2024 before reaching USD 130 billion by FY2030.⁵ The Indian pharmaceutical sector has a significant influence on the global market. India is the third-largest producer of pharmaceutical goods globally and the fourteenth-largest producer in terms of value. The industry also leads the world in vaccine production, with a market share of 60%, and is the top producer of generic drugs internationally, accounting for 20% of the total supply by volume.

Pharma exports have performed well and maintained positive growth. The demand for essential medications and other goods exported to more than 150 countries during and after the pandemic resulted in a substantial rise of 24% in Indian pharmaceutical exports in FY2021. Despite global trade interruptions and declining demand for COVID-19-related treatments, the performance of pharmaceutical exports in FY2022 has been strong. Carrying forward the positive momentum, exports of drugs and pharmaceuticals increased by 22% from April to October 2022, compared to the pre-pandemic period of FY2020.

²<https://www.reportlinker.com/p06241838/Generic-Pharmaceuticals-Global-Market-Report.html>

³<https://www.globenewswire.com/news-release/2023/02/08/2604352/0/en/Orphan-Drugs-Global-Market-Report-2023.html>

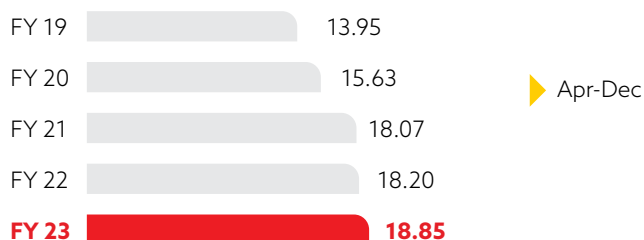
⁴<https://www.globenewswire.com/news-release/2023/02/13/2606350/0/en/Oncology-Drugs-Market-Size-2022-2030-Share-Industry-Trends-Growth-Challenges-and-Forecast-Growth-Plus-Reports.html>

⁵<https://pib.gov.in/Pressreleaseshare.aspx?PRID=1660739>

Rapid expansion in pharmaceutical exports

(In USD billion)

Drugs, pharmaceuticals & fine chemicals



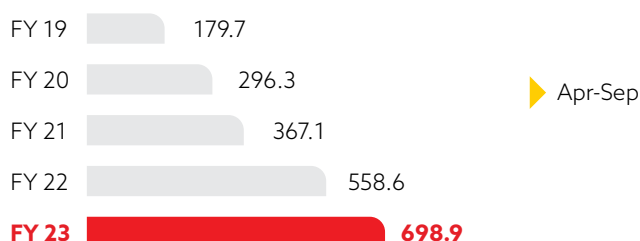
(Source- DGCI&S)

In September 2022, cumulative FDI in the pharmaceutical industry exceeded USD 20 billion. Additionally, FDI inflows have multiplied in the last five years, reaching USD 699 million in September 2022, supported by a favourable policy environment that attracts investors and offers brighter prospects for the entire sector.

High FDI inflows into the pharma industry

(In USD billion)

FDI in Pharma



(Source- DPIIT)

Government initiatives





- **Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)**- The Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) was established to provide easy access to high-quality generic medications at reasonable costs. Under this programme, special pharmacies called Janaushadhi Kendras are set up to offer quality generic medications at affordable prices, especially to the underprivileged and the poor.
- **Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJKs)**- Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJKs) offer opportunities for self-employment with reliable and sustainable income. Until December 31, 2022, more than 9000 PMBJKs had opened across the country. Currently, 280 surgical instruments and 1759 medications are available for sale from PMBJKs.

- Strengthening the Pharmaceutical Industry (SPI)**- To improve the infrastructure of the pharmaceutical industry, the government has taken several steps. Strengthening the Pharmaceutical Industry (SPI), a five-year initiative with a total financial outlay of INR 500 crore from FY22 to FY26, was introduced on March 11, 2022. It intends to expand existing infrastructure facilities by offering financial help to pharma clusters for building shared facilities. It also helps MSMEs update their manufacturing facilities to meet national and international regulatory requirements by offering interest subventions or capital subsidies on capital loans.






In addition, it provides information about the pharmaceutical and medical device industries by conducting research, developing databases, and bringing together industry experts and policymakers to share their expertise and experience.

India has achieved self-sufficiency in producing 38 crucial pharmaceutical ingredients (APIs) within the last 18 months. This progress was made possible through the production-linked incentive (PLI) programme aimed at reducing import dependence in the sector.

Critical KSMs/DIs/APIs

 Tenure: FY21 to FY30	 Investment: ₹6,940 crore
 Progress: Until December 2022, 51 applicants with a total committed investment of ₹4,138.4 crore had been approved.	 Employment: The estimated employment generation from 51 projects is 10,598 persons.

Pharmaceuticals

 Tenure: FY21 to FY29	 Investment: ₹15,000 crore	 Progress: Until June 2022, 55 applicants were approved with an actual investment of ₹18,669 crore.
 Employment: Estimated employment generation from 55 projects: 20,000 direct and 80,000 indirect jobs.	 Financial incentive: on incremental sales under various categories at a varying rate ranging from 10% to 3% over the years.	

Global food and nutrition market

The nutritional food market, which attained a valuation of USD 5.93 billion in 2022, is anticipated to reach to USD 12.63 billion by the year 2030. This trajectory is projected to be underscored by a CAGR of 9.9% throughout the period from 2023 to 2030.⁶ The increasing consciousness surrounding health has led to a substantial expansion of the food nutrition market. The pandemic has notably augmented individuals' awareness of the repercussions of an unhealthy lifestyle. In light of this, there has been a marked surge in the global demand for supplements aimed at enhancing immunity and overall dietary well-being. Notably, mineral supplements have garnered particular attention among the spectrum of nutritional provisions due to their pivotal role in facilitating diverse physiological functions encompassing muscle and bone maintenance, cardiovascular health, and cognitive functioning.

The growth of the sports nutrition sector is being propelled by a shifting societal emphasis toward health and physical well-being. Both fitness enthusiasts and professional athletes are participating in endorsements and leveraging social media platforms to inspire individuals to prioritize fitness and overall health. Against a backdrop of an increasingly prevalent incidence of conditions like diabetes, obesity, and cardiovascular diseases worldwide, there is a discernible inclination towards sports

engagement and the incorporation of sports-specific nutritional products that are associated with a diminished susceptibility to these ailments. Consequently, this phenomenon significantly contributes to the expansion of the market.

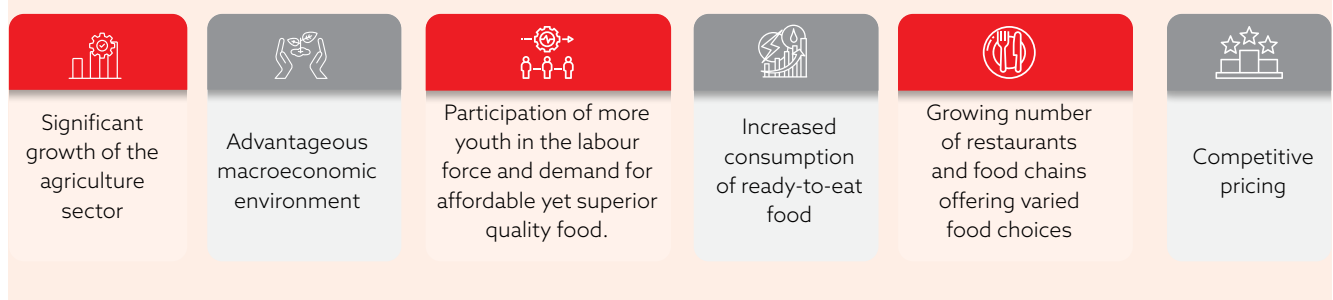
Moreover, the accessibility of numerous dietary supplements has been greatly facilitated through online and retail distribution channels. The convenient availability of nutritional products stands as a pivotal catalyst propelling market expansion. The augmentation of the market is further accelerated by the influence of e-commerce platforms, owing to their enhanced product visibility and extended outreach encompassing diverse age brackets and socio-economic segments. The widespread embrace of e-commerce platforms has been amplified in the wake of the pandemic, consequently contributing to an additional impetus in market growth.

India's food and beverage industry

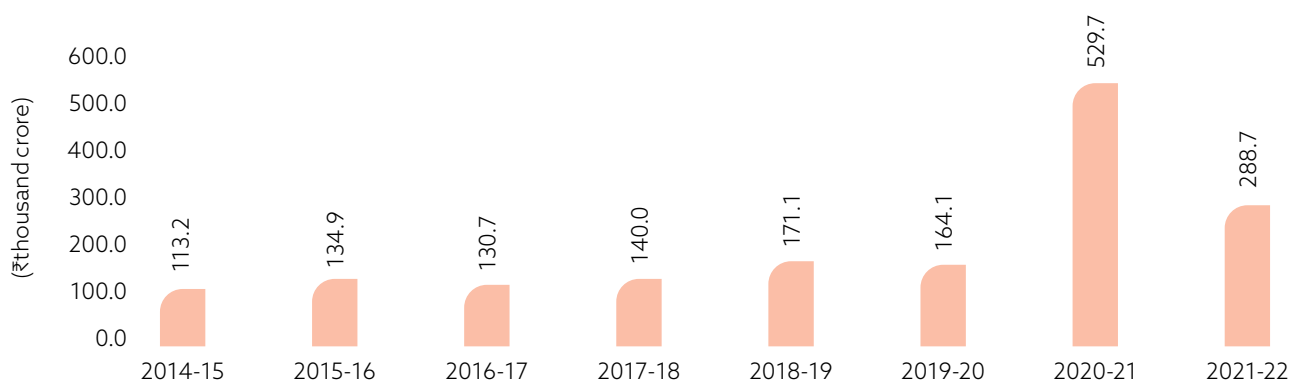
The food and beverage industry is one of India's most enduring service industries. It has experienced remarkable growth in recent years and sustains its growth momentum on account of demographic changes, urbanisation, rising disposable income, and the expansion of the retail sector.

The sector is prepared to rebound after a setback during the pandemic. The packaged food market has grown in popularity, and there is a greater need for superior quality goods.

Growth drivers



Food subsidies released by the Government of India



(Source- Economic Survey 2022-23)

⁶<https://www.databridgemarketresearch.com/reports/global-nutritional-food-market>

The industry has seen various changes as a result of the evolving consumer preferences, expanding food tech models, and marketing via social media platforms. In addition, the availability of organised retail space has assisted the sector in fostering the expansion of regional and global brands across a variety of formats. These trends are expected to influence India's food and beverage industry in the near term.



Global MCC market

Microcrystalline cellulose (MCC) is a robust, plant-derived substance with exceptional functional qualities that make it ideal for industrial use. Its primary applications are in the pharmaceutical and food and beverage sectors. These industries consume more than half of the world's microcrystalline cellulose.

The microcrystalline cellulose market is anticipated to grow significantly between FY2023 and FY2033, at a CAGR of 6.3%. The market is anticipated to increase in value from USD 947.7 million in FY2023 to USD 1,794.1 million by FY2033 due to increased demand across various end-use industries.⁷

Due to the high demand for microcrystalline cellulose from end-use industries, the United States is the global market leader. The demand for MCC has grown as a result of its increased use in pharmaceutical applications and it is frequently utilised as an excipient. Due to its chemically inert property, it is also widely used as a thickener, stabiliser, binder, dispersion, bulking, and anti-caking agent in pharmaceutical, cosmetic, and food and beverage applications. In addition, one of the main growth prospects for the MCC market is the robust demand from emerging economies.



India's MCC market

As a major supplier of vaccines and medications during the COVID-19 pandemic, India has positioned itself as a strong contender in the global market.

India is one of the top five markets for microcrystalline cellulose and has some of the most prominent players in the industry. The production of raw materials for chemicals, pharmaceuticals, and other products like plastics and polymers, paints, and coatings has recently increased in India. It has also simultaneously enhanced the production of microcrystalline cellulose.

Growth drivers

- **Demand from the pharmaceutical industry-** In the pharmaceutical industry, microcrystalline cellulose is frequently used as an excipient. Therefore, with the growth of the pharmaceutical industry, demand for microcrystalline cellulose is also increasing.

- **Growing consumption in the food and beverage industry-** Microcrystalline cellulose has a wide range of applications in the food and beverage industry. It is derived from plants and is widely used in baking. Additionally, it is used to produce snacks, burger patties and dietary supplements.

India's over-the-counter (OTC) industry

The Indian OTC market is estimated to be worth approximately USD 8 billion. During the last 5 years, it has expanded at a 14-15% CAGR. OTC drugs and goods are those that do not have to be prescribed by a doctor. Without a prescription, certain medications that do not fall under Schedules H, H1 and X may be purchased legally. In India, the majority of the OTC market is poorly defined and well-organised.

A majority of the OTC market in India comprises cosmetics, nutraceuticals and other preventive care medicines and products. Owing to increasing demand, high-volume sales are one of the sector's growth drivers. This sector has very few advertising and marketing constraints, which allows businesses to build engagement with their products. The growth of this sector will mainly be driven by the changing consumer sentiments following the pandemic. Following COVID, there has been a hike in demand for self-care and preventive care medicines and products. The OTC market is estimated to grow at a CAGR of 19.4% to reach USD 18.49 billion by 2026.

India's branded generic drug market

The market for generic drugs in India was valued at USD 24.53 billion in 2022. The market is expected to experience a steady CAGR of 6.97% during the forecast period of 2022-2028.⁸ This growth is primarily driven by the rising incidence of chronic diseases such as diabetes and cardiovascular diseases, which are often associated with sedentary lifestyles. Additionally, the expanding geriatric population is contributing to market growth as this group tends to have a higher incidence of comorbidities, which necessitates effective medication management and the ease of drug administration.

The market growth for generic drugs in India has been spurred by governmental initiatives, such as the Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP). This programme has encouraged the creation and sale of effective generic drugs at affordable prices to the general population. The emergence of 3D printing technology has made it possible for manufacturers to produce generic drugs with varying release rates and flavours, which has further bolstered market expansion. Additionally, improved accessibility to healthcare services and growing awareness of healthcare among the public have also contributed to market growth.

Nutraceutical market

After the pandemic, preventive healthcare has emerged as a crucial line of defence. The urban population across India has become health and fitness conscious like never before. This is presenting a tremendous opportunity for expansion to

⁷<https://www.futuremarketinsights.com/reports/microcrystalline-cellulose-market>

⁸<https://www.globenewswire.com/en/news-release/2022/08/05/2493154/28124/en/India-Generics-Drugs-Market-Analysis-Competition-Forecasts-Opportunities-2018-2021-2022-2028.html>

India's nutraceuticals industry. Consequently, the industry is anticipated to experience rapid growth.

To encourage new business owners to enter the nutraceutical industry, the Food Safety and Standards Authority of India (FSSAI) is preparing to establish new regulations for the nutraceuticals market in India that are compliant with international standards. If these policies are in place, they will attract significant foreign investment, particularly from new companies, which will cause the industry's worth to quickly double. India's nutraceutical market is expected to reach USD 11 billion by 2023 and USD 18 billion by 2025, increasing at a CAGR of 21%. India is also expected to hold at least a 3.5% share of the global market.

Nutrition market

The vitamin and mineral nutrient premixes are formulated to meet the body's nutritional requirements. These premixes contain a combination of vital vitamins, trace elements, minerals and other nutritional supplements. There is an escalating demand for enriched food and beverage products among the working middle-class population, largely as a result of rising health and wellness awareness.

The increasing consumer interest in health and wellness has urged manufacturers to incorporate vitamin and mineral premixes into their food products to enhance their nutritional value while reducing calories and cholesterol content. The surge in demand for fortified and functional food items, coupled with the need to enrich food products due to intensive processing and the higher consumption of compound feed, have resulted in a higher demand for vitamin and mineral nutrient premixes.

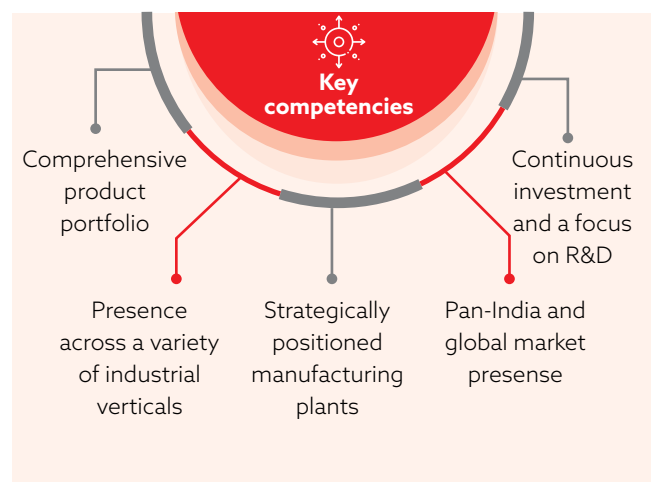
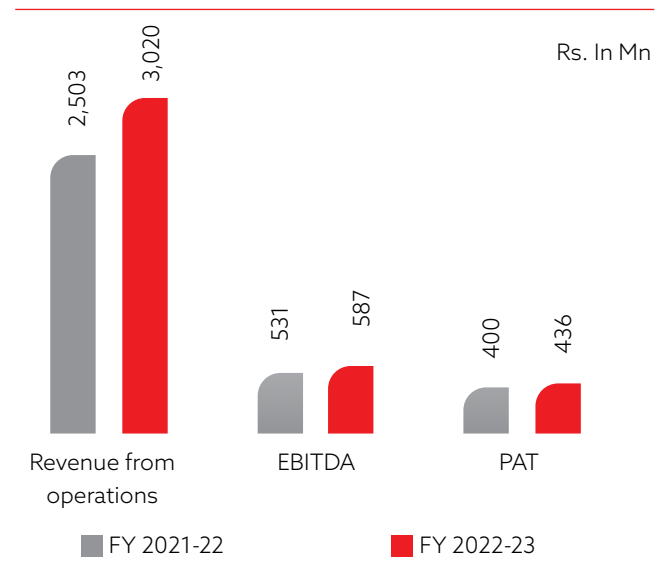
Company overview

About the Company

Sigachi Industries Limited (Sigachi), incorporated in 1989, is one of the leading manufacturers of Microcrystalline Cellulose (MCC) in the world. The Company has carved a niche in the production of highly innovative preformulated excipients as well as more than 60 widely used excipients that meet international quality standards. Sigachi manufactures high-quality cellulose-based excipients, which predominantly find application in the pharmaceutical, supplement, and nutrition food industries.

Sigachi guarantees supply chain reliability for its clients in India and around the world, with 2 facilities in Gujarat and 1 in Telangana. With a global sales and distribution network, Sigachi exports to more than 60 nations in the Middle East, Europe, Asia, Australia, and the Americas. The Company ensures continuous innovation from its cutting-edge R&D facility to effectively meet changing customer demands. To operate and manage the manufacturing facilities owned by Gujarat Alkalies and Chemicals Limited (GACL) and carry out contract manufacturing of sodium chlorate, stable bleaching

powder, and poly aluminium chloride, the Company has agreements with both GACL and Grasim Industries (Aditya Birla Group).



30+ years

Legacy in production of cellulose-based excipients

Strong presence in India

60 nations

Exports to over

29.49%

3-year CAGR Revenue

33.27%

3 Years CAGR EBITDA

29.02%

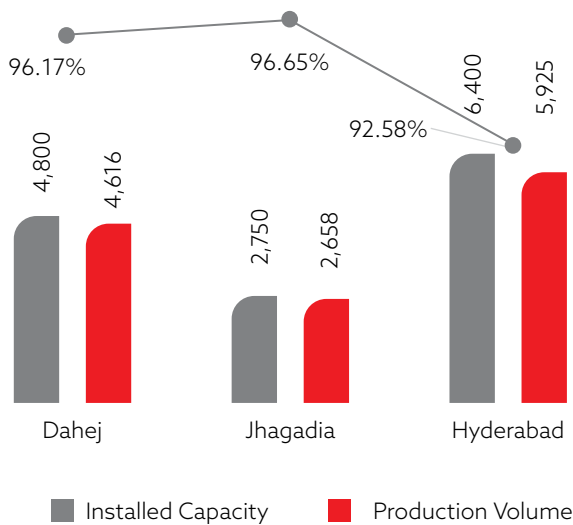
3 Years CAGR PAT

4

State-of-the-art manufacturing facilities

Sigachi has four manufacturing facilities in Hyderabad, Telangana (Unit I), Jhagadia, Gujarat (Unit II), Dahej, Gujarat (Unit III) and a nutrition plant in Sultanpur (Unit IV). The production facility of Unit III is completely export-oriented and situated in the SEZ. These units contribute to quick, efficient, and personalised product delivery to domestic and foreign clients. The Company plans to increase its production capabilities at Units II and III to meet the increasing demand for MCC.

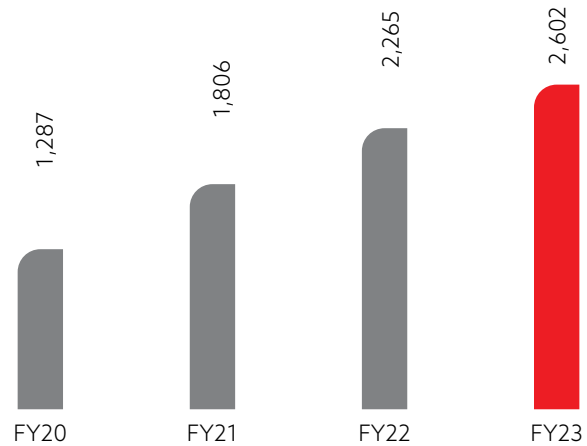
Manufacturing Capacities (MTPA) & Capacity Utilisation in % (As on March 31, 2023)



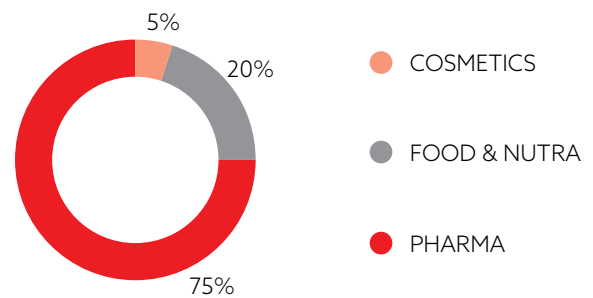
During the production process, these items are differentiated using various drying procedures.

To meet the rising demand for co-processed excipients, the Company manufactures several grades of the product in conjunction with diverse chemicals such as colloidal silicon dioxide, carboxy cellulose sodium, and mannitol.

MCC Revenue Trend (Rs Mn)



Revenue Breakup (FY23)

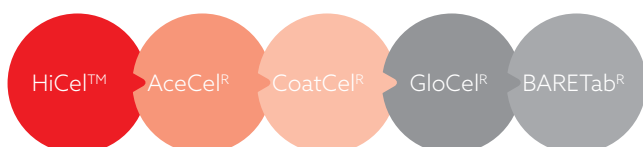


Business overview

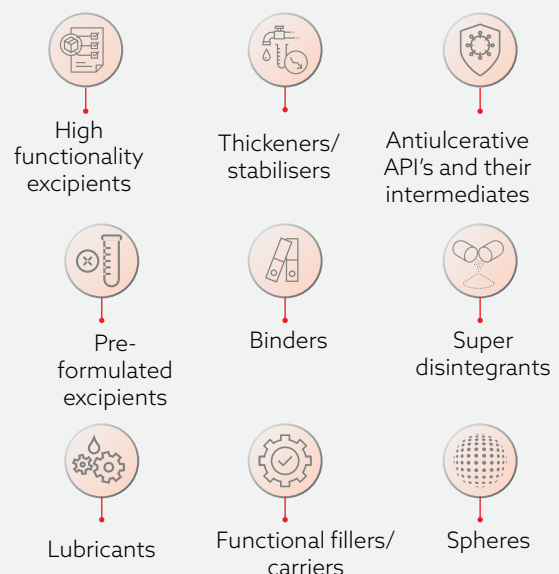
Microcrystalline Cellulose (MCC)

MCC is manufactured by the Company in 60 distinct grades ranging from 15 microns to 250 microns, with various uses in the pharmaceutical, food, nutraceutical, and cosmetic sectors.

Sigachi sells its cellulose-based products under a variety of brands, including:



Pharma portfolio



The road ahead

Sigachi has forayed into the human nutritional market, concentrating mostly on B2B markets in India and across 60 countries where it currently exports. The product line includes micronutrient premixes and spray-dried ingredients.

Operations and management

Sigachi is a distinguished player in the field of operation and management services for complex chemical process plants. With an impressive portfolio of services and a proven track record, Sigachi's expertise spans various facets of industrial operations, ranging from boilers and heaters to cooling and heating solutions, chemical plants, water systems and air pollution control.



The Company's objectives in its operation and management division are driven by the principles of accountability, enhanced asset performance, reduced downtime and failures, improved product yield, heightened safety standards, awareness promotion and increased planned-to-unplanned maintenance ratio. These objectives collectively underscore its commitment to excellence and sustainable growth.

R&D

Sigachi's state-of-the-art R&D facility is based in Jhagadia and Dahej. The Company is consistently improving its R&D capabilities to ensure the continuous supply of innovative products and meet evolving customer demands.

Quality

The Company's manufacturing facilities are equipped with a quality control and assurance division, which conducts all necessary tests on the materials received, including raw materials used in manufacturing as well as finished goods.

Financial highlights

₹ 3,020 MN
Operating Income

14.43%
PAT margin

Key ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e., changes of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor.

Particulars	FY 2022-23	FY 2021-22	% of change
Debtors Turnover (no. of days)	96.88	87.68	10.50
Inventory Turnover (no. of days)	23.30	46.92	50.34
Interest Coverage Ratio (in times)	38.18	78.73	51.50
Current Ratio (in times)	2.38	3.5	32
Debt Equity Ratio (in times)	0.15	0.15	-
Operating Profit Margin (in %)	19.43	20.86	6.8
Net Profit Margin (in %)	14.43	15.98	9.7
Return on Net Worth (in %)	17.55	17.58	0.17

Debtors Turnover

This ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. The ratio shows how well a Company uses and manages the credit it extends to customers and how quickly that short-term debt is collected. It is calculated by dividing the Total Sale of goods and services by trade receivables.

The debtors turnover ratio has increased as there has been a significant increase in sales in the last quarter.

Inventory Turnover

Inventory Turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing the Revenue from sale of goods by average inventory.

Interest Coverage Ratio

Interest coverage ratio is used to determine how well a company can pay the interest on its outstanding debts. It is calculated by dividing the earnings before interest and tax by interest.

The interest coverage ratio has decreased as there has been a decrease in gross profits and increase in interest.

Current Ratio

The Current Ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

The Current Ratio has decreased as there has been increase in trade payables.

Debt Equity Ratio

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's net borrowings by its shareholder's equity.

Operating Profit Margin

Operating Profit Margin is a profitability or performance ratio used to calculate the percentage of profit a Company produces from its operations. It is calculated by dividing the Operating Profit (PBDIT) by Revenue from Operations.

Net Profit Margin

The net profit margin is equal to how much net income or profit is generated as a percentage of total revenue. It is calculated by dividing the profit after tax for the year by total revenue for the year.

Return on Net Worth

Return on Net Worth/(Equity) is a measure of profitability generated to Equity holders. It is calculated by dividing the Net profit after tax for the year with Average Shareholder's equity during the year.

Return on Net Worth has reduced as there has been decrease in net profits due to increase in employee benefit expenses.

Human resources

The Company believes investments in its human resources are crucial to its future success. Throughout the course of their employment with the company, the Company encourages its people to explore novel and exciting opportunities. It aspires to provide its personnel with a working environment where each and every employee is treated equally and respected.

Internal control and adequacy

The effectiveness of internal controls is necessary to lower the risk of financial loss. It contributes to the correctness, thoroughness and reliability of financial accounting. The internal financial control mechanism of Sigachi is quite effective. The Company's internal financial controls and internal control systems are adequate, functional and appropriate given the nature of its operations and the scope and complexity of its activities.

The Audit Committee evaluates the performance and adequacy of the Company's internal control system, especially internal financial control. The Company promises ongoing monitoring of its risk-based supervisory measures. The Company has taken the necessary precautions to maintain proper accounting records, as required by several regulations.

Disclosure of accounting treatment

The Company followed the necessary accounting procedures and made sure they were implemented consistently. No variations from the procedure outlined in the accounting rules announced under Section 133 of the 2013 Companies Act have occurred.

Disclaimer

Certain statements about future prospects in this section may be forward-looking statements, which involve a number of

underlying, identified or unidentified risks and uncertainties that could cause actual results to differ materially from those projected. In addition to the aforementioned macroenvironmental changes, a worldwide pandemic like COVID-19 might present an unanticipated, unexpected, unknowable and ever-evolving danger, among other things, to the Company and the environment in which it operates. Some of the facts and numbers in the study have been derived from the outcomes of these assumptions, which were based on accessible internal and external information. The estimations on which these assumptions are based are liable to change since the underlying variables are dynamic in nature.

Any forward-looking statement provided here only reflects the Company's objectives, beliefs and current expectations and only as of the date on which it was made. It may be revised or updated by the Company at any time without notice in response to new information, unexpected circumstances, or other factors.

Annexure - V

FORM MR-3

SECRETARIAL AUDIT REPORT

{Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014}
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

To
 The Members of
Sigachi Industries Limited
 Hyderabad.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sigachi Industries Limited** (hereinafter called "the Company"). 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, Minute 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, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Sigachi Industries Limited** ("The Company") for the financial year ended on 31st March, 2023 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 (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guideline prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2022-23:-
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event-based disclosures, wherever applicable.**
- iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., www.sigachi.com**
- iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **complied with the same to the extent applicable.**
- v. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **The members of the Company approved "Sigachi Stock Appreciation Rights Scheme 2022" in the Annual General Meeting held on 29.08.2022. The Scheme does not contemplate the grant of any options or shares (securities) other than allowing the employees who are granted SAR units and whose SAR units are exercised, to receive cash from the Company upon exercise of the said units. Hence the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are not applicable to the aforesaid scheme since no securities are involved and the SARs benefit is settled by way of cash.**
- vi. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable as the Company has not issued any debt securities during the year under review.**
- vii. 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; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has Bigshare Services Private Limited as its Share Transfer Agent.**

- viii. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
- ix. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- x. Other applicable laws include the following:
- The Payment of Gratuity Act, 1972
 - Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - Employees State Insurance Act, 1948
 - Income Tax Act, 1961
 - Indian Stamp Act, 1899
 - Minimum Wages Act, 1948
 - Payment of Bonus Act, 1965
 - Payment of Wages Act, 1936
 - Shops and Establishments Act, 1948
 - Drugs and Cosmetics Act, 1940
 - Factories Act, 1948

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

During the period under review the Company has complied with the provisions of the Companies Act, 2013, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a) During the year the Company has conducted 5 meetings of the Board of Directors, 5 meetings of the Audit committee, 1 Meetings of Stakeholder Relationship Committee, 3 meeting of Nomination Remuneration Committee,

1 Meeting of Corporate Social Responsibility Committee Meeting and 1 meeting of Independent Directors.

- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
- (i) The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
- External Commercial Borrowings were not attracted to the Company under the financial year under review;
 - Foreign Direct Investment was not attracted by the company during the financial year under review;
 - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- i. Mr. Subbaramireddy Oruganti is the Chief Financial Officer and Ms. Shreya Mitra is the Company Secretary and Compliance Officer of the Company.
- ii. The Company has internal auditors and cost auditors namely M/s. PSRV & Co. LLP and M/s. MPR & Associates, Cost Accountants.
- iii. The website of the company contains applicable policies as specified by SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the provisions of Companies Act, 2013.

- iv. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were the following changes in the composition of the Board of Directors during the period under review.

S. No.	Name of the Director	Designation	Event
1.	Mr. Lijo Stephen Chacko	Independent Director	Resigned w.e.f 09.06.2022.
2.	Mr. Vijay Amrutlal Bhavsar	Non-Executive Director	Resigned w.e.f 09.06.2022.
3.	Mr. Mohan Krishna Reddy	Independent Director	Appointed w.e.f 27.10.2022
4.	Ms. Bindu Vinodhan	Independent Director	Appointed w.e.f 27.10.2022
5.	Mr. Mohan Krishna Reddy	Independent Director	Resigned w.e.f 15.02.2023

- v. Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance or on shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- vi. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- vii. 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.
- viii. We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
- ix. We further report that during the year under report, the company has not passed the Special Resolution for continuation of Mr. Swami Das Nigam, Chairman and Non- Executive Director exceeding 80 years of age and further paid the penalty levied by the stock exchange.
- However, the concerned resolution was passed in the Adjourned Extra Ordinary General Meeting held on 04.04.2022.
- x. The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

Aakanksha

Practicing Company Secretary

C.P. No. 20064

UDIN: A049041E000378799

PR. No. 3363/2023

Date: 25.05.2023

Place: Hyderabad

Annexure to the Secretarial Audit Report

To
The Members of
Sigachi Industries Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

Date: 25.05.2023
Place: Hyderabad

Aakanksha
Practicing Company Secretary
C.P. No. 20064
UDIN: A049041E000378799
PR. No. 3363/2023

Annexure-VI

Annexure to the Directors' Report

[Pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014]

FORM - A

Form for Disclosure of particulars in the respect to conservation of energy

a. Energy conservation measures taken during the year:

The Company is not a power intensive industry. However regular efforts are made to ensure that power is conserved well, wherever practicable and the equipment are maintained in good condition for superior performance with low power consumption.

- a. Proposals being implemented for reduction of consumption of energy: **Not Applicable**
- b. Impact of measures at a & b above for reduction of energy consumption and consequent impact on cost of production of goods: **Not Applicable**
- c. Total energy consumption and energy consumption per unit as per Form A:

Particulars	For the year ended March 31,	
	2023	2022
a. Power and Fuel Consumption		
i. Electricity		
Purchased Units	69,16,489	56,97,316
Total Amount (Rupees)	4,98,61,112	3,30,73,409
Rate/Unit (Rupees)	7.21	5.80
ii. Own Generation (Through Diesel Generator)		
Units generated	50,172	29,208
Total Amount (Rupees)	13,10,184	7,59,430
Units per litre	3.77	3.85
Cost per Unit (Rupees)	26.11	26.00
b. Consumption per unit of Production		
Production (MTs)	12,711	11,241
Power Consumption in Rupees/MT	4,025.74	3,009.77

Form - B

Technology, Research and Development

Form for disclosure of particulars with respect to technology absorption

S. No.	Event
1. Specific areas in which R&D undertaken	<ol style="list-style-type: none"> 1. Development of BARET ab family of excipients as Ready to use premix for Nutraceutical tablets, premix for Quick dissolving tablet matrix and Self lubricated excipient 2. Development of excipients for capsule filling and Super functionality excipients for pharma industry 3. Development of Dietary fibre and anti-caking agent for food industry 4. Development of excipient that is stabilizer for emulsions in cosmetic industry 5. Application studies of excipients with various API's like L-Glycine, Thiamine HCl, Pyridoxine HCl, Cetirizine HCl, Vitamin B1, Vitamin B6, Amoxicillin, Magaldrate, Ascorbic Acid

S. No.	Event
2. Benefits derived as a result of the above R & D	1. Product superiority established over peer products in the market 2. Diversified portfolio of products catering to Pharma, Nutra, Food and Cosmetic industries 3. Application data generated during R&D trials benefits the customers and overall Pharma community for better development
3. Future / further Plan of Action	1. New product development for Pharma: Ready to use for capsule formation and Mega disintegrate for oral solid dosage forms 2. Premix for Ice Cream, Beverages, Health Drinks & Confectionery 3. New Application Study <ul style="list-style-type: none"> a. HiCel MCC, HiCel MCG and Premix applications in food products b. New Nutra product application studies
4. Expenditure on R & D	Rs. 441.29 Lakhs
5. Technology imported and absorbed	Nil, No technology has been imported.

FORM - C

Particulars of Foreign Exchange Earning and Outgo

Particulars	For the year ended March 31, (in Rs.)	
	2023	2022
i. Foreign Exchange Earned		
Export of Goods	190,54,32,904	177,78,92,127
ii. Foreign Exchange Outgo		
a. Import of Raw Material	115,40,79,718	89,07,35,334
b. Travel Expenses	1,18,17,462	19,71,074
c. Others	NIL	NIL

For and On Behalf of the Board of Directors
Sigachi Industries Limited

(Amit Raj Sinha)

Managing Director & CEO

DIN: 01263292

Place: Hyderabad

Date: 25.05.2023

Annexure - VII

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24110TG1989PLC009497
2.	Name of the Listed Entity	Sigachi Industries Limited
3.	Year of incorporation	1989
4.	Registered office address:	229/1 & 90, 4th floor, Kalyan Tulasiram Chambers, Madeenaguda, Hyderabad - 500049
5.	Corporate address	229/1 & 90, 4th floor, Kalyan Tulasiram Chambers, Madeenaguda, Hyderabad - 500049
6.	E-mail	cs@sigachi.com
7.	Telephone	040-4011-4874/ 75/ 76
8.	Website	www.sigachi.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited
11.	Paid-up Capital	Rs. 307425000/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Shreya Mitra Tel: +919638175074 Email: cs@sigachi.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical, and botanical products	85.61 %
2.	Operations and Management	Chemical and chemical products and utilities	9.14%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Microcrystalline Cellulose and other excipients	21001	85.61%
2.	Operations and Management	99831	9.14%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	3	7
International	0	2	2

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	20
International (No. of Countries)	52

b. What is the contribution of exports as a percentage of the total turnover of the entity?

- 65.60%

c. A brief on types of customers:

We cater to a wide range of customers in the pharmaceutical, food, healthcare, nutraceuticals, and cosmetics industries, including end-users, merchants, distributors, and exporters in over 52 countries.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
EMPLOYEES						
1.	Permanent(D)	823	782	95.02	41	4.98
2.	Other than Permanent(E)	5	5	100	0	0
3.	Total employees (D+E)	828	787	95.05	41	4.95
WORKERS						
4.	Permanent(F)	266	250	93.98	16	6.02
5.	Other than Permanent(G)	254	254	100	0	0
6.	Total workers (F+G)	520	504	96.92	16	3.08

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No.(C)	%(C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent(D)	0	0	0	0	0
2.	Other than Permanent(E)	0	0	0	0	0
3.	Total differently abled employees (D+E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent(F)	0	0	0	0	0
5.	Other than Permanent(G)	0	0	0	0	0
6.	Total differently abled workers (F+G)	0	0	0	0	0

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No.(B)	%(B/A)
Board of Directors	6	2	33.33
Key Management Personnel	3	1	33.33

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the Previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	37%	42.5%	37.5%	23%	38%	24.5%	16%	24%	16.4%
Permanent Workers	56%	13%	53.1%	69%	23%	66.8%	72%	13%	69.6%

V. Holding, Subsidiary and Associate Companies (including joint ventures)**21. (a) Names of holding/subsidiary /associate companies/joint ventures**

S No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Sigachi US INC	Subsidiary	100%	No, the parent company undertakes majority of the BR initiatives.
2.	Sigachi MENA FZCO	Subsidiary	100%	

VI. CSR Details**22. (i)** Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/No) Yes**(ii) Turnover (in Rs.) - **2,90,32,36,948/-**(iii) Net worth (in Rs.) - **2,65,56,90,793/-****VII. Transparency and Disclosures Compliances****23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	https://	0	0	https://
Investors (other than shareholders)	Yes	0	0	sigachi.com/Policies/15.pdf	0	0	sigachi.com/Policies/15.pdf
Shareholders	Yes	0	0	https://sigachi.com/Policies/15.pdf	33	0	https://sigachi.com/Policies/15.pdf
	Yes	0	0		0	0	

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes	0	0	https://sigachi.com/Policies/15.pdf	0	0	https://sigachi.com/Policies/15.pdf
Customers	Yes	0	0	https://sigachi.com/Policies/15.pdf	0	0	https://sigachi.com/Policies/15.pdf
Value Chain Partners	Yes	0	0	https://sigachi.com/Policies/15.pdf	0	0	https://sigachi.com/Policies/15.pdf
Other (please specify)	Yes	0	0	https://sigachi.com/Policies/15.pdf	0	0	https://sigachi.com/Policies/15.pdf

24. Overview of the entity's material responsible business conduct issues Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format


A risk analysis on environmental and social matters was not conducted.

S No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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N.A.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

THE NATIONAL GUIDELINES FOR RESPONSIBLE BUSINESS CONDUCT (NGRBC) AS PRESCRIBED BY THE MINISTRY OF CORPORATE AFFAIRS ADVOCATES NINE PRINCIPLES REFERRED AS P1-P9 AS GIVEN BELOW:

Principle 1		Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
Principle 2		Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3		Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4		Businesses should respect the interests of and be responsive towards all its stakeholders
Principle 5		Businesses should respect and promote human rights
Principle 6		Businesses should respect, protect, and make efforts to restore the environment
Principle 7		Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8		Businesses should promote inclusive growth and equitable development
Principle 9		Businesses should engage with and provide value to their consumers in a responsible manner.

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Policy and management processes										
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
c. Web Link of the Policies, if available	https://sigachi.com/investors/corporate-governance/#1619014285391-efc2c212-9022									
2. Whether the entity has translated the policy into procedures.(Yes /No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	P1: ISO 9001:2015 P2: HACCP P3: Great Place to work P4: Great Place to Work P5:EXCiPACT GMP P6:EXCiPACT GMP, SGMP P7:HACCP P8: CEP 2014-097 P9: ISO 9001:2015, CEP 2014-097									
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We are in the processes of setting and finalizing public organizational targets.									
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not available									

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Managing Director's Message at the beginning of this Business Responsibility and Sustainability Report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Amit Raj Sinha Designation: CEO & Managing Director DIN: 01263292								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Transformation Committee is in charge of ESG targets, strategies and reporting.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Committee of the Board									Annually								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Committee of the Board									Annually								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No, the Company internally reviews the working of above-mentioned policies.								
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business(Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/ No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or / human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/ No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern them-selves with integrity and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year 2022-23:

Segment	Total number of training and awareness programmes held	Topics/ Principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	3	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9	100%
Key Managerial Personnel	3	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9	100%
Employees other than BoD and KMPs	1	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9	100%
Workers	1	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9	100%

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year 2022-23, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	-	-	-	-
Compounding fee	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy?

If yes, provide details in brief and if available, provide a web-link to the policy. Yes, Sigachi has a code of business conduct which outlines the ethical standards that governs the company and each employee must adhere to regardless of their position. <https://www.sigachi.com/Policies/1.pdf>

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Workers	0	0
Employees	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 Current Financial Year		FY 2021-22 Previous Financial Year	
	Number	Remarks	Number	Number
Number of Complaints received in relation to issues of Conflict of Interest of the Directors	0	0	0	0
Number of Complaints received in relation to issues of Conflict of Interest of the KMPs	0	0	0	0

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total Number of awareness programme held	Topics/Principles covered under training	% age of value chain partners (by value of Business done with such partners) under the awareness programme
N.A.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If Yes, provide details of the same.

Yes, the Company's Code of Conduct expects all its Personnel (Members of the Board) to refrain from engaging in any activity or having a personal interest that presents a conflict of interest. Further, the Company outlines that Personnel of the Company shall not exploit any information discovered through their position in the Company, for their own personal gain.

SUSTAINABLE BUSINESS

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	4.5%	2.62%	<ul style="list-style-type: none"> - Powdered cellulose & Food and nutrition blend products which do not need water or chemicals. - Process development with zero solvents and zero waste generation. - Process for reuse of water for facilities.
Capex	3.33%	Nil	MVRE, ATFD, ETP RO installations at Dahej units

2.
 - a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)** – We have a process to ensure our sourcing procedures are sustainable and socially responsible. Respective departments initiate a tendering request to the procurement department by providing all requisite details for budgeting along with any technical details. The procurement departments decides at its discretion on the approach to sourcing. The requesting department is responsible for technical evaluation, while the procurement team is responsible for the commercial discussions. Quotations are received from at least 3 participants. The final selected vendor must sign the code of conduct to proceed to releasing purchase order, and adhere to it at all times. Any violations will warrant corrective action within a stipulated timeline.
 - b. **If yes, what percentage of inputs was sourced sustainably?** – 100%
3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.** Most of our products are consumables which leaves only the packaging material to be recovered. Although we do not have any processes in place presently, we are working towards measures to increase packaging reclaimed.
4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).**
 - **If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?**
 - **If not, provide steps taken to address the same.**

Yes, however, we currently do not have any submissions in line with EPR guidelines to the state pollution control boards. Our waste collection and disposal is done through vendors authorized by state Pollution Control Boards.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? - No, we have not conducted any life cycle assessments for our products. However, we are in the process of initiating the same.

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
-	-	-	-	-	-

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. Not available as LCA has not been conducted.

Name of Product/ Description of the risk/	Action Taken Service	Concern
-	-	-

Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not available. We see quality as paramount and since we are in the pharmaceutical and healthcare sector, we are not presently reusing input materials for production.

Indicate Input Material	Recycled or re-used input material to total material	
	Current Financial Year	Previous Financial Year
-	-	-

3. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0.144	0	3.194	0.12	0	0.12
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0.314	0	0	0.292
Other waste	0	0	3.19	0	0	0

4. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as a % of total products sold in respective category
-	-

EMPLOYEE WELLBEING

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employee											
Male	782	782	100	782	100	0	0	0	0	0	0
Female	41	41	100	41	100	41	100	0	0	0	0
Total	823	823	100	823	100	41	4.95	0	0	0	0
Other than Permanent Employees											
Male	5	5	100	5	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	5	5	100	5	100	0	0	0	0	0	0

b. Details of measures for the well-being of workers:

Category	Permanent Workers										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	250	250	100	250	100	0	0	0	0	0	0
Female	16	16	100	16	100	16	100	0	0	0	0
Total	266	266	100	266	100	16	6.01	0	0	0	0
Other than Permanent Workers											
Male	254	0	0	254	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	254	0	0	254	100	0	0	0	0	0	0

2. Details of retirement benefits for Current FY and Previous Financial Year.

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of Total workers	Deducted and deposited with the Authority (Y/N/N.A.)	No. of employees covered as a % of Total employees	No. of Workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	NA	Yes	100%	NA	Yes
ESI	100% (as per ESI norms)	100% (as per ESI norms)	Yes	100% (as per ESI norms)	100% (as per ESI norms)	Yes
Others-please specify	-	-	-	-	-	-

Accessibility of workplaces

3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. For this year, we have continued to use the rented premises which is unfortunately not accessible to differently abled employees. However, we are moving our operations to our new corporate office in August 2023, which will be accessible to differently abled employees and workers. We have ensured ramps and guard rails for easy access, toilet enabled for handicapped employees, among other facilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company's Global Code of Conduct outlines its commitment to non-discrimination, by providing equal opportunity to all its employees irrespective of race, color, religion, sex, national origin, ancestry, age, marital status, sexual orientation or disability.

Web-link: <https://sigachi.com/investors/corporate-governance/#1619014285391-efc2c212-9022>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

(Yes/No If Yes, then give details of the mechanism in brief) Yes, we maintain the principles of natural justice, there by the Grievances are internally settled if it is minor. In case of Grievances that are complex, an independent investigation is done using an external legal counsel to ensure an amiable settlement of the Grievance.

Permanent Workers	As per above description
Other than permanent workers	As per above description
Permanent Employees	As per above description
Other than permanent Employees	As per above description

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/ A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0
Total Permanent Workers	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health And safety measures		On Skill upgradation		Total(D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Employees										
Male	787	661	84%	645	82%	440	360	82%	348	79%
Female	41	37	90%	38	93%	21	19	90%	19	90%
Total	828	698	84%	683	82%	461	379	82%	367	80%
Workers										
Male	504	448	89%	483	96%	343	291	85%	312	90%
Female	16	15	95%	15	95%	8	7	91%	7	91%
Total	520	463	89%	498	96%	351	298	85%	319	90%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	787	787	100%	440	440	100%
Female	41	41	100%	21	21	100%
Total	828	828	100%	461	461	100%
Workers						
Male	504	504	100%	343	343	100%
Female	16	16	100%	8	8	100%
Total	520	520	100%	351	351	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity?

(Yes/No. If yes, the coverage such system?) Yes. OHS is implemented on all production plants and project sites.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We follow standard trainings and qualitative risk assessment techniques for individual activities that occur on our unit.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, regular safety trainings and tool box talks are conducted to ensure workers and employees are aware of what needs to be done to prevent, avoid and escape any work related hazards or accidents. Reporting is done as per Form-4.

D. Do the employees /worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees are provided with health insurance that is not restricted to injuries resulting from occupational activities

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- Dedicated Safety Officer on manufacturing plants and project sites
- Regular safety trainings, toolbox talks
- Provide employees and workers with PPEs.

13. Number of Complaints on the following made by employees and workers:

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of the locations are audited internally by the entity. The audits are conducted by internal experts to ensure the compliance of safety regulations and identification of major improvement areas.
Working Conditions	100% (All the sites are assessed on their working conditions by the external and internal audits).

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not available

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N) **Yes**

(B) Workers (Y/N) **Yes**

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We ensure that the dues (EPF, ESI, Gratuity, Labour Welfare Fund) are deducted and deposited as per the statutory regulations. We also obtain confirmation from our customers and suppliers in the Form-26A and GSTR on a monthly frequency.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes, employees superannuate when they attain the age of 60 years. Transition assistance programs are provided as and when employees need. Some of the superannuated employees are absorbed as consultants as Critical Subject Matter Experts. If the employment is terminated because of Business Exigencies, employees are compensated as part of their employment terms and conditions.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	73%
Working Conditions	76%

6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No Corrective Action has been initiated on the above parameters. In case any risks are identified within the purview of a value chain partner, we provide our partners with a reasonable timeline to revert with the necessary CARs.

STAKEHOLDER INCLUSIVENESS

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

All individuals, groups, and organizations that are contributing to our business, or are affected by our operations are considered stakeholders. These include, but are not limited to, employees, customers, suppliers, our investors, regulatory authorities and the communities and society.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & Marginalized group (Yes/ No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community meetings, Notice Board, Website, Other)	Frequency of Engagement (Annually/ Half yearly/ Quarterly/ Others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails	Others - Please specify	Employee experience and satisfaction on monthly basis
Customers	No	Emails	Quarterly	Satisfaction surveys and business development
Shareholders	No	Others	Annually	Company strategy, and goals
Suppliers	No	Emails	Half yearly	Business and impact optimization
Community	Yes	Community meetings	Half yearly	Well-being, empowerment and development

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Stakeholder engagement mechanism is a key driving force towards strengthening and diversifying the stakeholder relationship, which further facilitates the identification of key material issues impacting the Company's growth. As part of the Company's efforts to continually engage with internal and external stakeholder groups for identification of key material issues impacting them, the stakeholder engagement exercise undergoes periodic review.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the identification, prioritization of material issues relevant to the environment, social, economic and governance topics is done in consultation with the stakeholders. The identified issues are then subsequently mapped with relevant risks. As part of the risk management plan, the Company subsequently strategizes and develops mitigation action plans for the identified risk. The material issues form the guiding framework for the nonfinancial disclosures of the Company through its

Sustainability Report. As per the relevant national and international guidelines and standards, the Company discloses its management approach, targets/goals and its non-financial performance in the reporting year for each of the identified material topic. Additionally, the identification of material issues enables the company to focus on its key improvement areas and subsequently develop future action plans such as policy development, initiatives implementation among others.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The community members are identified as vulnerable/marginalised stakeholder group for the Company. As part of the Corporate Social Responsibility (CSR) initiatives, the Company undertakes need assessment to identify and prioritise the focus areas for community development. The Company has undertaken various CSR initiatives. For further details refer the Annual Report and the Company's Annual CSR report.

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS (Essential Indicators)

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees/workers Covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	823	816	99%	716	698	97.5%
Other permanent	5	5	100%	16	16	100%
Total Employees	828	821	99%	732	714	97.5%
Workers						
Permanent	266	266	100%	161	161	100%
Other permanent	254	254	100%	417	417	100%
Total Workers	520	520	100%	578	578	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total(D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent										
Male	782	-	-	782	100	854	-	-	854	100%
Female	41			41	100	45	-	-	45	100%
Other than Permanent										
Male	5	-	-	5	100	16	-	-	16	100%
Female	0	-	-	-	-	0	-	-	0	0

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total(D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Workers										
Permanent										
Male	250	2	0.8	248	99.2	228	-	-	228	100%
Female	16	1	6.25	15	93.75	8	-	-	7	87.5%
Other than Permanent										
Male	254	-	-	254	100	111	-	-	111	100%
Female	0	-	-	-	-	0	-	-	0	0

3. Details of remuneration/salary/wages, in the following format: Note that below data is for employees who have served the entire financial year only.

Gender	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of Respective category
Board of Directors (BoD)	4	1,49,72,448	2	3,55,000
Key Managerial Personnel	1	93,40,319	1	12,00,000
Employees other than BoD and KMP	787	3,61,482	41	2,33,022
Workers	504	1,25,639	16	1,50,660

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Head of Human Resource department of the Company is responsible for addressing human rights impact or issues. As part of the Human Rights Policy, the Company expects all its relevant stakeholders to respect and comply with the policy principles, and applicable laws, regulations in all territories of its operation.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The complainant reaches out to the reporting manager. In case of unsettled grievances, it is further reported to the HR and the Management. The HR and Management post detailed discussion with the complainant arrive and a win-win situation and settle accordingly.

6. Number of Complaints on the following made by employees and workers:

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at work place	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	5	0	NA	4	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The identity of the complainant is kept private as much as possible. The accused is counselled or informed for possible severe disciplinary consequences if the complainant is harassed post the complaint. If there is a reporting relationship, the complainant is immediately aligned to an alternate manager. If necessary, the accused is put under a temporary suspension until enquiry is completed. Reasonable security is provided to the complainant by means of a security guard and office vehicle to pick & drop the individual on a need basis. All efforts to arrive at a conciliatory settlement is made for both parties to settle matters amiably.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0
Forced/ involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others-please specify	0

10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above.

Not Applicable. We have strict regulations on site against child labour or forced labour. And we have strong policies that are aimed to discourage behaviours of discrimination and harassment of any kind. Till date, we have not had any instances of violations of any policy or law aimed at the topics.

Leadership Indicators**1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/complaints.**

Not Applicable

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company outlines that it will undertake human rights due diligence to identify adverse human rights impact of the business on all relevant stakeholders and correspondingly address, prevent and mitigate through corrective actions.

3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Sigachi is currently renting the corporate office premises which is not equipped with facilities for the differently abled. However, we are constructing our own office which has amenities such as ramps and handicapped toilets, that will ensure that premises are welcoming to differently abled visitors/employees.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0
Discrimination at workplace	0
Child Labour	0
Forced Labour/ Involuntary Labour	0
Wages	0
Others-please specify	0

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

Not Applicable.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the Environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	24,639 GJ	22,824 GJ
Total fuel consumption(B)	3,27,558 GJ	2,94,713 GJ
Energy consumption through Other sources(C)		
Total energy consumption (A+B+C)	3,52,197 GJ	3,17,537 GJ
Energy intensity per rupee of turnover GJ/ INR Million	121.32	126.86

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes, Subodh Energy Services.**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the Company is not identified as designated consumer under the Performance Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	38,924 KL	38,311 KL
(ii) Groundwater		
(iii) Third party water	54,496 KL	57,726 KL
(iv) Seawater/desalinated water		
(v) Others	231 KL	238 KL
Total volume of water withdrawal (in kilolitres) (i+ii+iii +iv+v)	93,651 KL	96,275 KL
Total volume of water consumption (in kilolitres)	93,651 KL	96,275 KL
Water intensity per rupee of Turnover KL/ INR Million	32.26	38.46

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No.**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not implemented.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	PPM	185.77	75
SOx	PPM	422.08	146
Particulate matter (PM)	PPM	315.35	122.
Persistent organic Pollutants (POP)		Not measured	Not measured
Volatile organic Compounds (VOC)		Not measured	Not measured
Hazardous air Pollutants (HAP)		Not measured	Not measured
Others - please specify		Not measured	Not measured

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Re Sustainability Limited. Note that stack data for FY 2021-22 does not include our Pashamylaram unit resulting in the large deviation.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	28,635	25,834
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	6,228	5,769
Total Scope 1 and Scope 2 emissions per rupee of Turnover	Metric tonnes of CO ₂ Equivalent / INR Million	12.01	12.62

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes, ENEN Green Services Pvt. Ltd.**

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Not presently, however, we are in the process of setting targets to reduce greenhouse gas emissions.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	Not measured	Not measured
E-waste(B)	Not measured	Not measured
Bio-medical waste(C)	Not measured	Not measured
Construction and demolition waste(D)	Not measured	Not measured
Battery waste(E)	Not measured	Not measured
Radio-active waste(F)	Not measured	Not measured
Other Hazardous waste. Please specify, if any.(G)	Not measured	Not measured
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by Materials relevant to the sector)	28.47	27.53
Total (A+B+C+D+E+F+G+H)	28.47	27.53

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or Other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	Not measured	Not measured
For each category of waste generated, total waste disposed by nature of disposal method (inMetric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Land filling	28.47	27.53
(iii) Other disposal operations	0	0
Total	28.47	27.53

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company integrates a waste management plan with a comprehensive approach towards waste minimization, segregation and safe disposal. As part of the resource optimization and waste minimization process, the Company has implemented various initiatives to minimize the rejections in manufacturing.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: No

S No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with?(Y/N) If no, the reasons thereof and Corrective action taken, if any.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not undertaken

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).If not, provide details of all such non-compliances, in the following format:

Yes. All facilities are in compliance with State PCB regulations.

S No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/ penalties/ action taken by regulatory agencies such as pollution control Boards or by courts	Corrective action taken, if any

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through Other sources(C)	0	0
Total energy consumed from Renewable sources(A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	24,639 GJ	22,824 GJ
Total fuel consumption(E)	3,27,558 GJ	2,94,713 GJ
Energy consumption through Other sources(F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	3,52,197 GJ	3,17,537 GJ

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Yes, Subodh Energy Services.**

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment-please specify level of Treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment-please specify level of Treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment-please specify level of Treatment	5,454 KL	6,718 KL
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment-please specify level of Treatment	480 KL	480 KL
(v) Others		
- No treatment	0	0
- With treatment-please specify level of Treatment	0	0
Total water discharged (in kilolitres)	5,934 KL	7,198 KL

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Our facilities are not located in areas of water stress.**

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area
- Nature of operations
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source(in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of Turnover (Water consumed/ turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please Specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please Specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please Specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please Specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please Specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Not Applicable**

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ ,CH ₄ ,N ₂ O,HFCs, PFCs,SF ₆ ,NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Not measured	Not measured
Total Scope 3 emissions Per rupee of turnover		Not measured	Not measured
Total Scope 3 emission intensity (optional) – the relevant metric may be Selected by the entity		Not measured	Not measured

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **Not Applicable**

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	ETP and STP installation	All our manufacturing units have ETP and STP installations that we use to treat the water before reusing for irrigation or flushing needs or discharging it to approved locations.	We have met the compliance requirements prior to discharge.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ weblink.

Sigachi has adopted a business continuity and disaster management strategy focusing on the ability to provide and maintain an acceptable level of service in the face of any planned or unplanned interruption related onsite emergencies at its manufacturing facilities, IT, supply chain, etc. In our pursuit of operational excellence, several change management initiatives are underway across our organization, including information technology and automation in the areas of manufacturing, research and development, supply chain and shared services. Accordingly, there are continuous efforts to also strengthen our data resiliency.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

0%

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Federation of Telangana Chambers of Commerce and Industry (FTCCI)	State
2	Federation of Telangana Small (MSME) Industries Associations	State
3	India SME forum	National
4	Confederation of Indian Industry	National
5	Pharmaceutical Export Promotion Council of India (Pharmexcii)	National
6	India Process Expo and Conference	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities. Not applicable, as we did not engage in any instances of anti-competitive practices/ conduct.

Not applicable

Name of Authority	Brief of the Case	Corrective Action Taken

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Not applicable

S No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (annually/ Half yearly/ Quarterly/ Others - Please specify)	Web Link, if available
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PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

We have not undertaken any Social Impact Assessments this year.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not available

3. Describe the mechanisms to receive and redress grievances of the community.

Not applicable

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/small producers	5.505%	8.061%
Sourced directly from within the district and neighbouring districts	Data not available	Data not available

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not available. Did not undertake any Social Impact Assessments

Details of negative social impact identified	Corrective action taken
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2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S No.	State	Aspirational District	Amount spent (In INR)
1.	Gujarat	Narmada	1,60,417.00

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/No)

No

(b) From which marginalized/vulnerable groups do you procure?

Not applicable

(c) What percentage of total procurement (by value) does it constitute?

Not applicable - 0%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not applicable

S No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes /No)	Basis of calculating benefit share
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5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes where in usage of traditional knowledge is involved.

Not applicable

Name of authority	Brief of the Case	Corrective action taken
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6. Details of beneficiaries of CSR Projects:

S No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Integrated development project – Gujarat	5704	100%

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Complaints can be written or filed through e-mail to the head of marketing department and a designated QA personnel shall categorize it and log it in the complaint registry. Review is conducted and a corrective or preventive action shall be informed to the customer.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Data not available
Safe and responsible usage recycling and/or safe disposal	Data not available

3. Number of consumer complaints in respect of the following:

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

4. Details of instances of product recalls on account of safety issues:

None of our products were recalled on account of safety issues

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Not available, however we are working on preparing one.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products/ services.

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

Leadership Indicators

1. Channels/platforms where information on products and services of the entity can be accessed (provide weblink, if available).

<https://sigachi.com/pharmaceutical-industry/nutraceutical-formulations/>

<https://sigachi.com/cosmetic-industry/>

<https://sigachi.com/pharmaceutical-industry/>

<https://sigachi.com/chemical-industry/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We have thorough interactions with our customers to understand the specifications they require and we inform them of any possible risks associated with our products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

There were no major disruptions during this year, however, our sales and marketing teams are in constant connect with our clients to ensure that any possible risks of disruption of services are communicated well in advance.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?(Yes/No)

We follow a thorough Standard Operating Procedure for all our products for identification, traceability, which follow customer or market requirements. The labels ensure that they also carry all test details such as the storage conditions, cautions, specifications, etc. Additionally, we conduct regular customer satisfaction surveys for feedback on areas of improvement, which in turn enables us to take actions to ensure continued customer satisfaction.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact.

There were zero instances of data breaches.

b. Percentage of data breaches involving personally identifiable information of customers.

Not applicable

Annexure - VIII

CORPORATE GOVERNANCE REPORT

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Sigachi Industries Limited as follows:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance.

The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

A. BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, www.sigachi.com.

B. DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st

March, 2023. The Report is updated as on the date of the report wherever applicable.

2. BOARD OF DIRECTORS

A. COMPOSITION AND CATEGORY OF DIRECTORS

The Company is managed and controlled through a professional body of Board of Directors which comprises of an optimum combination of Executive, Non- Executive and Independent Directors headed by the Chairman & Independent Non-Executive Director. As on date of this report, the Board of Directors of the Company has 6 members (including three independent Non-Executive Directors) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he/she is a Director.

B. ATTENDANCE OF EACH DIRECTOR AT THE MEETING OF THE BOARD OF DIRECTORS AND THE LAST ANNUAL GENERAL MEETING:

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board-level committees nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, they do not serve as independent director in more than three listed companies.

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown in following Table.

C. NO. OF MEETINGS OF THE BOARD OF DIRECTORS HELD AND DATES ON WHICH HELD:

13.05.2022, 22.07.2022, 27.10.2022, 10.01.2023, 30.01.2023.

Name	Category	Attendance at the AGM held on 29.08.2022	Attendance in Board Meetings		No. of Directorships in other companies (Name of the listed company to be mentioned)		No. of committee positions held in other public companies	
			Held	Present	Chairman	Director	Chairman	member
1. Mr. Swami Das Nigam***	Director	Yes	5	3	-	1	-	-
2. Mr. Rabindra Prasad Sinha	Promoter and Whole-Time Director	Yes	5	5	-	3	-	-
3. Mr. Shanmuganathan Chidambaranathan	Promoter and Whole-Time Director	Yes	5	5	-	3	-	-
4. Mr. Amit Raj Sinha	Promoter, CEO and Managing Director	Yes	5	5	-	4	-	-
5. Mr. Vijay Amrutlal Bhavsar*	Whole-Time Director	Yes	5	1	-	1	-	-

Name	Category	Attendance at the AGM held on 29.08.2022	Attendance in Board Meetings		No. of Directorships in other companies (Name of the listed company to be mentioned)		No. of committee positions held in other public companies	
			Held	Present	Chairman	Director	Chairman	member
6. Mr. Sarveswar Reddy Sanivarapu	Non-Executive - Independent Director	Yes	5	5	-	2	-	-
7. Mr. Lijo Stephen Chacko*	Non-Executive - Independent Director	Yes	5	1	-	-	-	-
8. Ms. Dhanalakshmi Guntaka	Non-Executive - Independent Director	NA	5	5	-	1%	2	-
9. Ms. Bindu Vinodhan**	Non-Executive - Independent Director	NA	5	2	-	-	-	-
10. Mr. Mohan Krishna Reddy***#	Non-Executive - Independent Director	NA	5	2	-	-	-	-

* resigned w.e.f. 08.06.2022

**appointed w.e.f. 27.10.2022

resigned w.e.f. 16.02.2023

***resigned w.e.f 07.01.2023

% Arunjyoti Bio Ventures Limited

D. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:

Mr. Amit Raj Sinha, CEO and Managing Director is the son of Mr. Rabindra Prasad Sinha. Chairman and Whole-time Director. Other Directors do not have any inter se relation with each other.

E. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:

Mr. Sarveswar Reddy Sanivarapu, Independent Director holds 5000 equity shares of the company.

F. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors.

The details of familiarization programme held in FY 2022-23 are also disclosed on the Company's website at www.sigachi.com.

G. A CHART OR A MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:

Sr. No.	Skills / Expertise / Competence of the Board of Directors are required in the context of business of the Company	Names of the Directors who have such skills / expertise / competence
1	Trading	Sarveswar Reddy Sanivarapu, Amit Raj Sinha, Bindu Vinodhan
2	Technology	Amit Raj Sinha
3	Marketing	Amit Raj Sinha, Bindu Vinodhan
4	Regulatory	Amit Raj Sinha, Sarveswar Reddy Sanivarapu, Chidambaranathan Shanmuganathan
5	Finance & Accounting	Sarveswar Reddy Sanivarapu, Amit Raj Sinha, Dhanalakshmi Guntaka
6	Research & Development	Chidambaranathan Shanmuganathan, Rabindra Prasad Sinha, Amit Raj Sinha, Bindu Vinodhan
7	Legal and General Management	Sarveswar Reddy Sanivarapu, Amit Raj Sinha, Dhanalakshmi Guntaka

H. DECLARATION BY BOARD:

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

I. RESIGNATION OF INDEPENDENT DIRECTOR

Mr. Mohankrishna Reddy Arvabumi (DIN: 00093185), Independent Director of the Company, has vide his letter dated February 15, 2023, resigned from the Board of the Company due to personal reasons and commitments with effect from 16.02.2023 before expiry of his tenure.

Mr. Mohankrishna Reddy Arvabumi has further confirmed that there is no other material reason for his resignation other than that mentioned in his Resignation letter.

3. COMMITTEES OF THE BOARD:

The Company has six Board-level Committees - Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, IPO Committee & Risk Management Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided in this report below:

1. AUDIT COMMITTEE: (Audit Committee constituted in terms of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015)

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015 and, inter alia, includes:

- i. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
- v. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a 380[public issue or rights issue or preferential issue or qualified

institutions placement], and making appropriate recommendations to the board to take up steps in this matter;

- vii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- viii. approval or any subsequent modification of transactions of the listed entity with related parties;
- ix. scrutiny of inter-corporate loans and investments;
- x. valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi. evaluation of internal financial controls and risk management systems;
- xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. to review the functioning of the whistle blower mechanism;
- xix. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- xxi. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary,

whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

xxii. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

xxiii. Carrying out any other function as may be referred to the Committee by the Board.

xxiv. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

B. THE AUDIT COMMITTEE SHALL MANDATORILY REVIEW THE FOLLOWING INFORMATION:

i. management discussion and analysis of financial condition and results of operations;

- ii. management letters / letters of internal control weaknesses issued by the statutory auditors;
- iii. internal audit reports relating to internal control weaknesses; and
- iv. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- v. statement of deviations:
- vi. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- vii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

C. COMPOSITION, MEETINGS & ATTENDANCE

There were five (5) Audit Committee Meetings held during the year on 13.05.2022, 22.07.2022, 27.10.2022, 10.01.2023 and 30.01.2023.

Name	Designation	Category	Number of meetings during the year 2022-23	
			Held	present
Mr. Sarveswar Reddy Sanivarapu	Chairman	Independent and Non-Executive	5	5
Mr. Amit Raj Sinha	Member	Managing Director & CEO	5	5
Ms. Dhanalakshmi Guntaka	Member	Independent and Non-Executive	5	5
Mr. Mohan Krishna Reddy*	Member	Independent and Non-Executive	1	1

*appointed on 10.01.2023 and resigned on 16.02.2023

D. Previous Annual General Meeting of the Company was held on 29.08.2022, Mr. Sarveswar Reddy Sanivarapu, Chairman of the Audit Committee for that period, attended previous AGM.

2. NOMINATION AND REMUNERATION COMMITTEE

(Nomination and Remuneration Committee constituted in terms of Section 178 of Companies Act, 2013 read with Regulation 19 of SEBI (LODR) Regulations, 2015)

The terms of reference of the Nomination and Remuneration committee constituted in terms of Section 178 of Companies Act, 2013 and as per Regulation 19 of SEBI (LODR) Regulations, 2015 are as under:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE

i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

- ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- iii. formulation of criteria for evaluation of performance of independent directors and the board of directors;

- iv. devising a policy on diversity of board of directors;
- v. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- vi. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

B. COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE, MEETINGS & ATTENDANCE

There was three (3) Nomination and Remuneration Committee Meeting held during the financial year on 13.05.2022, 22.07.2022 and 27.10.2022.

Name	Designation	Category	Number of meetings during the year 2022-23	
			Held	present
Mr. Sarveswar Reddy Sanivarapu	Member	Independent, Non-Executive	3	3
Mr. Swami Das Nigam**	Member	Non-Independent, Non-Executive	3	3
Mr. Lijo Stephen Chacko*	Member	Independent, Non-Executive	1	1
Ms. Dhanalakshmi Guntaka#	Member	Independent, Non-Executive	3	3
Ms. Bindu Vinodhan##	Chairperson	Independent, Non-Executive	-	-

*resigned w.e.f 08.06.2022

**resigned w.e.f 07.01.2023

#appointed as member w.e.f 08.06.2022

appointed as chairperson w.e.f 10.01.2023

C. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The performance evaluation criteria for Independent Directors are already mentioned under the head "Board Evaluation" in Directors' Report.

D. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit. The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

2.1 "Director" means a Director appointed to the Board of a Company.

2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 "Independent Director" means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;

- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the Company for Directors and senior Management personnel;
- shall disclose his concern or interest in any Company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as any prescribed, from time to time, under the Companies Act, 2013,

Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

3.2 Criteria of Independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with the guidelines as laid down in Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

An independent Director in relation to a Company, means a Director other than a managing Director or a whole-time Director or a nominee Director

- who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- who is or was not a promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the listed entity;
 - who is not related to promoters or Directors of the Company its holding, subsidiary or associate Company
- who, apart from receiving director's remuneration, who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Director, during the three immediately preceding financial year or during the current financial year;
- none of whose relative
 - is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
 - is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
 - has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
 - has any other pecuniary transaction or relationship with the listed entity, its

- holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income:
- Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.
- e. who, neither himself nor any of his relative-
- (i) Holds or has held the position of a key managerial personnel or is or has been employee of the Company or holding, subsidiary or associate Company or any company belonging to the promoter group of the listed entity in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;
- Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment
- (ii) Is or has been an employee or proprietor or a partner, in any of the three finance year immediately preceding the financial year in which he is proposed to be appointed of-
- (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
- (B) any legal or a consulting firm that has or had any transaction with the Company, its holding subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
- (i) holds together with his relatives two per cent or more of the total voting power of the Company;
- or
- (ii) is a chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the Company any of its promoters, Directors or its holding subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
- (iii) is a material supplier, service provider or customer or a lesser or lessee of the Company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the Company's business.
- g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age
- i. Who is not a non-independent Director of another company on the Board of which any non-independent director of the listed entity is an independent director.
- 3.2.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.
- 3.3 Other Directorships/ Committee Memberships
- 3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 3.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be public limited companies.
- 3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed Company.
- 3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds Directorships.
- For the purpose of considering the limit of the committee, Audit committee and stakeholder's

relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the companies Act, 2013 shall be excluded.

Remuneration policy for Directors, key managerial personnel and other employees:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the Directors, key managerial personnel and other employees of the Company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 "Director" means a Director appointed to the Board of the Company.

2.2 "key managerial personnel" means

- (i) The Chief Executive Officer or the managing Director or the manager;
- (ii) The Company Secretary;
- (iii) The Whole-time Director;
- (iv) The Chief Financial Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of Section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR)

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retrial benefits
- (vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3.3. Remuneration to other employees

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

E. MECHANISM FOR EVALUATION OF THE BOARD

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given six Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director/Whole time Director.

The Directors were requested to give following ratings for each criteria:

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

Based on the evaluation done by the Independent Directors, Chairman of the Independent Director meeting has compiled the data and made a report and informed the rankings of each Director in the Board Meeting and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

F. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The performance evaluation criteria for Independent Directors are already mentioned under the head "Board Evaluation" in Directors' Report.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Stakeholders Relationship Committee constituted in terms of Section 178(5) of Companies Act, 2013 read with Regulation 20 of SEBI (LODR) Regulations, 2015

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE: The Committee's role includes:

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- v. Such other matter as may be specified by the Board from time to time.
- vi. Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR

During the Financial Year April 2022 to March 2023, one (1) Stakeholders Relationship Committee Meeting was held on 10.01.2023.

Name	Designation	Category	Number of meetings during the year 2022-23	
			Held	present
Mr. Swami Das Nigam*	Chairman	Non-Independent and Non-Executive	-	-
Mr. Sarveswar Reddy Sanivarapu#	Chairman	Independent and Non-Executive	1	1
Mr. Amit Raj Sinha	Member	Managing Director & CEO	1	1
Ms. Bindu Vinodhan**	Member	Independent and Non-Executive	1	1

*resigned w.e.f. 07.01.2023

**appointed w.e.f. 10.01.2023

#appointed as chairman w.e.f. 10.01.2023

C. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2022-23**INVESTOR COMPLAINTS**

Particulars	Year ended 31.03.2023
Pending at the beginning of the year	0
Received during the year	0
Disposed of during the year	0
Remaining unresolved at the end of the year	0

D. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Ms. Shreya Mitra, Company Secretary of the Company is also the Compliance Officer.

undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Corporate Social Responsibility Committee constituted pursuant to the provisions of Section 135 of the Companies Act, 2013.

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE: The Committee's role includes:

- To formulate and recommend to the Board, a CSR policy which will indicate the activities to be

- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The CSR Policy is uploaded on the Company's website as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

During the Financial Year April 2022 to March 2023, One (1) Corporate Social Responsibility Committee Meeting was held on 25.04.2022.

Name	Designation	Category	Number of meetings during the year 2022-23	
			Held	present
Mr. Rabindra Prasad Sinha	Chairman	Whole-Time Director	1	1
Mr. Chidambaranathan Shanmuganathan	Member	Whole-Time Director	1	1
Mr. Amit Raj Sinha	Member	Managing Director & CEO	1	1
Mr. Lijo Stephen Chacko*	Member	Independent & Non-Executive Director	1	1
Mr. Sarveswar Reddy Sanivarappu**	Member	Independent & Non-Executive Director	--	--

*resigned on 08.06.2022

**appointed as member w.e.f 08.06.2022

5. IPO COMMITTEE

IPO Committee was constituted in accordance with the articles of association of the company.

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE: The Committee's role includes:

- Approving amendments to the memorandum of association and the articles of association of the Company;

- Approving all actions required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the "CDSL") and the National Securities Depository Limited (the "NSDL");

- Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and the preliminary and final international wrap and any amendments, supplements, notices or

- corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;
- (d) Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
- (e) Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;
- (f) Approving suitable policies, including on insider trading, whistle blower/vigil mechanism, risk management and other corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Issue;
- (g) Deciding on the size and all other terms and conditions of the Issue and/or the number of Equity Shares to be issued in the Issue, including any rounding off in the event of any oversubscription as permitted under Applicable Laws;
- (h) Taking all actions as may be necessary or authorized in connection with the Issue;
- (i) Appointing and instructing book running lead manager, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue and whose appointment is required in relation to the Issue, including any successors or replacements thereof;
- (j) Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with Applicable Laws;
- (k) Entering into agreements with, and remunerating all such book running lead manager, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, including any successors or replacements thereof, by way of commission, brokerage, fees or the like;
- (l) Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing application to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreement with the Stock Exchanges;
- (m) Seeking, if required, the consent of the Company's lenders and lenders of its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue;
- (n) Submitting undertaking/certificates or providing clarifications to the SEBI and the Stock Exchanges;
- (o) Determining the price at which the Equity Shares are issued to investors in the Issue in accordance with Applicable Laws, in consultation with the book running lead manager and/or any other advisors, and determining the discount, if any, proposed to be issued to eligible categories of investors;
- (p) Determining the price band and minimum lot size for the purpose of bidding, any revision to the price band and the final Issue price after bid closure;
- (q) Determining the bid opening and closing dates;
- (r) Finalizing the basis of allocation of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor in consultation with the book running lead manager, the Stock Exchanges and/or any other entity;
- (s) Opening with the bankers to the Issue, escrow collection banks and other entities such accounts as are required under Applicable Laws;
- (t) To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
- (u) Severally authorizing Mr. Rabindra Prasad Sinha & Mr. Amit Raj Sinha ("Authorized Officer"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or

supplements thereto that the Authorized Officer considers necessary, desirable or expedient, in connection with the Issue, including, without limitation, engagement letters, memoranda of understanding, the listing agreement with the stock exchange, the registrar's agreement, the depositories' agreements, the issue agreement with the book running lead manager (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the cash escrow agreement, the share escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue, the book running lead manager, syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;

- (v) Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection

with the Issue, including, without limitation, applications to, and clarifications or approvals from the Gol, the RBI, the SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be;

- (w) Severally authorizing the Authorized Officers, for and on behalf of the Company, to execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officer may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and the Company, as the case may be; and
- (x) Executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as the IPO Committee may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing."

B. COMPOSITION OF THE COMMITTEE, MEETINGS AND ATTENDANCE DURING THE YEAR:

During the Financial Year April 2022 to March 2023, No IPO Committee Meetings were held.

Name	Designation	Category	Number of meetings during the year 2022-23	
			Held	present
Mr. Amit Raj Sinha	Chairman	Managing Director & CEO	--	--
Mr. Rabindra Prasad Sinha	Member	Whole-Time Director	--	--
Mr. Chidambaranathan Shanmuganathan	Member	Whole-Time Director	--	--
Mr. Sarveswar Reddy Sanivarapu	Member	Independent & Non-Executive Director	--	--

6. RISK MANAGEMENT COMMITTEE

Risk Management Committee constituted pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE: The Committee's role includes

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

During the Financial Year April 2022 to March 2023, Two (2) risk management Committee Meeting was held on 22.07.2022 and 10.01.2023.

B. COMPOSITION AND ATTENDANCE FOR MEETINGS:

Name	Designation	Category	Number of meetings during the year 2022-23	
			Held	present
Mr. Amit Raj Sinha	Chairman	Managing Director & CEO	2	2
Mr. Lijo Stephen Chacko*	Member	Independent & Non-Executive Director	--	--
Mr. O. Subbarami Reddy	Member	Chief Financial Officer	2	2
Mr. Sarveswar Reddy Sanivarappu**	Member	Independent & Non-Executive Director	2	2

* resigned w.e.f. 08.06.2022

**appointed as member w.e.f. 08.06.2022

7. REMUNERATION OF DIRECTORS

a. WEB LINK FOR CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS: www.sigachi.com

b. DETAILS OF REMUNERATION

Name of the Director	Remuneration (Lakhs)	Sitting Fee (Lakhs)	Total (Lakhs)	No. of Shares held
Mr. Swami Das Nigam***	-	2.50	2.50	-
Mr. Rabindra Prasad Sinha	149.72	-	149.72	15,25,740
Mr. Chidambaranathan Shanmuganathan	149.72	-	149.72	19,40,835
Mr. Amit Raj Sinha	220.52	-	220.52	12,95,310
Mr. Vijay Amrutlal Bhavsar*	3.00	-	3.00	8,16,660
Mr. Lijo Stephen Chacko*	-	0.60	0.60	4070
Mr. Sarveswar Reddy Sanivarapu	-	6.30	6.30	5000
Ms. Dhanalakshmi Guntaka	-	5.70	5.70	-
Ms. Bindu Vinodhan**	-	1.40	1.40	-
Mr. Mohankrishna Reddy **#	-	1.50	1.50	-

* resigned w.e.f. 08.06.2022

**appointed w.e.f. 27.10.2022

resigned w.e.f. 16.02.2023

***resigned w.e.f. 07.01.2023

- c. Except for the remuneration details mentioned above, there are no other pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity in terms of salary, benefits, bonuses, stock options, pension, fixed component and performance linked incentives.

8. GENERAL BODY MEETINGS

A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THERE AT AS UNDER:

Financial Year	Date	Time	Venue	Special Resolution
2019-20	AGM 28.09.2020	11:30 AM	229 / 1 & 90, 4th Floor, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049	Yes
2020-21	AGM 20.09.2021	11:30 AM	229 / 1 & 90, 4th Floor, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049	Yes
2021-22	AGM 29.08.2022	11:00 AM	through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	Yes

B. PASSING OF RESOLUTIONS BY POSTAL BALLOT

There were no resolutions passed by the Company through Postal Ballot during the Financial Year 2022-23.

10. MEANS OF COMMUNICATION:

- The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Form prescribed by Regulation 33 of SEBI (LODR), Regulations, 2015 within forty-five days/sixty days of the close of the respective period.
- The approved financial results are forthwith sent to the BSE Limited and National Stock Exchange of India Limited and are published in the newspapers namely, The Business Standard and Nava Telangana within forty-eight hours of approval thereof.
- As the Company's quarterly/half yearly financial results are uploaded on Company's website www.sigachi.com, the same are not mailed to the Shareholders.
- The company also displays the official news release and presentations are also made to the investors or the analyst, if any.

11. GENERAL SHAREHOLDERS INFORMATION:

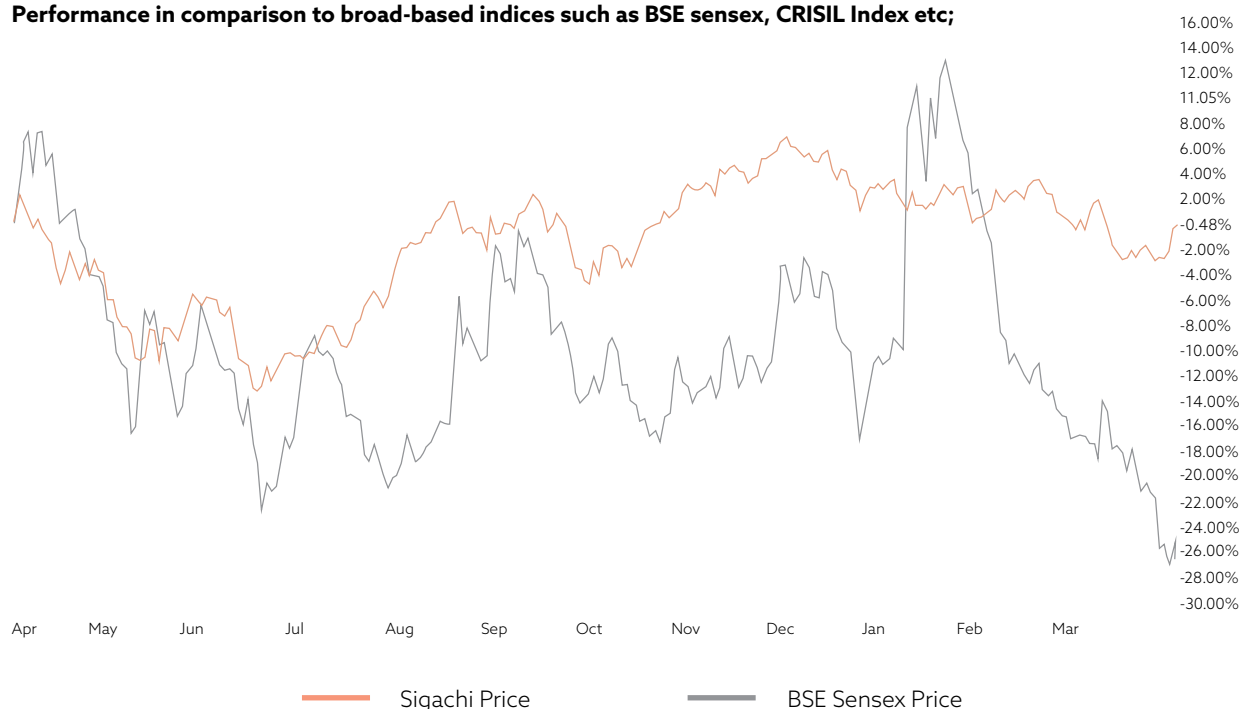
Company Registration Details	The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24110TG1989PLC009497
Date	07.09.2023
Time	11.00 a.m.
Venue of AGM	Through video conference
Financial Year	2022-23
Dividend payment date	on or before 20.09.2023
Name and address of each stock exchange(s) at which the Company's securities are listed	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400023 National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051
Confirmation of Payment of annual listing fees to stock exchanges	Paid to BSE Limited & National Stock Exchange of India Limited, where the shares of the Company are listed
Stock Code	BSE: 543389 NSE: SIGACHI

Tentative Schedule for considering Financial Results:	Bigshare Services Private Limited Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Andheri (East), Mumbai-400093 Ph No. 022-62638200 Email: ipo@bigshareonline.com Website: www.bigshareonline.com
Tentative Schedule for considering Financial Results:	
For the Quarter ending June,2023	July/August, 2023
For the Quarter ending September, 2023	October/ November, 2023
For the Quarter ending December,2023	January/ February, 2023
For the Quarter/year ending March, 2024	April/ May, 2024
Date of Book Closure	01.09.2023 - 07.09.2023
commodity price risk or foreign exchange risk and hedging activities	NIL Charges for Monitoring Foreign Investment Limit
ISIN Number for NSDL & CDSL	INE0D0K01014
In case the securities are suspended from trading, the directors report shall explain the reason thereof In case the securities are suspended from trading, the directors report shall explain the reason thereof	The securities of the Company are not suspended from trading by the BSE Limited and National Stock Exchange of India Limited.
Branch Offices /Plant Locations	Unit I : Plot number 20 and 21, phase -1, IDA, Pashammalaram, Isanpur, Sangareddy, Hyderabad - 502 307, Telangana, India. Unit II : Plot no-Z-16, SEZ unit, Dahej SEZ part-1, Dahej, Bharuch- 392130, Gujarat, India Unit III: Plot no-763/2, GIDC, Jhagadia GIDC, Bharuch- 393 110, Gujarat, India. Unit IV: Plot Number G. 57/2, I/P, Sultanpur, Ameenpur (M), Sangareddy District, Telangana - 502032, Hyderabad, India.
Address for correspondence:	229 / 1 & 90, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049 Website: www.sigachi.com
Investor Correspondence / Query on Annual Report, etc.	Shreya Mitra Company Secretary and Compliance Officer 229 / 1 & 90, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049 Ph. 040-40114874 Website: www.sigachi.com

MARKET PRICE DATA:**MONTHLY HIGH / LOW OF MARKET PRICE OF THE COMPANY'S SHARES TRADED ON THE BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED.****BSE Limited:**

		(in Rs)			
Sl. No	Month	Open Price	High Price	Low Price	Close Price
1	Apr-22	290.45	336.95	290.40	292.65
2	May-22	290.00	294.75	246.00	275.15
3	Jun-22	282.90	289.05	231.30	264.35
4	Jul-22	262.45	289.00	239.90	244.55
5	Aug-22	248.85	303.40	244.35	291.70
6	Sep-22	291.00	314.20	256.85	268.65
7	Oct-22	265.05	280.00	251.00	267.40
8	Nov-22	267.75	298.45	258.10	295.60
9	Dec-22	300.10	306.85	250.20	271.85
10	Jan-23	266.10	359.00	266.10	309.15
11	Feb-23	314.70	318.35	250.10	253.80
12	Mar-23	252.20	268.75	220.00	225.10

Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;

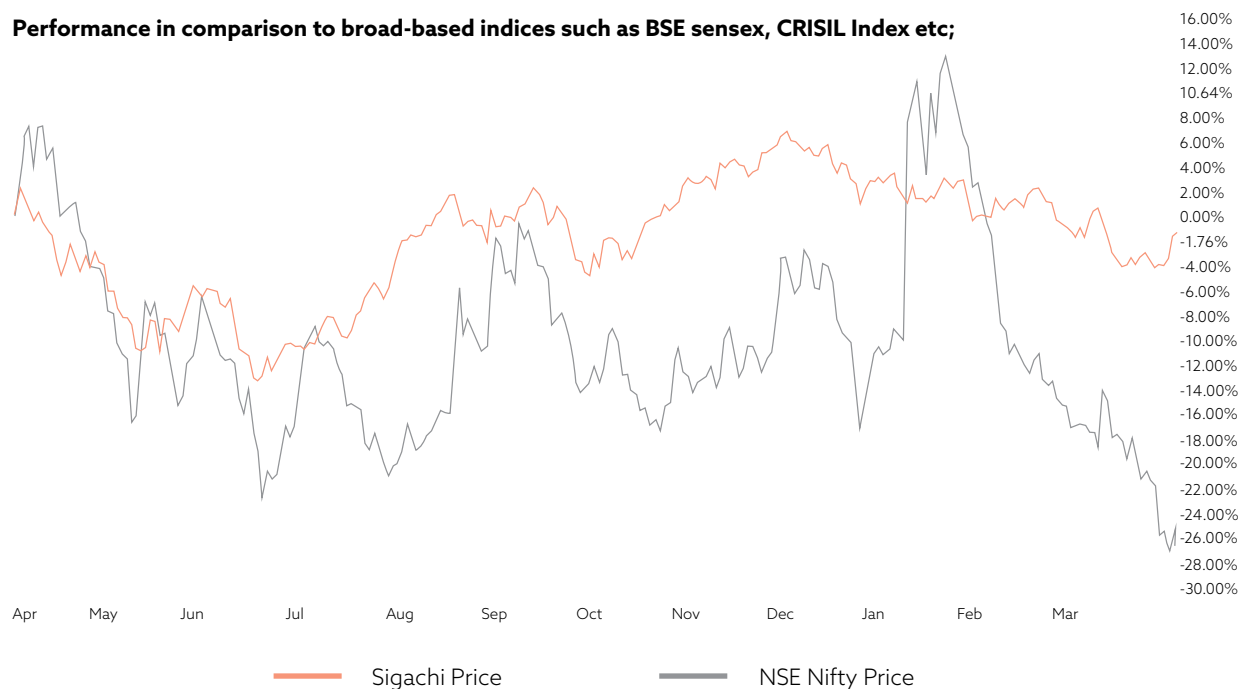


National Stock Exchange of India Limited:

Sl. No	Month	Open Price	High Price	Low Price	Close Price
1	Apr-22	290.50	336.95	290.50	292.60
2	May-22	289.50	292.60	247.60	275.00
3	Jun-22	277.00	289.70	233.25	264.45
4	Jul-22	263.00	263.00	239.80	244.45
5	Aug-22	249.20	303.35	244.20	291.80
6	Sep-22	290.00	313.75	257.00	268.55
7	Oct-22	269.00	280.00	251.00	267.20
8	Nov-22	267.00	299.00	261.00	295.25
9	Dec-22	301.80	306.95	233.45	271.20
10	Jan-23	270.05	359.50	269.00	309.50
11	Feb-23	310.00	318.40	250.00	253.80
12	Mar-23	254.75	269.00	219.80	223.25

(in Rs)

Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;



Performance in comparison to broad-based indices such as BSE sensx, CRISIL Index etc;**Share transfer system:**

Effective April 1, 2019, SEBI has amended Regulation 40 of the SEBI Listing Regulations, which deals with transfer, transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form. However, All the Equity Shares of the Sigachi Industries Limited are in Dematerialized Form.

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2023**DISTRIBUTION OF SHAREHOLDING (IN RUPEES) As on Date 31/03/2023**

Shareholding Rs.	of Nominal Rs.	Number of Shareholders	Percentage of Total	Share Amount Rs.	Percentage of Total
1	5000	85866	98.0127	45353810	14.7528
5001	10000	992	1.1323	7583070	2.4666
10001	20000	407	0.4646	6030170	1.9615
20001	30000	113	0.1290	2882570	0.9376
30001	40000	56	0.0639	2075080	0.6750
40001	50000	35	0.0400	1630110	0.5302
50001	100000	65	0.0742	4791220	1.5585
100001	9999999999	73	0.0833	237078970	77.1177
Total		87607		307425000	100.0000

DEMATERIALISATION & LIQUIDITY OF SHARES:

A qualified Practicing Company Secretary carry out audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. Reconciliation of Share Capital Audit Report confirms that the total paid up capital was in agreement with the total number of dematerialized shares held with NSDL and CDSL.

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE0D0K01014. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form.

Particulars	No. of Shares	% Share Capital
CSDL	1,81,82,701	59.15
NDSL	1,25,59,799	40.85
Physical	-	-
TOTAL	3,07,42,500	100%

OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has not issued these types of securities.

LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD:

Not Applicable since the Company does not have any debt instruments

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2023:

Shareholding of Promoter and Promoter Group

Category	Category & Name of the Shareholder	No of fully paid-up equity shares held	Shareholding as a % of total no of shares	Number of Shares pledged or otherwise encumbered	As a % of total Shares held	Number of equity shares held in dematerialized form
	(I)	(IV)	(VIII)	(XIII)		(XIV)
(1)	Indian					
(a)	Individuals/ Hindu undivided Family					
	Rabindra Prasad Sinha	15,25,740	4.96	-	-	15,25,740
	Chidambaranathan Shanmuganathan	19,40,835	6.31	-	-	19,40,835
	Amit Raj Sinha	12,95,310	4.21	-	-	12,95,310
	Nitin Raj Sinha	6,37,425	2.07	-	-	6,37,425
	Dharani Devi Chidambaranathan	7,43,625	2.42	-	-	7,43,625
	Karthika Thavamani Chidambaranathan	16,875	0.05	-	-	16,875
	Bhavani Shanmugam Chidambaranathan	16,875	0.05	-	-	16,875
	Smita Sinha	3,10,625	1.01	-	-	3,10,625
	Sudha Sinha	85,440	0.28	-	-	85,440
	Bimla Sharma	46,125	0.15	-	-	46,125
(b)	Central Government/ State Government(s)					
(c)	Financial Institutions/Banks					
(d)	Any Other					
	RPS Projects & Developers Private Limited	75,31,725	24.50	-	-	75,31,725
	RPS Family Trust	4,59,960	1.50	-	-	4,59,960
	Amit Raj Sinha Family Trust	2,96,250	0.96	-	-	2,96,250
	Sub-Total (A)(1)	1,49,06,810	48.49	-	-	1,49,06,810
(2)	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals					
		-	-	-	-	-
(b)	Government					
		-	-	-	-	-
(c)	Institutions					
		-	-	-	-	-
(d)	Foreign Portfolio Investor					
		-	-	-	-	-
(e)	Any Other					
		-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	1,49,06,810	48.49	-	-	1,49,06,810

SHAREHOLDING OF PUBLIC GROUP

Category	Category & Name of the Shareholder	No of fully paid-up equity shares held	Shareholding as a % of total no of shares	Number of Shares pledged or otherwise encumbered	As a % of total Shares held	Number of equity shares held in dematerialized form
	(I)	(IV)	(VIII)	(XIII)		(XIV)
(1)	Institutions					
(a)	Mutual Funds	73	0.00	-	-	73
(b)	Venture Capital Funds	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-
(e)	Foreign Portfolio Investors	26,230	0.09	-	-	26,230
(f)	Financial Institutions/Banks	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-
(h)	Provident Funds/Pension Funds	-	-	-	-	-
(i)	Any Other	-	-	-	-	-
	Qualified Foreign Investor	-	-	-	-	-
	Sub Total (B)(1)	26,303	0.09	NA	NA	26,303
(2)	Central Government/State Government(s)/President of India	-	-	-	-	-
	Sub Total (B)(3)	-	-	-	-	-
(3)	Non-Institutions	-	-	-	-	-
	Directors and their relatives (excluding independent directors and nominee directors)	5,27,500	1.72	-	-	5,27,500
	SHOBHA NIGAM	5,27,500	1.72	NA	NA	5,27,500
	Key Managerial Personnel	2	20	NA	NA	20
(a)	i. Individual shareholders holding nominal share capital up to Rs 2 lakhs	65,90,567	21.44	NA	NA	65,90,567
	ii. Individual shareholders holding nominal share capital in excess of Rs 2 Lakhs	57,20,828	18.61	NA	NA	57,20,828
	Beg Raj Yadav	21,42,000	6.97	NA	NA	21,42,000
	Dharm Prakash Tripathi	21,79,539	7.09	NA	NA	21,79,539
(b)	NBFCs Registered with RBI	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-
(d)	Overseas Depositories (Holding DRs) (Balancing figure)	-	-	-	-	-
(e)	Any Other					
	NON-RESIDENT INDIANS	9,61,269	3.13	N.A.	N.A.	9,61,269
	TRIBHUVAN RAVJI THACKER	3,37,500	1.10	-	-	3,37,500
	CLEARING MEMBERS	58,455	0.19	N.A.	N.A.	58,455
	NON-RESIDENT INDIAN NON REPATRIABLE	-	-	-	-	-
	BODIES CORPORATES	8,18,848	2.66	N.A.	N.A.	8,18,848
	HUF	11,31,900	3.68	N.A.	N.A.	11,31,900
	Sub Total (B)(3)	1,58,09,387	51.43	N.A.	N.A.	1,58,09,387
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	1,58,35,690	51.51	N.A.	N.A.	1,58,35,690

Category	Category of Shareholder	No of Shareholders	No of fully paid-up equity shares held	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Shares pledged or otherwise encumbered	As a % of total Shares held	Number of equity shares held in dematerialized form
(I)	(II)	(III)	(IV)	(VIII)	(XIII)		(XIV)
(A)	Promoter & Promoter Group	13	1,49,06,810	48.49	N.A.	N.A.	1,49,06,810
(B)	Public	86,563	1,58,35,690	51.51	N.A.	N.A.	1,58,35,690
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-
	Shares held by Employes Trusts	-	-	-	-	-	-
	Total:	86,576	3,07,42,500	100.00	N.A.	N.A.	3,07,42,500

11. OTHER DISCLOSURES

A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

During the year under review, the Company had not entered in to any materially significant transaction with any related party. During the year, the Company had not entered into any other contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arm's length basis.

The policy on related party transactions is available in the Company's website www.sigachi.com

B. DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS

BSE & NSE has imposed a penalty of Rs. 1,10,920/- each, on the Company, pursuant to Regulation 17(1A), for non-compliance with the requirements of passing special resolution pertaining to continuation of Non-Executive Director, Mr. Swami Das Nigam, who has attained the age of 75 years. However, the Company has paid the penalty on 18.01.2022 and passed a special resolution in the Extra Ordinary General Meeting held on 04.04.2022. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

C. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined in Regulation 22 of SEBI (LODR) Regulations 2015 and in terms of Section 177 of the Companies Act, 2013.

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person has been denied access to the Chairman of the Audit Committee.

D. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and is in the process of implementation of non-mandatory requirements.

E. WEB LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED;

The Company does not have any material subsidiary as defined under Listing Regulations, however, the policy for determining its 'Material' Subsidiaries was formulated and the same is available on the website of the Company www.sigachi.com.

F WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS; www.sigachi.com

G DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES:

The company does not have any significant exposure to commodity price risk and hedging activities

H DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT.

The Company has not raised any fund through preferential allotment or Qualified Institutional Placement during the financial year 2022-23.

I CERTIFICATE FROM PRACTICING COMPANY SECRETARY

The Company has obtained certificate from Ms. Aakanksha, Practicing Company Secretary that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such authority. And the Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

J RECOMMENDATIONS OF COMMITTEES

The Board has accepted and acted upon all the recommendations by the Audit & Nomination and Remuneration Committees.

K TOTAL FEES FOR ALL SERVICES PAID BY THE COMPANY, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR.

The fees paid by the Company to its statutory Auditors (on a consolidated basis) is Rs. 4,01,000 /- per annum.

L DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received during the financial year: Nil
- No. of complaints disposed off during the financial year: Nil
- No. of complaints pending at the end of the financial year: Nil

M DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT

Not applicable.

N DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY; INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES

The Company does not have any material subsidiaries.

12. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT.

During the year, the company has complied with the requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015

13. ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LODR) REGULATIONS, 2015.

The company has adopted discretionary requirements to the extent of Internal Auditors reporting to the Audit Committee.

14. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:

		(in Rs)
Regulation	Particulars	Compliance Status
17	Board of Directors	yes
18	Audit Committee	yes
19	Nomination and Remuneration Committee	yes
20	Stakeholders Relationship Committee	yes
21	Risk Management Committee	yes
22	Whistle Blower Mechanism/ Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of Listed company	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46 (2) (b) to (i)	Website	Yes

15. INDEPENDENT DIRECTORS:

The Company has complied with the definition of Independence as per Regulation 16(1) (b) of the SEBI (LODR), Regulations, 2015 and according to the Provisions of Section 149(6) of the Companies Act, 2013.

The Company has also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

During the year under review, Mr. Mohan Krishna Reddy resigned as Independent Director of the Company w.e.f. 16.02.2022 Company due to the personal reasons and professional aspirations, w.e.f 08.06.2022 and has also confirmed that there are no other material reason other than those provided.

INDEPENDENT DIRECTORS' MEETING: As per Clause 7 of the Schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent Directors) was held on 27.02.2023, and discussed the following:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company eligible to attend were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

16. a) CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

b). DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2022-23.

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended on March 31, 2023 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

17. CEO/ CFO Certification

The Managing Director and CEO/ CFO certification of the financial statements as specified in Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the Financial Year 2022-2023 is provided elsewhere in this Annual Report

18. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.

For and on behalf of the Board
Sigachi Industries Limited

Place: Hyderabad
Date :25.05.2023

Sarveswar Reddy Sanivarapu
Chairman
DIN: 00459605

Amit Raj Sinha
Managing Director & CEO
DIN: 01263292

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Sigachi Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Sigachi Industries Limited ('the Company') for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

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

Date: 25.05.2023
Place: Hyderabad

Aakanksha
Practicing Company Secretary
C.P. No. 20064
UDIN: A049041E000378733
PR. No. 3363/2023

Annexure - IX

CERTIFICATE BY THE CEO AND CFO OF THE COMPANY

To
The Board of Directors
Sigachi Industries Limited

Dear Sir/Madam,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 23 and to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.
4. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.
5. That there have been no significant changes in the accounting policies during the relevant period.
6. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

Place: Hyderabad
Date: 25.05.2023

Sd/-
Amit Raj Sinha
Managing Director & CEO

Sd/-
O. Subbarami Reddy
Chief Financial Officer

Annexure - X(a)

STATEMENT SHOWING THE NAMES OF TOP TEN EMPLOYEES PURSUANT TO SEC. 197 READ WITH RULE 5 (1) (2) and (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of remuneration to each director to the median remuneration of the employees of the coCompany for the financial year.

(Amount in INR)

Director	Total Remuneration	Ratio to median remuneration
Rabindra Prasad Sinha	1,49,72,448	1:0.017
S. Chidambaranathan	1,49,72,448	1:0.017
Amit Raj Sinha	2,20,52,448	1:0.012

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year.

(Amount in INR)

Name	Designation	Remuneration		Increase/ (Decrease) %
		FY 2022-23	FY 2021-22	
Rabindra Prasad Sinha	Director	1,49,72,448	1,44,80,000	3.4%
S. Chidambaranathan	Director	1,49,72,448	1,44,80,000	3.4%
Amit Raj Sinha	Director	2,20,52,448	1,71,50,000	28.58%
O. Subbarami Reddy	Chief Financial Officer	93,40,319	72,38,460	29.03%
Shreya Mitra	Company Secretary	12,00,000	10,74,196	11.71%

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

(Amount in INR)

Name	Remuneration		Increase/ (Decrease) %
	FY 2022-23	FY 2021-22	
Median Remuneration of all the employees per annum*	2,65,110	2,09,474	26.55%

*Employees who have served for whole of the respective financial years have been considered.

4. **Particulars**
- | Particulars | Number |
|--|--------|
| The number of employees on the rolls of the company as on March 31, 2023 | 1034 |

5. **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 details if there are any exceptional circumstances for increase in the managerial remuneration**

(Amount in INR)

Particulars	Increase/(Decrease) %
Average percentage increase in the remuneration of all Employees* (Other than Key Managerial Personnel)	15.34%
Average Percentage increase in the Remuneration of Key Managerial Personnel	15.22%

*Employees who have served for whole of the respective financial years have been considered.

6. **Affirmation that the remuneration is as per the remuneration policy of the company.**

The Company is in compliance with its remuneration policy.

Annexure - X(b)**Statement showing the names of the Top ten Employees in terms of Remuneration drawn as per Rule 5 (3) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014**

(Amount in Rs.)

Name of the Employee	Designation of the employee	Remuneration received	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee before joining the Company	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1 M.E. Elanghovan	Vice President	42,27,276	Permanent	M.Tech 32 years of experience	01.10.2020	50	Sreepathi Lab Private Limited	Nil	No
2 Subramanian Ananthanarayanan	Senior Vice President	41,40,024	Permanent	MBA 33 years of experience	02.08.2021	53		Nil	No
3 Jonna Gani Raju	General Manager	30,36,000	Permanent	MBA 22 years of experience	29.12.2021	45	Suven Nishtaa Pharma Pvt. Ltd	Nil	No
4 Rajendra Ramdas Choudari	Vice President	27,63,732	Permanent	B. Tech 32 years of experience	27.10.2015	56	GASL	Nil	No
5 Bijay Kumar Sahu	Senior Vice President	26,73,000	Permanent	MBA 35 years of experience	09.11.2018	64	Euro Life Healthcare Private Limited	Nil	No
6 Jaideep Jagadeeshwar Rao	Vice President	24,19,200	Permanent	B.E. 6 years of experience	01.04.2020	31	Tarkeybein Education Foundation	Nil	No
7 Chezhan Chellathurai	Assistant General Manager	23,03,820	Permanent	B.E. 17 years of experience	25.04.2019	39	Evertogen Life Sciences Limited	Nil	No
8 K Sudheer Kumar	General Manager	22,00,008	Permanent	M.Sc 19 years of experience	01.09.2017	43	First Source Laboratories Solutions LLP	Nil	No
9 Sanjiv Kumar	General Manager	20,40,000	Permanent	M.Sc 17 years of experience	10.01.2022	47	Lyka Labs Ltd	Nil	No
10 Sanchit Kumar	General Manager & Business Head	17,50,008	Permanent	MBA 7.5 years of experience	14.03.2022	33	Jubilant Pharmova	Nil	No

Annexure - XI

DECLARATION ON CODE OF CONDUCT AS REQUIRED BY SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Amit Raj Sinha, Managing Director of Sigachi Industries Limited ("**the Company**") hereby state and affirm Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management of the company during Financial Year 2022-2023

For and On Behalf of the Board of Directors

Place: Hyderabad
Date: 25.05.2023

Amit Raj Sinha
Managing Director
DIN: 01263292

Annexure - XII

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Sigachi Industries Limited
Hyderabad

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sigachi Industries Limited** having registered office at 229/1 & 90, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad - 500049 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Rabindra Prasad Sinha	00413448	19/01/1990
2.	Mr. Sarveswar Reddy Sanivarapu	00459605	26/08/2020
3.	Mr. Chidambarnathan Shanmuganathan	00485497	30/06/1990
4.	Mr. Amit Raj Sinha	01263292	29/11/2014
5.	**Mr. Swami Das Nigam	02669472	18/09/2014
6.	Ms. Dhanalakshmi Guntaka	09363100	18/10/2021
7.	Ms. Bindu Vinodhan	02882210	27/10/2022
8.	*Mr. Lijo Stephen Chacko	07593064	10/07/2021
9.	*Mr. Amrutlal Bhavsar	01768165	28/09/2020
10.	***Mr. Mohan Krishna Reddy	00093185	27/10/2022

*resigned on 08.06.2022

**resigned on 07.01.2023

***resigned on 15.02.2023

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 25.05.2023
Place: Hyderabad

Aakanksha
Practicing Company Secretary
C.P. No. 20064
UDIN:A049041E000378678
PR. No. 3363/2023

A large, stylized number '8' is centered on the page. It is composed of two thick, curved segments that meet at a central point. The segments are filled with a gradient from light orange to a darker orange. A thin white diagonal line passes through the center of the '8', from the top-left to the bottom-right. The background is a solid orange color with a subtle gradient from top to bottom.

Standalone Financial Statements

Independent Auditor's Report

To
The Members of Sigachi Industries Limited

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying Standalone Financial Statements of **SIGACHI INDUSTRIES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 as amended (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	<p>Appropriateness of capitalization of costs included in Property Plant and Equipment/ Capital work in progress as per Ind AS 16 Property, Plant and Equipment.</p> <p>Refer to Note - 2.8 (Significant Accounting Policies on Property, Plant and equipment), Note - 3 (Property, plant and equipment and Capital work-in progress) of the enclosed standalone financial statements.</p> <p>During the year, the Company has incurred significant capital expenditure towards setting up of additional production plants at Dahej and Jhagadia and at other projects. Capital expenditure amounting to ₹ 994.67 lakhs relating to Hyderabad plant has been capitalized during the year and the capital expenditure of ₹3,490.37 lakhs relating to setting up of additional production plants at Dahej and Jhagadia in connection with the expansion as per the terms offer letter of the IPO included in capital work in progress as at the year end.</p>	<p>We have performed procedures, including the following in relation to testing of capitalisation of costs included in Property Plant and Equipment/ Capital work in progress:</p> <p>a) Understood, evaluated and tested the design and operating effectiveness of key controls relating to capitalisation of various costs incurred in relation to Property Plant and Equipment.</p> <p>b) Performed test of details with focus on those items that we considered significant due to their amount or nature and tested a sample of items capitalised during the year against underlying supporting documents to ascertain nature of costs and whether they meet the recognition criteria provided in the Ind AS 16, Property, Plant and Equipment in this regard.</p>

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
2	<p>Timing of Revenue recognition in the proper period as per Ind AS 115.</p> <p>Refer to Note-2.17 (Significant Accounting Policies on Revenue Recognition) and Note-24 (Revenue from operations) of the standalone financial statements.</p> <p>In accordance with Ind AS 115, Revenue from Contracts with Customers, revenue from sale of goods is recognized when control of the products being sold is transferred to the customer based on terms of sale. Revenue is measured at consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The transaction price of the goods sold is net of variable consideration on account of various discounts offered by the company as part of contract.</p> <p>We identified timing of revenue recognition in the proper period as a key audit matter since it involves higher assessed risk of material misstatement and is required to be recognised as per the requirements of applicable accounting framework.</p>	<p>c) Verified the other related costs including those incurred towards repairs and maintenance and debited to Statement of Profit and Loss, to ascertain whether these meet the criteria for capitalization.</p> <p>Our procedures as mentioned above did not identify any costs that had been inappropriately capitalized and that costs that should have capitalised have been expensed.</p> <p>Our audit procedures included the following:</p> <p>a) We evaluated the design and tested operating effectiveness of the relevant controls with respect to revenue recognition including those relating to cut off at year end;</p> <p>b) We assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers";</p> <p>c) We performed substantive testing of revenue transactions, recorded during the year by testing the underlying documents which included customer order and directions, goods dispatch notes, shipping documents and customer acknowledgments as applicable;</p> <p>d) We tested a sample of manual journal entries posted to revenue and assessed their appropriateness;</p> <p>e) We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date including examination of credit notes issued after the year end to determine whether the revenue has been recognised in the appropriate financial period.</p> <p>Based on the above stated procedures, no significant exceptions were noted in revenue recognition.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe

these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order 2020 ("the order"), issued by the Central government of India in terms of sub-section (11) of section 143 of the act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone 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 and its subsidiary companies incorporated in India.
 - iv.
 - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- v. The dividend declared and paid during the year by the company is in compliance with section 123 of the act.
 - vi. As proviso to the rule 3(1) of the companies (Accounts) Rules,2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the company , is applicable to the company only with effect from financial year beginning April1,2023, the reporting under the clause (g) of Rule 11 of the companies (Audit and Auditors) Rules,2014 (as amended), is currently not applicable.
3. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act provided.

For M/s T. Adinarayana & Co

Chartered Accountants
Firm Regn. No. 000041S

Y Pulla Rao, FCA

Partner

M.No.025266

UDIN:23025266BGXISX7130

Place : Hyderabad

Date : 25.05.2023

Annexure-A to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SIGACHI INDUSTRIES LIMITED of even date)

- i. In respect of the Company's Property, Plant and Equipment :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment .
 - b) The property, plant and equipment, capital work-in-progress, have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
 - c) The title deeds of all the immovable properties are held in the name of the Company.
 - d) The Company has not revalued its property, plant and equipment, capital work-in progress, or intangible assets during the year.
 - e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii.
 - a) The management has conducted physical verification of inventory at reasonable intervals during the year,. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
 - b) The Company has a working capital limit in excess of ₹ 5 crore sanctioned by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods.
- iii. According to the information and explanations given to us , the company has not granted any loans, secures or unsecured to body corporate, firms, Limited liability firms, or other parties covered in the register required to be maintained under section 189 of the act. Accordingly the provisions of the clause of the order are not applicable to the company for the year under review.
- iv. In our opinion and according to the information and explanations given to us , the company has no transactions for compliance with the provisions of section 185 and 186 of the act in respect of grant of loans ,making investments and providing guarantees and securities , as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
 - c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount ₹ Crores (Including Penalty)
Service Tax Act	Service Tax & Penalty	Appellate Tribunal Regional Bench Hyderabad	August 2014 to June 2017	5.59(Penalty -2.50 cr)

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary .
- f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.
- x. a) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer is being applied for the purposes for which these were obtained.
- b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- b) No report under section 143(12) of the Act has been filed with the Central Government in form No. ADT -4 for the period covered by our audit.
- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- xiv. a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a) According to the information and explanations given to us and as per our examination that the company has spent an amount of ₹79,25,419/- towards Corporate Social Responsibility which is over and above the limit prescribed under sec 135 (5) companies act 2013.
- b) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. According to the information and explanation given to us, the financials of the subsidiary company are unaudited. Management has certified the financials of the subsidiary company incorporated in USA. As per the certification provided by the management no adverse comments noted and hence clause 3(XXI) of the Order is not applicable to the Company

For M/s T. Adinarayana & Co
Chartered Accountants
Firm Regn. No. 000041S

Y Pulla Rao, FCA
Partner

M.No.025266

UDIN: 23025266BGXISX7130

Place : Hyderabad

Date : 25.05.2023

Annexure-B to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sigachi Industries Limited of even date)

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

We have audited the internal financial controls over financial reporting of SIGACHI INDUSTRIES LIMITED (the "Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M/s T. Adinarayana & Co
Chartered Accountants
Firm Regn. No. 000041S

Y Pulla Rao, FCA

Partner

M.No.025266

UDIN: 23025266BGXISX7130

Place : Hyderabad

Date : 25.05.2023

Standalone Balance Sheet

as at 31st March, 2023

(All amounts in Lakhs, except share data and where otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3.a	9,536.57	5,270.35
Capital work-in-progress	3.b	3,490.37	971.15
Other Intangible assets	3.a	68.64	71.05
Right of Use Assets	3.c	2,567.16	-
Financial assets			
Investments	4	184.65	27.99
Other financial assets	5	2,252.51	3,515.49
Other non-current assets	6	1,644.29	850.21
Total non-current assets		19,744.20	10,706.24
Current assets			
Inventories	7	3,298.66	1,653.53
Financial assets			
Trade receivables	8	9,115.30	7,223.01
Cash and cash equivalents	9	1,076.97	2,833.02
Other bank balances	10	1,900.26	4,030.22
Other financial assets	11	691.78	1,278.04
Other current assets	12	1,064.97	713.24
Total current assets		17,147.95	17,731.05
TOTAL ASSETS		36,892.15	28,437.29
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	3,074.25	3,074.25
Other equity		23,482.66	19,643.73
Total Equity		26,556.91	22,717.98
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	101.03	121.37
Lease Liabilities	15	2,306.10	-
Provisions	16	149.15	91.92
Deferred tax liabilities (net)	17	519.76	544.38
Total non-current liabilities		3,076.04	757.67
Current liabilities			
Financial liabilities			
Borrowings	18	3,940.03	3,296.80
Lease liabilities	19	404.82	-
Trade payables			
i) Total outstanding dues of micro and small enterprises	20	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		1,996.23	956.74
Other financial liabilities	21	87.61	56.99
Other current liabilities	22	830.50	585.23
Current tax liabilities(Net)	23	-	65.88
Total current liabilities		7,259.20	4,961.64
TOTAL EQUITY AND LIABILITIES		36,892.15	28,437.29
See accompanying notes to the financial statements	1to47		

As per our report of even date attached

For and on Behalf of the Board of Directors

For **T. Adinarayana & Co.**

Chartered Accountants

Firm Regn No. 000041S

Sd/-

Y. P. Rao

Partner

Membership No. 025266

Sd/-

Rabindra Prasad Sinha

Executive Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

Shreya Mitra

Company Secretary

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 25.05.2023

Standalone Statement of Profit and Loss

for the year ended 31st March, 2023

(All amounts in Lakhs, except share data and where otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	24	29,032.37	24,940.47
Other income	25	667.17	262.96
Total income		29,699.54	25,203.44
Expenses			
Cost of materials consumed	26	13,771.73	11,936.87
Purchases of Stock in Trade	27	137.18	-
Changes in inventories of finished goods, work in progress and stock in trade	28	(428.03)	323.22
Employee benefit expenses	29	3,600.27	2,002.01
Finance costs	30	428.71	115.50
Depreciation and amortization expense	3	662.10	290.48
Other expenses	31	6,369.82	5,638.80
Total expenses		24,541.77	20,306.88
Profit/(loss) before tax		5,157.77	4,896.56
Tax expense			
(i) Current tax	32	1,022.40	988.39
(ii) Deferred tax	32	(20.65)	105.29
Profit/(loss) for the period		4,156.02	3,802.88
Other comprehensive income			
A. i) Items that will not be reclassified to profit and loss	33	(13.64)	10.20
ii) Income tax relating to items that will not be reclassified to profit or loss	33	3.97	(2.97)
B. i) Items that will be reclassified to profit and loss		-	-
ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		(9.67)	7.23
Total Comprehensive income for the period (Comprising profit(Loss) and other comprehensive Income for the period)		4,146.35	3,810.11
Earnings per equity share			
1) Basic	34	13.52	14.66
2) Diluted	34	13.52	14.66
See accompanying notes to the financial statements	1to47		

As per our report of even date attached

For **T. Adinarayana & Co.**Chartered Accountants
Firm Regn No. 000041S

Sd/-

Y. P. Rao

Partner

Membership No. 025266

For and on Behalf of the Board of Directors

Sd/-

Rabindra Prasad Sinha

Executive Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

Shreya Mitra

Company Secretary

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 25.05.2023

Standalone Statement of Changes in Equity And Other Equity

for the year ended 31st March, 2023

(All amounts in Lakhs, except share data and where otherwise stated)

A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	307.43	3,074.25	76.83	768.25
Issued during the year(Bonus Issue)	-	-	153.65	1,536.50
Issued during the year(Initial Public Offer)	-	-	76.95	769.50
Outstanding at the end of the year	307.43	3,074.25	307.43	3,074.25

B) OTHER EQUITY

1) 2022-2023 (Current Reporting Period)

Particulars	Reserves & surplus				Other comprehensive income	Total other equity
	Securities premium	General reserve	Amalgamation reserve	Special Economic Zone Re-Investment Allowance Reserve		
Balance as at 1st April 22	8,879.48	456.23	390.57	-	9,891.43	19,644
Current year : Profit/(Loss)	-	-	-	-	4,156.02	4,156.02
Appropriations						
General Reserve	-	103.90	-	-	(103.90)	-
Transfer to Special Economic Zone	-	-	-	1547.80	(1547.80)	-
Dividend paid	-	-	-	-	(307.43)	(307.43)
Other comprehensive Income for the year	-	-	-	-	(9.67)	(9.67)
Balance as at 31st Mar 23	8,879.48	560.13	390.57	1,547.80	12,088.32	23,482.66

Standalone Statement of Changes in Equity And Other Equity

for the year ended 31st March, 2023
(All amounts in Lakhs, except share data and where otherwise stated)

2) 2021-2022 (Previous Reporting Period)

Particulars	Reserves & surplus			Retained Earnings	Other comprehensive income	Total other equity
	Securities premium	General reserve	Amalgamation reserve			
Balance as at 1st April 21	164.54	361.15	390.57	7,786.06	18.80	8,721.11
Current year :						
Bonus issue	-	-	-	-	-	-
IPO issue	11,773.35	-	-	-	-	11,773.35
Profit/(Loss)	-	-	-	3,802.88	-	3,802.88
Appropriations						
Bonus issue	(164.54)	-	-	(1,371.96)	-	(1,536.50)
IPO Issue Expenses	(2,893.87)	-	-	-	-	(2893.87)
General Reserve	-	95.07	-	(95.07)	-	-
Dividend paid	-	-	-	(230.48)	-	(230.48)
Other comprehensive Income for the year	-	-	-	-	7.23	7.23
Balance as at 31st Mar 22	8,879.48	456.23	390.57	9,891.43	26.03	19,643.73

As per our report of even date attached

For **T. Adinarayana & Co.**
Chartered Accountants
Firm Regn No. 000041S

Sd/-
Y. P. Rao
Partner
Membership No. 025266

Place: Hyderabad
Date: 25.05.2023

For and on Behalf of the Board of Directors

Sd/-
Rabindra Prasad sinha
Executive Chairman

Sd/-
Amit Raj Sinha
Managing Director and CEO

Sd/-
S Chidambaranathan
Executive Vice Chairman

Sd/-
O. Subbarami Reddy
Chief Financial Officer

Sd/
Shreya Mitra
Company Secretary

Standalone Statement of Cash Flows

for the year ended 31st March, 2023

(All amounts in Lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit/(loss) before tax	5,157.77	4,896.56
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortisation	662.10	290.48
Gratuity and compensated absence	(13.64)	10.20
Finance costs	428.71	115.50
Interest income	(324.01)	(68.68)
Changes in current assets and current liabilities		
Inventories	(1,645.13)	(114.46)
Trade receivables	(1,892.30)	(3,017.57)
Trade payables	1,039.49	161.71
Other assets	171.87	(775.76)
Other liabilities	302.50	134.04
Cash generated from operations	3,887.36	1,632.02
Income taxes paid	(1,119.06)	(1,096.65)
Net cash flow from operating activities (A)	2,768.30	535.37
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,012.30)	(2,433.03)
Interest income	324.01	68.68
Investments	(156.66)	-
Other assets	562.34	(3,922.63)
Net cash flow used in investing activities (B)	(9,282.61)	(6,286.99)
Cash flow from financing activities		
Net Proceeds from issue of Equity shares	-	9,648.98
Proceeds/(Repayment) of long-term borrowings (net)	10.29	(67.31)
Proceeds/(Repayment) of short-term borrowings (net)	643.23	1,480.62
Finance costs	(428.71)	(115.50)
Dividend	(307.43)	(230.48)
Lease Liabilities	2,710.92	-
Other liabilities	-	122.12
Net cash flow (used in)/from financing activities (C)	2,628.30	10,838.44
Net increase in cash and cash equivalents (A+B+C)	(3,886.00)	5,086.82
Cash and cash equivalents at the beginning of the year	6,863.23	1,776.41
Cash and cash equivalents at the end of the year	2,977.23	6,863.23

As per our report of even date attached

For **T. Adinarayana & Co.**Chartered Accountants
Firm Regn No. 0000415

Sd/-

Y. P. Rao

Partner

Membership No. 025266

For and on Behalf of the Board of Directors

Sd/-

Rabindra Prasad Sinha

Executive Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

Shreya Mitra

Company Secretary

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 25.05.2023

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

1 Corporate information

Sigachi Industries Limited was incorporated on 11th January, 1989 in Hyderabad. The Company has its registered office at 229/1&90, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad-500049, Telangana. It is incorporated under Companies Act as limited company and is limited by shares. It has got three production facilities spread across India. The company is engaged in manufacturing of Micro Crystalline cellulose powder (MCCP). The principal accounting policies applied in the preparation of the financial statements are set out below.

2 Basis of Preparation and Presentation of Financial Statements

The financial statements of Sigachi Industries Limited ("the Company") for the year ended 31st March, 2023 have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 25th May 2023.

The Financial Statements have been prepared on historical cost convention on accrual basis of accounting except for certain financial instruments that are measured at fair value. GAAPs of Indian Accounting Standards as specified in Section 133 of the Act read together with Rule 4 of Companies (Indian Accounting Standard) Amendment Rules, 2016 to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting Policies have been consistently applied except where a newly issued Accounting Standards is initially adopted or revision to existing Accounting Standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised Accounting Standards on an on-going basis.

2.1 Basis of Measurement

All assets and liabilities are classified into current and non-current based on the operating cycle of twelve months or based on the criteria of realisation/settlement within twelve months period from the reporting/ balance sheet date.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively.

All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

2.2 Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their in cash and cash equivalents. The company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

2.3 Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognized in the period in which they are determined.

- Depreciation and amortization:** Depreciation and amortization is based on Schedule II to the Companies Act, 2013, which describes useful lives of property, plant and equipment and intangible assets.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

b. Provisions and contingencies: Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

c. Fair valuation:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows: Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3: Inputs are unobservable inputs for the asset or liability. For assets and liabilities that are recognized in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or reassessed in line with the Company's Accounting Policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.4 Critical Accounting Judgements and Key source of estimation uncertainty operating cycle:

In the application of the company's accounting policies, the management of the company are required to make judgments, estimates, and assumptions about the carrying amounts of the assets and liabilities that are

not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates is revised if the revision effects only that period or in the period of the revision and future periods in the revision effects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the company's accounting policies and that have the most significant effects on the amounts recognized in the financial statements."

2.5 Provisions and contingent liability:

On an ongoing basis, Company reviews pending cases, claims by third parties and other. For contingent losses that are considered probable an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible or not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

2.6 Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the company. Further, there is no significant change in the useful lives as compared to previous year.

2.7 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees.

Foreign Currencies :

In preparing the financial statements of the company transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of transactions. At the end of each reporting period ,monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non -Monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

For the purpose of presenting these financial statements, the assets and liabilities of the company's foreign operations are translated into currency units using exchange rates prevailing at the end of each reporting period.

2.8 Property Plant & Equipment

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up. Property, Plant and Equipment which are not ready for intended use as on the date of balance sheet are disclosed as "Capital Work -in-Progress". Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated

amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Depreciation

Depreciation is recognized in the statement of profit and loss on Straight line basis over the estimated useful lives of property, plant and equipment based on Schedule - II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period with the effect of any changes in estimated useful lives residual values and impairment loss, if any, and are accounted for on a prospective basis.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Leases

At the inception of the contract the company determines whether the contract is a lease or lease arrangement. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company recognises right of use asset representing its right to use the underlying asset for the lease commencement date.

The company measures the lease liability at the present value of lease payments that are not paid at the commencement date of lease. The lease payments are discounted using the interest rate implicit in the lease, if that cannot be readily determined the company uses incremental borrowing rate.

Right of use asset is depreciated using straight line method over useful life of right of asset.

The company has elected not to apply in Ind As 116 to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of no value. The lease payments in such cases associated with these leases are recognised as expenses on a straight line basis over the lease term.

2.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

i. Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by

regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset."

ii. Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

a. Financial Assets at Amortized Cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognized in the Statement of Profit and Loss.

b. Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss.

Investment in Equity Instruments are designated as Financial Assets measured at fair value through OCI and Investments in Mutual Funds are designated as Financial Assets measured at fair value through statement of Profit & Loss on date of transition.

c. Impairment of Financial Assets

In accordance with Ind AS 109, expected credit loss (ECL) model for measurement and recognition of impairment loss on the

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. As Company trade receivables are realized within normal credit period adopted by the company, hence the financial assets are not impaired.

d. De-recognition of Financial Assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

e. Other Financial Assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

B. Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i. Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable

transaction costs. Fees of recurring nature are directly recognised in the statement of profit and loss as finance cost.

ii. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss."

iii. De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss."

Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generated Units (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

or depreciation) had no impairment loss been recognized for the asset in prior years.

2.11 Cash and Cash Equivalents

Cash and Bank balances comprise of cash balance in hand, Cheques in hand, balance in current accounts with banks and Bank Fixed Deposits with maturity of 3 months or less than 3 months. Balances earmarked for a purpose (like dividend) are shown separately.

Cash flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

2.12 Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plan

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Defined Contribution Benefits

The Company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for lump sum payment on retirement, death while in employment or on separation.

2.13 Borrowing Cost:

Borrowing costs are charged to the Statement of Profit and Loss except in cases where the borrowings are

directly attributable to the acquisition. Construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

2.14 Government Grants:

Ind AS 20 gives an option to present the grants related to assets, including nonmonetary grants at fair value in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Accordingly Sales Tax Deferment amount payable to Department has been considered as Government Grant and considered the interest expenses and amortization benefit in Profit and Loss Account and Balance Sheet.

2.15 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liability judgement:

Contingent liabilities are claims against the company not acknowledged as debt. Contingencies may arise from the ordinary course of business in relation to claims against the company, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur. The assessment of the existence, and potential quantum of contingencies inherently involve the exercise of significant judgement and the use of estimates regarding the outcome of future events.

2.16 Estimates and assumptions

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2.17 Revenue recognition

Revenue from contracts with customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of income can be measured reliably. Revenue is net of returns and is reduced for rebates, trade discounts, refunds and any other taxes collected on behalf of government such as GST etc.

Sale of goods

Revenue is recognised when the control of the goods has been transferred to a third party. This is usually when the title passes to the customer, either upon shipment or upon receipt of goods by the customer. At that point, the customer has full discretion over the channel and price to sell the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the product.

Sale of services

Revenue from rendering of services is recognised by measuring the progress towards complete satisfaction of performance obligations at the reporting period and there are no unfulfilled obligations."

Other Income

Other income includes Dividend, Interest, Profit / (Loss) on sale of Investments, Commission, Professional and Technical Services and other miscellaneous receipts if any. Dividend income from investments is recognized when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time proportionate basis, by reference to the principle outstanding and at the effective interest rate applicable. Commission income is recognised when the economic benefits associated with the transaction will flow to the entity or the amount of revenue can be measured reliably.

When the transaction involving the rendering of services is estimated reliably, revenue associated with the transaction shall be recognised by reference to the

stage of completion of the transaction at the end of the reporting period.

The outcome of the transactions can be estimated reliably when all the following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the entity;
- (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably

2.18 Income Tax

Current Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date."

Deferred Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that effects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.19 Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.20 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost includes purchase price, duties, transport, handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

The basis of determination of cost is as follows:

Raw materials, packing materials, stores, spares and consumables : cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work -in- progress: Cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excludes borrowings costs.

Stock- in- trade: Cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of

completion and the estimated costs necessary to make the sale. The net realisable value of work -in-progress is determined with reference to the selling prices of related finished products.

2.21 Trade Receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due.) The Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the company's standard payment terms offered upto 90 days.

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109 'Financial Instruments', which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

2.22 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.23 Fair value of investments:

The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the company in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the valuation exercise carried out by the company with the help of available historical annual reports and other information in the public domain.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

Note 3 : a) PROPERTY, PLANT AND EQUIPMENT

Particulars	Property, plant and equipment							Other intangible		
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Lab equipments	Total	Software	Total
Gross carrying value (at cost)										
Closing gross carrying value as at 31st March, 2021	298.92	1,174.26	3,121.09	84.22	132.16	197.44	24.68	5,032.76	40.34	40.34
Additions	19.06	718.48	942.99	19.25	48.14	42.72	2.02	1,792.67	43.22	43.22
Disposals	-	-	-	-	-	-	-	-	-	-
Closing gross carrying value as at 31st March, 2022	317.97	1,892.74	4,064.08	103.46	180.31	240.16	26.70	6,825.42	83.56	83.56
Accumulated Depreciation										
Opening accumulated depreciation	-	269.42	778.76	40.33	67.56	95.99	17.38	1,269.44	7.66	7.66
Depreciation charged during the year	-	38.23	169.48	8.53	24.26	39.19	5.94	285.63	4.84	4.84
Disposals	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	307.65	948.23	48.86	91.82	135.19	23.32	1,555.07	12.51	12.51
Net carrying amount as at 31.03.2022	317.97	1,585.08	3,115.85	54.60	88.49	104.97	3.38	5,270.35	71.05	71.05
Gross carrying value (at cost)										
Closing gross carrying value as at 31st March, 2022	317.97	1,892.74	4,064.08	103.46	180.31	240.16	26.70	6,825.42	83.56	83.56
Additions	2,470.53	578.73	1,186.30	85.06	149.51	154.19	-	4,624.32	5.13	5.13
Disposals	-	-	-	-	-	-	-	-	-	-
Closing gross carrying value as at 31st March, 2023	2,788.51	2,471.46	5,250.38	188.53	329.81	394.35	26.70	11,449.74	88.69	88.69
Accumulated Depreciation										
Opening accumulated depreciation	-	307.65	948.23	48.86	91.82	135.19	23.32	1,555.07	12.51	12.51
Depreciation charged during the year	-	62.94	222.15	9.10	37.85	25.32	0.74	358.10	7.54	7.54
Disposals	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	370.60	1,170.38	57.97	129.67	160.51	24.06	1,913.17	20.05	20.05
Net carrying amount as at 31.03.2023	2,788.51	2,100.86	4,080.00	130.56	200.15	233.84	2.64	9,536.57	68.64	68.64

Note:

- All the titles of the immovable properties are held in the name of the company.
- Depreciation is calculated as per straight line method based on the useful life of assets as indicated in schedule-II of the companies act, 2013.
- All properties, plant and equipments are under charge created by the company for the term loans availed.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

b) Capital Work-in-Progress

Particulars	Amount in ₹
Balance as at April 01,2021	374.00
Additions	1,334.24
Capitalised during the year	737.09
Balance as at March 31,2022	971.15
Balance as at April 01,2022	971.15
Additions	3,513.89
Capitalised during the year	994.67
Balance as at March 31,2023	3,490.37

CWIP ageing schedule:

CWIP	FY 22-23		FY 21-22	
	Projects in Progress	Projects temporarily suspended	Projects in Progress	Projects temporarily suspended
Less than 1 Year	3,213.09	-	833.55	-
1-2 Years	173.80	-	137.59	-
2-3 years	103.48	-	-	-
More than 3 Years	-	-	-	-
Total	3,490.37	-	971.15	-

c) Lease Assets

Particulars	Buildings
Gross carrying value (at Cost)	
Closing gross carrying value as at 31st March,2021	-
Additions	-
Disposals	-
Closing gross carrying value as at 31st March,2022	-
Accumulated Depreciation	
Opening accumulated depreciation	-
Depreciation charged during the year	-
Disposals	-
Closing accumulated depreciation	-
Net carrying amount as at 31.03.2022	-
Gross carrying value (at Cost)	
Closing gross carrying value as at 31st March,2022	-
Additions	2,863.62
Disposals	-
Closing gross carrying value as at 31st March,2023	2,863.62
Accumulated Depreciation	
Opening accumulated depreciation	-
Depreciation charged during the year	296.46
Disposals	-
Closing accumulated depreciation	296.46
Net carrying amount as at 31.03.2023	2,567.16

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

NON-CURRENT ASSETS

4 NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in other companies in equity instruments at cost.		
Unquoted equity shares (fully paid up)		
Equity shares of 20,000 @ US \$ 64.95 each (100% subsidiary - Sigachi US INC)	12.99	12.99
Equity shares of 7,00,000 @ AED 22.38 each (100% subsidiary - Sigachi MENA FZCO)	156.66	-
Investments in Pasha Mailaram Common Infrastructure Pvt Ltd	15.00	15.00
	184.65	27.99

5 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured and considered good		
Security deposits	24.04	29.74
Electricity deposits	118.79	92.88
Rental deposits	96.00	14.57
IPO Deposits	125.43	125.43
Bank deposits with more than 12 months maturity	1,800.00	3,191.00
Other deposits	88.25	61.88
	2,252.51	3,515.49

6 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	1,644.29	850.21
	1,644.29	850.21

CURRENT ASSETS

7 INVENTORIES

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material	2,255.96	1,065.25
Packing material	85.36	83.87
Consumables	13.67	19.64
Coal and furnace oil	76.13	45.25
Finished goods	495.46	269.52
	2,926.58	1,483.54
Work-in-process	372.08	170.00
	3,298.66	1,653.53

Valuation:

- Raw materials and Packing materials are valued at lower of cost or net realisable value.
- Finished goods are valued at cost of conversion and other costs incurred in bringing the inventories to their present location and valued at cost or net realisable value which ever is lower.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

8 TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable from others:		
Considered good-Un secured	7,182.55	4,864.85
Considered doubtful-Un secured	46.67	55.17
Less: Expected credit loss allowance	(101.62)	(55.17)
	7,127.60	4,864.85
Receivable from Subsidiary:		
Considered good -Un secured	1,987.70	2,358.16
Less: Expected credit loss allowance	-	-
	1,987.70	2,358.16
Total Receivables	9,115.30	7,223.01

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner , a director or a member(except from subsidiadry company as stated above). Before accepting any new customer, the comapny uses an external credit scoring system and other potential information to assess the customer credit quality and defines credit limit.

The company has used a practical expediant by computing the expected credit loss allowance for trade receivables based on provisional matrix.The provision matrix takes into account historical credit loss experience and adjusted for farward looking information.The expected credit loss allowance is based on ageing of the days of receivables.

Refer Note no. 35.A for trade receivables ageing.

9 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In Current accounts	1,073.51	2,826.31
In Deposit account(margin money with banks ,the maturity of the period of which is less than 3 months)	-	-
Cash on hand	2.90	6.71
Others(Balances with bank for dividend payment)	0.56	
	1,076.97	2,833.02

10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with original maturity of more than 3 months	1,900.26	4,030.22
	1,900.26	4,030.22

11 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Intrest accrued but not due-fixed Deposits	82.23	47.65
Advances to Suppliers	496.32	847.97
Advances to staff	13.52	16.17
Export Incentive receivable	99.70	366.25
	691.78	1,278.04

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

12 OTHER CURRENT ASSETS

Particulars	As at	
	March 31, 2023	March 31, 2022
Unsecured and considered good		
Balances with statutory/government authorities	578.40	542.10
Advance Tax	30.78	-
Prepaid expenses	164.81	115.48
Unbilled revenue	290.98	55.65
	1,064.97	713.24

13 EQUITY SHARE CAPITAL

Particulars	As at	
	March 31, 2023	March 31, 2022
Authorised share capital		
3,20,00,000 Equity shares of ₹10/- each	3,200.00	3,200.00
Issued, subscribed and fully paid-up		
3,07,42,500 Equity Shares of ₹10/- each with voting rights	3,074.25	3,074.25
	3,074.25	3,074.25

a. Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	307.43	3,074.25	76.83	768.25
Issued during the year(Bonus Issue)	-	-	153.65	1,536.50
Issued during the year(Initial Public Offer)	-	-	76.95	769.50
Outstanding at the end of the year	307.43	3,074.25	307.43	3,074.25

b. Rights attached to the equity shares

The company has only one class of shares having a face value of ₹ 10/- per share. All equity shareholders rank pari-passu in respect of dividend and voting rights. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of preferential amounts, in proportion to their shareholding.

c. Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	% of holding	No of shares	% of holding
RPS Industries Private Limited	7,531,725	24.50%	7,531,725	24.50%
BEG RAJ YADAV	2,142,000	6.97%	2,142,000	6.97%
CHIDAMBARNATHAN SHANMUGANATHAN	1,940,835	6.31%	1,940,835	6.31%

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

13 EQUITY SHARE CAPITAL (Contd..)

d. Details of shares held by Promoters

Particulars	As at 31st Mar 23		% Change during the year	As at 31st Mar 22	
	No of shares	% of holding		No of shares	% of holding
Rps Industries Private Limited	7,531,725	24.50%	0.00%	7,531,725	24.50%
Chidambarnathan Shanmuganathan	1,940,835	6.31%	0.00%	1,940,835	6.31%
Rabindra Prasad Sinha	1,525,740	4.96%	0.01%	1,521,840	4.95%
Amit Raj Sinha	1,295,310	4.21%	0.00%	1,295,310	4.21%
Dharani Devi Chidambaranatham	743,625	2.42%	0.00%	743,625	2.42%
Nitin Raj Sinha	637,425	2.07%	0.00%	637,425	2.07%
Rabindra Prasad Sinha Family Trust	459,960	1.50%	0.00%	459,960	1.50%
Smita Sinha	310,625	1.01%	0.00%	310,625	1.01%
Amit Raj Sinha Family Trust	296,250	0.96%	0.00%	296,250	0.96%
Sudha Sinha	85,440	0.28%	0.00%	85,440	0.28%
Bimla Sharma	46,125	0.15%	0.00%	46,125	0.15%
Karthika Thavamani Chidambaranatham	16,875	0.05%	0.00%	16,875	0.05%
Bhavani Shanmugam Chidambaranathan	16,875	0.05%	0.00%	16,875	0.05%

14 NON- CURRENT BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
a) Financial Liabilities		
Secured		
Vehicle loans	-	-
Term loans	101.03	121.37
	101.03	121.37

Term Loans:

All term loans are secured by exclusive first charge on fixed assets created out of the term loans extended by the term lender and the second charge on the remaining fixed assets of the company (both present and future) by way of hypothecation of movable fixed assets and also equitable mortgage of immovable fixed assets of the company and personal guarantee of Rabindra Prasad Sinha, S Chidambaranathan, Amit Raj Sinha, Sudha Sinha and Dharani Devi.

Details of Indian rupee term loans as under:

Particulars	Terma Loan
Bank Name	Kotak Mahindra bank
Outstanding as on 31.03.2023	187.69
Non Current:	101.03
Current:	86.65
Outstanding as on 31.03.2022	170.44
Non Current:	121.37
Current:	49.07
Sanction amount	246.39
Total No. of installments	60
Installments Due	25
Commencement of installments	25-Jun-20
Effective interest rate	As on 31.03.2023 Repo of 6.5% plus spread 2.85% (March 31, 2022 :Repo of 4% plus spread 3.5%)

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

14 NON-CURRENT BORROWINGS (Contd.)

Vehicle Loans:

All Vehicle loans are secured by hypothecation of concerned vehicle.

Details of indian rupee vehicle loans as under:

Particulars	Vehicle Loan
Bank Name	Kotak Mahindra bank
Sanctioned amount	10.25
Outstanding as on 31.03.2023	-
Non Current:	-
Current:	0.96
No.of installments	36
Commencement of installments	5-Jul-20
Effective interest rate	6.50%

The details where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet Date - **NIL**

15 LEASE LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	2,306.10	-
	2,306.10	-

16 PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Leave encashment	35.14	12.48
Gratuity	114.01	79.44
	149.15	91.92

17 DEFERRED TAX LIABILITIES (NET)

The movement on the deferred tax account is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
At the start of the year	544.38	436.12
Charge/(credit) to statement of profit and loss (for details refer note 30)	(24.62)	108.26
At the end of year	519.76	544.38

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

CURRENT LIABILITIES

18 BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
Secured:		
From banks	3,940.03	3,296.80
	3,940.03	3,296.80

Working capital facilities:

Working capital facilities extended by Kotak Mahindra Bank are secured as mentioned below:

i) Primary security:

Extension of first and exclusive hypothecation charge on all existing and future current assets and moveable fixed assets of the borrower other than any encumbered assets.

Details of indian rupee working capital loans from banks are as under:

Particulars	Outstanding as on 31.03.2023	Outstanding as on 31.03.2022
Loans repayable on demand-Secured		
Kotak Mahindra Bank Cash CC	1,328.42	1,266.63
Kotak Mahindra Bank- Packing Credit	1,650.45	1,403.97
Kotak Mahindra Bank- Buyers Credit	961.16	626.21

19 LEASE LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	404.82	-
	404.82	-

20 TRADE PAYABLES-Other financial liabilities -Current

Particulars	As at March 31, 2023	As at March 31, 2022
Due to micro, small and medium enterprises	-	-
Others	1,996.23	956.74
	1,996.23	956.74

Refer Note no. 35.B for trade payables ageing

21 OTHER FINANCIAL LIABILITIES-Current

Particulars	As at March 31, 2023	As at March 31, 2022
Current maturity of loans:		
Term loans(Secured)	86.65	49.07
Vehicle loans(Secured)	0.96	7.92
	87.61	56.99

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

22 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory remittances	100.87	50.30
Accrued expense payable	263.71	284.20
Employee benefits payable	336.57	212.80
Security Deposits	48.00	-
Unpaid Dividend	0.56	-
Advances from customers	80.79	37.93
	830.50	585.23

23 CURRENT TAX LIABILITIES(NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income tax	-	65.88
	-	65.88

24 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	26,378.83	23,598.76
Sale of services	2,653.54	1,341.71
	29,032.37	24,940.47
i. Sale of products		
Export		
MCCP	17,856.19	16,797.27
Others	1,198.14	981.66
Domestic		
MCCP	6,997.73	5,764.44
Others	326.77	55.40
	26,378.83	23,598.76
ii. Sale of services		
Operational and Management	2,653.54	1,341.71
	2,653.54	1,341.71

25 OTHER INCOME

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Duty drawback	1.96	-
Interest on fixed deposits	324.01	68.68
Net gain/(loss) on investments	-	6.52
Interest on electricity deposit	3.03	1.21
Net gain/(loss) on foreign currency transactions	338.16	186.55
	667.17	262.96

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

26 COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock	1,214.02	776.34
Add:Purchases	14,988.83	12,374.55
Less: Closing stock	2,431.12	1,214.02
	13,771.73	11,936.87

27 PURCHASES OF STOCK IN TRADE

Particulars	As at March 31, 2023	As at March 31, 2022
Trading Materials	137.18	-
	137.18	-

28 CHANGES IN INVENTORIES OF WORK-IN-PROCESS AND FINISHED GOODS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year		
Finished Goods	495.46	269.52
Work-in- process	372.08	170.00
	867.54	439.51
Inventories at the beginning of the year		
Finished Goods	269.52	127.43
Work-in- process	170.00	635.31
Net (increase)/decrease	(428.03)	323.22

29 EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	2,594.85	1,303.69
Contribution to provident and other funds	206.72	152.02
Directors remuneration	602.03	452.84
Staff welfare expenses	196.67	93.46
	3,600.27	2,002.01

30 FINANCE COSTS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on borrowings	138.88	66.38
Bank Charges	84.07	43.57
Interest Expense	170.24	0.19
Other borrowing costs	35.52	5.36
	428.71	115.50

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

31 OTHER EXPENSES

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Manufacturing Expenses		
Power and Fuel Expenses	538.26	410.41
Stores and Spares	23.81	49.86
Repairs and maintenance		
\Building	85.27	46.94
\Machinery	58.82	66.74
\Others	83.82	69.82
Wages and labour charges	1,496.51	1,185.71
Lab Expenses	48.12	27.67
Water Charges	114.42	128.61
	2,449.03	1,985.76
Administration ,Selling and Other Expenses		
Rent	62.57	91.18
Electricity charges	9.37	4.68
Insurance	206.71	100.13
Rates and taxes	44.01	34.70
R&D Expenses	50.81	42.98
Printing and stationery	33.92	23.62
Selling Expenses	546.68	221.03
Travelling and conveyance	274.86	174.94
Professional & consultancy fees	500.47	161.74
Remuneration to auditors		
\Statutory audit	4.00	3.00
\Tax audit	1.00	1.00
Communication expenses	60.16	35.19
Carriage Outward	1,938.33	2,628.72
Impairment loss recognized / (reversed) under expected credit loss model	49.83	23.93
Membership and Subscription Charges	3.65	4.73
Security Charges	34.99	25.50
Other general Expenses	20.15	10.37
CSR (Refer Note no 42)	79.25	65.61
	3,920.78	3,653.03
Total	6,369.82	5,638.80

32 INCOME TAXES

Income tax expense/ (benefit) recognised in the statement of profit and loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax expense	1,022.40	988.39
Deferred tax expense	(24.62)	108.26
Total income tax expense	998	1,096.65

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

32 INCOME TAXES (Contd..)

Reconciliation of effective tax rate

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before income tax	5,157.77	4,896.56
Tax rate	29.12%	29.12%
Expected tax expense	1,501.94	1,425.88
Adjustments:		
Deduction u/s 10AA(SEZ)-50% of profits	(1,547.80)	(1,177.66)
80JAA Deduction	(121.97)	(72.12)
Expenses not deductible for tax purpose	839.31	401.54
Expenses deductible for tax purpose	(819.04)	(687.68)
Total	(1,649.50)	(1,535.91)
Profit after adjustments	3,508.27	3,360.65
Interest u/s 234C	0.79	9.77
Income tax expense	1,022.40	988.39
Effective tax rate	19.82%	20.19%

Deferred tax assets and liabilities

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax (assets)/liabilities:		
Property, plant and equipment	5.67	111.21
Current liabilities & provisions	(26.31)	(5.93)
Actruial gain	(3.97)	2.97
Net deferred tax liabilities	(24.62)	108.26

Movement in deferred tax assets and liabilities during the years ended 31st Mar 2022 and 31st Mar 2021

Particulars	As at March 31, 2022	Charge/(credit) to profit or loss	As at March 31, 2023
Deferred tax (assets)/liabilities:			
Property, plant and equipment	111.21	(105.54)	5.67
Current liabilities & provisions	(5.93)	(20.39)	(26.31)
Actruial gain	2.97	(6.94)	(3.97)
Net Deferred tax Liabilities	108.26	(132.87)	(24.62)

33 EMPLOYEE BENEFITS

a. Defined contribution plan

Employees contribution to provident fund and Employees statre insurance are recognised as expenditure in statement of profit and loss account,as they are incurred. There are no other obligation other than the contribution payable to aforesaid respective Trust/ Government Authorities.

b. Defined benefit plan

i. Gratuity:

The Company has provided gratuity liability as per the actuarial valuation provided by actuarial valuer. The benefits are determined and carried out at each Balance Sheet date.The company is in the process of seeting up gratuity trust as per IT act 1961.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

33 EMPLOYEE BENEFITS (Contd.)

ii. Leave Encashment:

The disclosure for defined benefit plan (Gratuity) as per Ind AS 19 are given here under:

The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

i. Changes in the present value of obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation as at beginning of the year	79.44	66.34
Current service cost	19.41	12.44
Interest cost	5.70	4.51
Actuarial (gain)/loss	9.45	(3.85)
Benefits paid	-	-
Defined benefit obligation as at the end of the year	114.01	79.44

iii. Fair value of assets and obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets as at the beginning of the year	-	-
OB difference	-	-
Investment income	-	-
Employer contribution	-	-
Expenses	-	-
Benefits paid	-	-
Return on plan assets	-	-
Fair value of plan assets as at the end of the year	-	-

iii. Fair value of assets and obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets	-	-
Present value of obligation	114.01	79.44
Amount recognized in balance sheet	(114.01)	(79.44)

iv. Expenses recognised during the year

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
In income statement		
Interest cost/(income)	5.70	4.51
Current service cost	19.41	12.44
Expenses recognised in the income statement	25.11	16.95
In other comprehensive income (OCI)		
Actuarial (gain)/loss		
\Experience Variance	9.45	(10.20)
\Others	-	-
Return on plan assets	-	-
Net (income)/expense recognised in OCI	9.45	(10.20)

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

v. Actuarial assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.38%	7.18%
Salary growth rate (per annum)	5.00%	5.00%

vi. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	As at 31st Mar 23		As at 31st Mar 22	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	124.68	104.82	83.28	66.72
Change in rate of salary increase	96.93	134.92	62.17	89.25
Change in rate of attrition	98.48	127.39	64.71	82.42
Change in rate of mortality	110.90	117.20	74.06	74.48

34 EARNINGS PER SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax attributable to equity shareholders	4,156.02	3,802.88
Weighted average number of equity shares for Basic EPS	307.43	259.33
Weighted average number of equity shares for Diluted EPS	307.43	259.33
Basic earnings per share	13.52	14.66
Diluted earnings per share	13.52	14.66

Earning per share calculations are in accordance with Indian Accounting Standard 33-Earning Per Share, notified under section 133 of the companies act, 2013, read together with paragraph 7 of the companies (Accounts) Rules, 2015. As per Ind AS 33 paragraph 28, in case of bonus share, the number of shares outstanding before the event is adjusted for the proportionate change in the no. of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. In case of new issue of shares, for the purpose of calculating basic earning per share, the number of ordinary shares shall be the weighted average no. of ordinary shares outstanding during the period.

35.A Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 years	More than 3 Years	
(1) Undisputed Trade receivables - Considered good	7,746.16	1,209.39	132.01	0.96	81.73	9,170.25
(2) Undisputed Trade receivables - Significant increase in credit risk	-	-	-	-	-	-
(3) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
(4) Disputed Trade receivables - Considered good	-	-	-	-	-	-
(5) Disputed Trade receivables - Significant increase in credit risk	-	-	-	-	46.67	46.67
(6) Disputed Trade receivables - Credit impaired	-	-	-	-	-	-

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

35.B Trade payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 Years	
(1) MSME	-	-	-	-	-
(2) Others	1,956	40.21	-	-	1996.23
(3) Disputed dues- MSME	-	-	-	-	-
(3) Disputed dues- Others	-	-	-	-	-

36 RELATED PARTIES

In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act 2013, Company's directors, members of the company's Management and Key managerial Personnel are considered.

a. List of the transacted related parties and description of relationship

Nature of Relationship	Name of the related party	Relationship
Wholly owned subsidiary	Sigachi US, Inc	Owned by company
	Sigachi MENA FZCO	Owned by company
Key management personnel	Mr.R.P Sinha	Executive chairman
	Mr.S. Chidambaranathan	Executive vice chairman
	Mr.Amit Raj Sinha	MD & CEO
	Mr.Vijay Bhavsar	Director
Entities controlled by KMP	RPS Industries Private Limited	

b. Transactions with Related parties

Nature of transaction	Name of the related party	Year ended 31st Mar 23	Year ended 31st Mar 22
Managerial remuneration	Mr.R.P Sinha	149.72	144.80
	Mr.S.Chidambaranathan	149.72	144.80
	Mr.Amit Raj Sinha	220.52	171.50
	Mr.Vijay Bhavsar	3.00	12.00
Rent	Mr.Amit Raj Sinha	19.21	17.65
Sales	Sigachi US, Inc	3,849.44	4,797.10
Lease Rentals	RPS Industries Private Limited	263.26	-

c. Balances as at 31st Mar 2023

Nature of transaction	Name of the related party	As at 31st Mar 23	As at 31st Mar 22
Managerial remuneration	R.P Sinha	-	3.03
	S.Chidambaranathan	3.29	1.27
	Amit Raj Sinha	-	13.50
	Vijay Bhavsar	-	0.85
Rent payable	Amit Raj Sinha	1.61	1.33
Sales receipts	Sigachi US, Inc	1,987.70	2,358.16

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 (Except wholly owned subsidiary company in which one of the director is a director as stated above). Maximum amount outstanding from the above - 1,987.70 Lakhs.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

37 Contingent Liabilities, Claims, Commitments (to the extent not provided for) and Other Disputes

a. Claims against the company:

Service Tax:

During the year ended 31 March 2020, the Company received a demand notice from commissioner of central tax(Service tax) for the period August 2014 to June 2017 demanding service tax of ₹ 5,59,20,813/- (including penalty of ₹2,50,47,324/-).The Company believes that the claim is untenable and, accordingly, has filed appeals with the Appellate Tribunal regional bench Hyderabad against the aforesaid notice which is in progress and pending disposal.

b. Bank Guarantees:

The Bank Guarantees as at 31st March 2023 are ₹ 3,01,71,696/- and as at 31st March 2022 are ₹1,03,92,565/- .

38 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services. Based on the 'Management' approach as defined under Ind AS108, the Chief Operating Decision Maker (CODM) evaluates the performance on a periodical basis and allocates resources based on an analysis of the performance of various Businesses. The CODM is the Managing Director. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the Significant Accounting Policies. Since, the Company is mainly pursuing only one activity i.e. manufacturing and selling of MCC, reporting of segment revenue and results does not arise.

39 MSME :

The Company is required to furnish details under section 22(1) to 22(5) of the Micro, Small and Medium Enterprises Development Act ,2006 (MSMED Act) read with para FV of general instructions for balance sheet in division II of schedule III of the companies act ,2013. As per the said regulations the company seeks information from the suppliers about registration particulars from them for furnishing the information.

Disclosure in respect of principal and interest pertaining to the Micro,Small and Medium Enterprises Dev. Act 2006 based on available details is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
a. Principal amount due to suppliers registered under the MSMED act and remaining unpaid as at year end.(all dues were paid before year end).	-	-
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	Nil	Nil
c. Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
d. Principal payment made to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
e. Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
f. Interest due and payable for the year amount of interest accrued and remaining unpaid at the end of each year towards suppliers registered under MSMED Act, for payments already made.	Nil	Nil
g. Further interest remaining due and payable for even in succeeding years.	Nil	Nil

The Company has no amount due to suppliers under the Micro,Small,and Medium enterprises Development act,2006, as at 31st march,2023.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

40 Financial Instruments valuation

All financial instruments are initially measured at cost and subsequently measured at fair value.

The carrying value and fair value of financial instruments by categories as of 31st Mar 23 are as follows

Particulars	Carrying value	Level of input used in			Fair value
		Level 1	Level 2	Level 3	
Financial assets					
At Amortised cost					
Investments*	-	-	-	-	-
Trade receivables	9,115.30	-	-	-	9,115.30
Cash and cash equivalents	1,076.97	-	-	-	1,076.97
Other bank balances	1,900.26	-	-	-	1,900.26
Other financial assets	691.78	-	-	-	691.78
Financial liabilities					
At Amortised cost					
Borrowings	4,041.07	-	-	4,041.73	4,041.73
Trade payables	1,996.23	-	-	-	1,996.23
Other financial liabilities	87.61	-	-	-	87.61

The carrying value and fair value of financial instruments by categories as of 31st Mar 22 are as follows

Particulars	Carrying value	Level of input used in			Fair value
		Level 1	Level 2	Level 3	
Financial assets					
At Amortised cost					
Investments*	-	-	-	-	-
Trade receivables	7,223.01	-	-	-	7,223.01
Cash and cash equivalents	2,833.02	-	-	-	2,833.02
Other bank balances	4,030.22	-	-	-	4,030.22
Other financial assets	1,278.04	-	-	-	1,278.04
Financial liabilities					
At Amortised cost					
Borrowings	3,418.36	-	-	3,418.17	3,418.17
Trade payables	956.74	-	-	-	956.74
Other financial liabilities	56.99	-	-	-	56.99

* excludes Financial assets measured at cost

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the Asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3 – Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

41 CAPITAL MANAGEMENT

The company manages its capital to ensure that it will be able to continue as going concern while creating value for share holders by facilitating the meeting of long term and short term goals of the Company.

The company determines the amount of capital required on the basis of annual business plan coupled long term and short term strategic investment and expansion plans.

The company monitors the capital by using net debt equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

Particulars	March 31,2023	March 31,2022
Non current borrowings	101.03	121.37
Current borrowings	4,027.65	3,353.79
Total debts	4,128.68	3,475
Less: Cash and cash equivalents	1,076.97	2,833.02
Other bank balances	3,700.26	7,221.22
Adjusted net debts	(648.55)	(6,579)
Equity	3,074.25	3,074.25
Other equity	23,482.66	19,643.73
Total equity	26,556.91	22,718
Adjusted net debt to equity ratio	(0.02)	(0.29)

42 Financial Risk Management

In course of its business, the company is exposed to certain financial risk such as market risk , credit risk and liquidity risk that could have significant influence on the company's business and operational/financial performance. The Board of directors and the Audit Committee reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

a. Credit risk

Credit Risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the company. The Company has a prudent and conservative process for managing its credit risk raising in the course of its business activities. Credit risk is managed through continuously monitoring the creditworthiness of customers and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

The company makes an allowance for doubtful debts/advances using expected credit loss model.

b. Liquidity risk

Liquidity Risk refers to the risk that the company will be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the board of directors , which has established an appropriate liquidity risk management framework for the management of the company's short term , medium term and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The company has obtained fund and non fund based working capital loans from bank .The borrowed funds are generally applied for company's own operational activities.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

42 Financial Risk Management (Contd.)

The table below provides details regarding the contractual maturities of significant financial liabilities.

Particulars	Up to 1 Year	1 to 3 years	3 to 5 years
31-Mar-23			
Non current borrowings	87.61	101.03	-
Current borrowings	3,940.03	-	-
Trade payables	1,996.23	-	-
Other payables	830.50	-	-
	6,854.38	101.03	-
31-Mar-22			
Non current borrowings	56.99	121.37	-
Current borrowings	3,296.80	-	-
Trade payables	956.74	-	-
Other payables	585.23	-	-
	4,895.76	121.37	-

c. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices such as commodity prices, foreign currency exchange rates and other market changes.

d. Exchange rate risk

The company's foreign exchange arises from its foreign operations, foreign currency revenues and expenses, (Primarily in US Dollars). Consequently, the company is exposed to foreign exchange risk through its sales and purchases to/from overseas customers/suppliers in various foreign currencies.

The foreign currency exposures were as follows:

Particulars	March 31,2023	March 31,2022
	USD	USD
Assets		
Cash and bank balances in USD	100,548	57,648
Trade receivables	6,187,785	6,041,424
Other assets	-	-
Total	6,288,333	6,099,072
Liabilities		
Trade payables	753,006	54,141
Other liabilities	-	-
Total	753,006	54,141
Net Exposure	5,535,327	6,044,932

Sensitivity analysis

A reasonably possible Strengthening/(Weakening) of the Indian Rupee against US dollars at March 31 would have effected the measurement of financial statements denominated in US dollars and effected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

40. Financial Risk Management (Contd..)

31-Mar-23

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement	55,353	(55,353)	-	-
USD				
	55,353	(55,353)	-	-

31-Mar-22

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement	60,449	(60,449)	-	-
USD				
	60,449	(60,449)	-	-

e. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. The company's exposure to the risk of changes in the market interest rate relates primarily to the company's long term debt obligations with floating interest rates. The company's interest rate exposure is mainly related to variable interest rates debt obligations. The company manages the liquidity and fund requirements for its day to day operations like working capital, suppliers / buyers credit.

The Interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the company is as follows:

Particulars	March 31, 2023	March 31, 2022
Floating rate instruments		
Financial liabilities		
Term loans from banks	187.69	170.44
Working capital facilities from bank	3,940.03	3,296.80
Total	4,127.72	3,467.24

Cash flow sensitivity analysis for variable -rate instruments

The risk estimates provided assume a change of 25 basis points interest rate for the interest rate benchmark as applicable to the borrowing summarised above. This calculation assumes that the change occurs at the balance sheet date and has been calculated on risk exposures outstanding as at that date assuming that all other variables, in particular foreign currency exchange rates, remain constant. The period end balances are not necessarily representative of the average debt outstanding during the period.

Cash flow sensitivity (net)	Profit or loss	
	25 bp increase	25 bp decrease
31-Mar-23		
Variable rate loan instruments	10.32	(10.32)
31-Mar-22		
Variable rate loan instruments	8.67	(8.67)

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

43. Ratios

Particulars	Numerator	Denominator		March 31,2022	% of Variance	Reasons for variance
Current ratio (in times)	Current Assets	Current Liabilities	2.36	3.57	-33.90%	Variance is due to increase in current liabilities because of increase in trade payables
Debt -Equity Ratio (in times)	Total Debt	Equity and Other Equity	0.16	0.15	1.63%	The variance is due to increase in total debt.
Debt Service Coverage ratio(in times)	EBITA(Earnings before interest, amortisation and tax)	Interest expenses including interest on lease liabilities.	1.47	1.53	-3.51%	The variance is due to increase in interest expense excluding interest on lease liabilities.
Return on Equity ratio (in %)	Profit after tax	Average share holders equity	16.87%	16.74%	0.77%	The variance is due to increase in Profits.
Inventory turnover ratio (in times)	Revenue Annualised	Average Inventory	68.97	118.90	-42.00%	-
Trade Receivables Turnover ratio (in times)	Revenue Annualised	Average trade receivables	3.55	4.36	-18.49%	-
Trade payables Turnover ratio (in times)	Cost of materials consumed	Average trade payables	9.36	13.63	-31.32%	The variance is due to decrease in purchases.
Net Capital Turnover Ratio (in times)	Revenue	Working Capital(Current Assets - Current Liabilities)	3.00	1.97	52.17%	The variance is due to increase in Revenue .
Net Profit Ratio (in %)	Profit after tax	Net Sales	14%	15%	-7.26%	The variance is due to increase in Employee Benefits Expenses.
Return on Capital Employed (in%)	EBITA(Earnings before interest and tax)	Capital Employed(Tangible net worth+total debt+Deferred tax liability)	20.56%	21.43%	-4.10%	The variance is due to increase in Employee Benefits Expenses.

44 Details of CSR expenditure as per section 135 of the companies act, 2013:

Particulars	Amount in lakhs
Amount Required to be spent by the company during the year	74.35
Amount of Expenditure Incurred	79.25
Shortfall at the end of the Year	-
Total of Previous years shortfall	-
Reason for Shortfall	NA
Nature of CSR activities	Eradicating hunger, poverty and malnutrition, Promoting Education, promoting gender equality. Support to community during Covid Safe water drinking Facility

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

45 Additional regulatory information:

- a) The title deeds of the immovable property of the company are held in the name of the company.
- b) The Property Plant and Equipment and intangible Assets held with the company are not subjected to revaluation during the year.
- c) Whether Investments are valued at fair value - Not Applicable.
- d) The company has not granted any loans or advances in the nature of loans to promoters , directors,, kmps and other related parties .
- e) The company is not holding any benami property and no proceeding has been initiated or pending against the company.
- f) The company has no transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the income tax act 1961 (such as search or survey or any relevant provisions of income tax act 1961.)
- g) (A) The company has not advanced or loaned or inveted by funds in any other person(s) or entity(ies) ,including foreign entities (intermediaries) with understanding that the intermediary shall be directly or indirectly lend or invest in other person or entities on behalf of the company or provide any guarantee or security or the like to or on behalf of the company.

(B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding that company shall lend or invest in other person or entity identified in any manner by or on behalf of the funding party/ Ultimate beneficiary or provide any guarantee or security or the like on behalf of the funding party / Ultimate beneficiary.
- h) The company is not declared as willful defaulter by any bank or financial institutions or Rbi or other lenders.
- i) The company has borrowings from banks or financial institutions on the basis of security of current assets .Quarterly returns or statement of current assets filed by the company with the banks or financial institutions are in agreement with the books of accounts.

During the year, the company has been sanctioned working capital limits of ₹50.75 crores ,in aggregate from banks on the basis of security of current assets. The company has filed quarterly returns of statements with such banks , which are in agreement with the books of accounts.

Name of the bank	Aggregate working capital limits Sanctioned (In Lakhs)	Nature of current asset offered as security	Quarter ended	Amount disclosed as per quaterly return/ statement. (In Lakhs)	Amount as per books of accounts. (In Lakhs)	Difference
Kotak Mahindra Bank Limited	5,075.00	Refer note below	30th June 2022	6,327.98	6,327.98	-
Kotak Mahindra Bank Limited	5,075.00	Refer note below	30th Sept 2022	8,483.53	8,483.53	-
Kotak Mahindra Bank Limited	5,075.00	Refer note below	31st Dec 2022	8,806.91	8,806.91	-
Kotak Mahindra Bank Limited	5,075.00	Refer note below	31st Mar 2023	9,522.07	9,522.07	-

Note: Pari-passu charge on the company's entire current assets namely stock of raw materials ,finished goods , stocks-in- process, consumables stores and spares and book debts at its plant sites or anywhere else , in favour of the bank hypothetication.

- j) The company has not invetsed or traded in crypto currency or virtual currency during the financial year.

46 Confirmation of balances

Confirmation of balances from the parties for the amounts due from them have benn confirmed by the parties.No material discrepancies are observed.

Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

47 Estimation uncertainty relating to the global health pandemic on COVID-19

The Covid-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a decrease in the economic activities. Given the virulent nature of the pandemic situation, the carrying value of the company's receivables as at 31st March, 2023, have been effected by the severity and duration of the outbreak and resulted in credit loss; however the Company believes that it has taken into account all the possible impact of known events arising out of Covid-19 pandemic in the preparation of financial results resulting out of fair valuation of these receivables. However, the impact assessment of Covid-19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes in this regard.

Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

As per our report of even date attached

For **T. Adinarayana & Co.**
Chartered Accountants
Firm Regn No. 000041S

Sd/-
Y. P. Rao
Partner
Membership No. 025266

Place: Hyderabad
Date: 25.05.2023

For and on Behalf of the Board of Directors

Sd/-
Rabindra Prasad Sinha
Executive Chairman

Sd/-
Amit Raj Sinha
Managing Director and CEO

Sd/-
Shreya Mitra
Company Secretary

Sd/-
S Chidambaranathan
Executive Vice Chairman

Sd/-
O. Subbarami Reddy
Chief Financial Officer



**Consolidated Financial
Statements**

Independent Auditor's Report

To
The Members of Sigachi Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sigachi Industries Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the management on separate Financial Statements and on the other financial information of the subsidiary the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS') and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2023, the Consolidated profit, Consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	<p>Appropriateness of capitalization of costs included in Property Plant and Equipment/ Capital work in progress as per Ind AS 16 Property, Plant and Equipment.</p> <p>Refer to Note - 2 .8 (Significant Accounting Policies on Property ,Plant and equipment), Note - 3 (Property, plant and equipment and Capital work-in progress) of the enclosed consolidated financial statements.</p> <p>During the year, the Company has incurred significant capital expenditure towards setting up of additional production plants at Dahej and Jhagadia and at other projects. Capital expenditure amounting to Rs. 994.67 lakhs relating to Hyderabad plant has been capitalized during the year and the capital expenditure of Rs.3,490.37 lakhs relating to setting up of additional production plants at Dahej and Jhagadia in connection with the expansion as per the terms offer letter of the IPO included in capital work in progress as at the year end.</p>	<p>We have performed procedures, including the following in relation to testing of capitalization of costs included in Property Plant and Equipment/ Capital work in progress:</p> <p>a) Understood, evaluated and tested the design and operating effectiveness of key controls relating to capitalization of various costs incurred in relation to Property Plant and Equipment.</p> <p>b) Performed test of details with focus on those items that we considered significant due to their amount or nature and tested a sample of items capitalized during the year against underlying supporting documents to ascertain nature of costs and whether they meet the recognition criteria provided in the Ind AS 16, Property, Plant and Equipment in this regard.</p> <p>c) Verified the other related costs including those incurred towards repairs and maintenance and debited to Statement of Profit and Loss, to ascertain whether these meet the criteria for capitalization.</p>

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
	<p>Given the significance of the capital expenditure during the year, there is a risk that elements of costs that are ineligible for capitalization in accordance with the recognition criteria provided in Indian Accounting Standard 16 -Property, Plant and Equipment are capitalized and that costs that should have capitalized have been expensed.</p>	<p>c) Verified the other related costs including those incurred towards repairs and maintenance and debited to Statement of Profit and Loss, to ascertain whether these meet the criteria for capitalization.</p> <p>Our procedures as mentioned above did not identify any costs that had been inappropriately capitalized and that costs that should have capitalized have been expensed.</p>
2	<p>Timing of Revenue recognition in the proper period as per Ind AS 115.</p> <p>Refer to Note-2.17 (Significant Accounting Policies on Revenue Recognition) and Note-24 (Revenue from operations) of the consolidated financial statements.</p> <p>In accordance with Ind AS 115, Revenue from Contracts with Customers, revenue from sale of goods is recognized when control of the products being sold is transferred to the customer based on terms of sale. Revenue is measured at consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The transaction price of the goods sold is net of variable consideration on account of various discounts offered by the company as part of contract.</p> <p>We identified timing of revenue recognition in the proper period as a key audit matter since it involves higher assessed risk of material misstatement and is required to be recognized as per the requirements of applicable accounting framework.</p>	<p>Our audit procedures included the following:</p> <p>a) We evaluated the design and tested operating effectiveness of the relevant controls with respect to revenue recognition including those relating to cut off at year end;</p> <p>b) We assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers";</p> <p>c) We performed substantive testing of revenue transactions, recorded during the year by testing the underlying documents which included customer order and directions, goods dispatch notes, shipping documents and customer acknowledgments as applicable;</p> <p>d) We tested a sample of manual journal entries posted to revenue and assessed their appropriateness;</p> <p>e) We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date including examination of credit notes issued after the year end to determine whether the revenue has been recognized in the appropriate financial period.</p> <p>Based on the above stated procedures, no significant exceptions were noted in revenue recognition.</p>

Information Other than the consolidated financial statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the presentation and preparation of these Consolidated Financial Statements in terms of the requirement of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance, total comprehensive income, changes in equity and cash flows of the Group in accordance with the Accounting principles generally accepted in India including the Ind AS specified under the section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, respective Board of directors of the companies included in the group is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of the accounting policies used and reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding company and its Subsidiary of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been certified by the management in lieu of audit, the management is responsible for the direction, supervision and maintenance of accounts. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We didn't audit the financial statements of two wholly owned subsidiaries, whose financial statements / financial information reflects total assets of Rs.28,44,13,353/- as at 31st March , 2023 and total revenue of Rs.50,21,59,017/- for the year ended on that date, as considered in consolidated financial statements. The consolidated financial statements also include the Subsidiaries share of net profit of Rs.1,95,26,270/-for the year ended 31st March, 2023 as considered in the consolidated financial statements. These financial statements / financial information of foresaid subsidiary companies are unaudited and certified by the management as the financial year of the Subsidiaries companies is different from the Holding company(Financial Year of the Subsidiaries company is from 1st January to 31st December) whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary companies, and our report in terms of sub-sections (3) and (11) of section 143 of the Act , in so far as it relates to the foresaid subsidiaries , is based solely on the reports and certification by the Management . In our opinion and according to our information and explanations given to us by the management, this financial statements and other financial information are not material to the Group.

Our opinion on the consolidated financial statements ,and our audit report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the reports on the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, is exempted to furnish in respect of consolidated financial statements. Hence the statement is not given .
2. As required by Section 143(3) of the Act, based on our audit 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 consolidated Balance Sheet, the Statement of consolidated Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of consolidated Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS 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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us
 - i. The Holding Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
 - ii. The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amount to be transferred to Investor Education and Protection Fund by the Holding Company.

- iv.
 - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - v. The dividend declared and paid during the year by the company is in compliance with section 123 of the act.
 - vi. As proviso to the rule 3(1) of the companies (Accounts) Rules,2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the company , is applicable to the company only with effect from financial year beginning April1,2023, the reporting under the clause (g) of Rule 11 of the companies (Audit and Auditors) Rules,2014 (as amended), is currently not applicable.
3. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act provided.

For M/s T. Adinarayana & Co
Chartered Accountants
Firm Regn. No. 000041S

Y Pulla Rao, FCA
Partner

M.No.025266
UDIN:23025266BGXISY9185

Place : Hyderabad
Date : 25.05.2023

Annexure-A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sigachi Industries Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Para (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Sigachi Industries Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2023 , based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s T. Adinarayana & Co
Chartered Accountants
Firm Regn. No. 000041S

Y Pulla Rao, FCA

Partner

M.No.025266

UDIN:23025266BGXISY9185

Place : Hyderabad

Date : 25.05.2023

Consolidated Balance Sheet

as at 31st March, 2023

(All amounts in Lakhs, except share data and where otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3.a	9,595.42	5,270.35
Capital work-in-progress	3.b	3,490.37	971.15
Other Intangible assets	3.a	68.64	71.05
Right of Use Assets	3.c	2,567.16	-
Financial assets			
Investments	4	15.00	15.00
Other financial assets	5	2,252.51	3,515.49
Other non-current assets	6	1,644.29	850.21
Total non-current assets		19,633.40	10,693.25
Current assets			
Inventories	7	4,660.29	3,044.75
Financial assets			
Trade receivables	8	8,016.91	6,012.43
Cash and cash equivalents	9	1,375.28	2,908.06
Other bank balances	10	1,900.26	4,030.22
Other financial assets	11	691.78	1,278.04
Other current assets	12	1,096.78	713.24
Total current assets		17,741.29	17,986.73
TOTAL ASSETS		37,374.69	28,679.98
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	3,074.25	3,074.25
Other equity		23,761.81	19,703.71
Total Equity		26,836.06	22,777.96
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	14	101.03	121.37
Lease Liabilities	15	2,306.10	-
Provisions	16	149.15	91.92
Deferred tax liabilities (net)	17	519.76	544.38
Total non-current liabilities		3,076.04	757.67
Current liabilities			
Financial liabilities			
Borrowings	18	3,948.25	3,311.96
Lease Liabilities	19	404.82	-
Trade payables			
i) Total outstanding dues of micro and small enterprises	20	-	-
ii) Total outstanding dues of creditors other than micro and small enterprises		2,084.93	1,060.26
Other financial liabilities	21	87.61	56.99
Other current liabilities	22	936.96	586.80
Current tax liabilities (Net)	23	-	128.34
Total current liabilities		7,462.59	5,144.35
TOTAL EQUITY AND LIABILITIES		37,374.69	28,679.98
See accompanying notes to the financial statements	1to47		

As per our report of even date attached

For **T. Adinarayana & Co.**

Chartered Accountants

Firm Regn No. 000041S

Sd/-

Y. P. Rao

Partner

Membership No. 025266

For and on Behalf of the Board of Directors

Sd/-

Rabindra Prasad Sinha

Executive Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

Shreya Mitra

Company Secretary

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 25.05.2023

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

(All amounts in Lakhs, except share data and where otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	24	30,204.51	25,028.98
Other income	25	667.17	262.96
Total income		30,871.68	25,291.94
Expenses			
Cost of materials consumed	26	14,098.85	12,346.51
Purchases of Stock in Trade	27	137.18	-
Changes in inventories of finished goods, work in progress and stock in trade	28	(398.43)	(487.28)
Employee benefit expenses	29	3,825.06	2,108.04
Finance costs	30	429.26	117.06
Depreciation and amortization expense	3	662.52	290.48
Other expenses	31	6,669.36	5,757.27
Total expenses		25,423.80	20,132.07
Profit/(loss) before tax		5,447.88	5,159.87
Tax expense			
(i) Current tax	32	1,114.90	1,050.85
(ii) Deferred tax	32	(20.65)	105.29
Profit/(loss) for the period		4,353.62	4,003.73
Other comprehensive income			
A. i) Items that will not be reclassified to profit and loss	33	(13.64)	10.20
ii) Income tax relating to items that will not be reclassified to profit or loss	33	3.97	(2.97)
B. i) Items that will be reclassified to profit and loss		21.56	(71.45)
ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		11.90	(64.22)
Total Comprehensive income for the period (Comprising profit(Loss) and other comprehensive Income for the period)		4,365.52	3,939.51
Earnings per equity share			
1) Basic	34	14.16	15.44
2) Diluted	34	14.16	15.44
See accompanying notes to the financial statements	1to47		

As per our report of even date attached

For **T. Adinarayana & Co.**
Chartered Accountants
Firm Regn No. 000041S

Sd/-
Y. P. Rao
Partner
Membership No. 025266

Place: Hyderabad
Date: 25.05.2023

For and on Behalf of the Board of Directors

Sd/-
Rabindra Prasad Sinha
Executive Chairman

Sd/-
Amit Raj Sinha
Managing Director and CEO

Sd/-
Shreya Mitra
Company Secretary

Sd/-
S Chidambaranathan
Executive Vice Chairman

Sd/-
O. Subbarami Reddy
Chief Financial Officer

Consolidated Statement of Changes in Equity And Other Equity

for the year ended 31st March, 2023

(All amounts in Lakhs, except share data and where otherwise stated)

A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	307.43	3,074.25	76.83	768.25
Issued during the year(Bonus Issue)	-	-	153.65	1,536.50
Issued during the year(Initial Public Offer)	-	-	76.95	769.50
Outstanding at the end of the year	307.43	3,074.25	307.43	3,074.25

B) OTHER EQUITY

1) 2022-2023 (Current Reporting Period)

Particulars	Reserves & surplus				Other comprehensive income	Total other equity	
	Securities premium	General reserve	Amalgamation reserve	Special Economic Zone Re-Investment Allowance Reserve			Capital Reserve
Balance as at 1st April 22	8,879.48	458.32	390.57	-	0.02	10,051.85	19,703.71
Current year :							
Profit/(Loss)	-	-	-	-	-	4,353.62	4,353.62
Foreign currency translation reserve	-	-	-	-	-	-	21.56
Appropriations							
General Reserve	-	101.80	-	-	-	(101.80)	-
Transfer to Special Economic Zone	-	-	-	1547.80	-	(1547.80)	-
Dividend paid	-	-	-	-	-	(307.43)	(307.43)
Other comprehensive Income for the year	-	-	-	-	-	-	(9.67)
Balance as at 31st Mar 23	8,879.48	560.13	390.57	1,547.80	0.02	12,448.44	23,761.81

Consolidated Statement of Changes in Equity And Other Equity

for the year ended 31st March, 2023
(All amounts in Lakhs, except share data and where otherwise stated)

2) 2021-2022 (Previous Reporting Period)

Particulars	Reserves & surplus			Other comprehensive income	Total other equity
	Securities premium	General reserve	Amalgamation reserve		
Balance as at 1st April 21	164.54	362.50	390.57	(12.31)	8,651.69
Current year :					
Bonus issue	-	-	-	-	-
IPO issue	11,773.35	-	-	-	11,773.35
Profit/(Loss)	-	-	-	-	4,003.73
Foreign currency translation reserve	-	-	-	(71.45)	(71.45)
Appropriations					
Bonus issue	(164.54)	-	-	-	(1,536.50)
IPO Issue Expenses	(2,893.87)	-	-	-	(2893.87)
General Reserve	-	95.83	-	-	-
Dividend paid	-	-	-	-	(230.48)
Other comprehensive Income for the year	-	-	-	7.23	7.23
Balance as at 31st Mar 22	8,879.48	458.32	390.57	(76.53)	19,703.71

As per our report of even date attached

For **T. Adinarayana & Co.**
Chartered Accountants
Firm Regn No. 000041S

Sd/-
Y. P. Rao
Partner
Membership No. 025266

Place: Hyderabad
Date: 25.05.2023

For and on Behalf of the Board of Directors

Sd/-
Rabindra Prasad sinha
Executive Chairman

Sd/-
Amit Raj Sinha
Managing Director and CEO

Sd/-
S Chidambaranathan
Executive Vice Chairman

Sd/-
O. Subarami Reddy
Chief Financial Officer

Sd/
Shreya Mitra
Company Secretary

Consolidated Statement of Cash Flows

for the year ended 31st March, 2023

(All amounts in Lakhs, except share data and where otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit/(loss) before tax	5,447.88	5,159.87
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortisation	662.52	290.48
Forex difference	21.56	(71.45)
Gratuity and compensated absence	(13.64)	10.20
Finance costs	429.26	117.06
Interest income	(324.01)	(69.89)
Changes in current assets and current liabilities		
Inventories	(1,615.54)	(924.96)
Trade receivables	(2,004.47)	(2,436.71)
Trade payables	1,024.67	265.10
Other assets	137.96	(775.76)
Other liabilities	409.50	180.18
Cash generated from operations	4,175.69	1,744.11
Income taxes paid	(1,274.02)	(1,159.11)
Net cash flow from operating activities (A)	2,901.67	585.01
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,071.57)	(2,433.03)
Interest income	324.01	69.89
Investments	-	-
Other assets	562.34	(3,922.63)
Net cash flow used in investing activities (B)	(9,185.22)	(6,285.77)
Cash flow from financing activities		
Net Proceeds from issue of Equity shares	-	9,648.98
Proceeds/(Repayment) of long-term borrowings (net)	10.29	(67.31)
Proceeds/(Repayment) of short-term borrowings (net)	636.29	1,481.14
Finance costs	(429.26)	(117.06)
Dividend	(307.43)	(230.48)
Lease Liabilities	2,710.92	-
Other liabilities	-	122.12
Net cash flow (used in)/from financing activities (C)	2,620.81	10,837.40
Net increase in cash and cash equivalents (A+B+C)	(3,662.74)	5,136.63
Cash and cash equivalents at the beginning of the year	6,938.27	1,801.64
Cash and cash equivalents at the end of the year	3,275.54	6,938.27

As per our report of even date attached

For **T. Adinarayana & Co.**

Chartered Accountants

Firm Regn No. 000041S

Sd/-

Y. P. Rao

Partner

Membership No. 025266

For and on Behalf of the Board of Directors

Sd/-

Rabindra Prasad Sinha

Executive Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

Shreya Mitra

Company Secretary

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 25.05.2023

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

1 Corporate information

Sigachi Industries Limited was incorporated on 11th January, 1989 in Hyderabad. The Company has its registered office at 229/1&90, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad-500049, Telangana. It is incorporated under Companies Act as limited company and is limited by shares. It has got three production facilities spread across India. The company is engaged in manufacturing of Micro Crystalline cellulose powder (MCCP). The principal accounting policies applied in the preparation of the financial statements are set out below.

2 Basis of Preparation and Presentation of Financial Statements

The financial statements of Sigachi Industries Limited ("the Company") for the year ended 31st March, 2023 have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements for the year ended 31 March 2023 were authorized and approved for issue by the Board of Directors on 25th May 2023.

a) Basis of consolidation:

Subsidiaries:

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests ("NCI") in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

The Financial statements of the company and its subsidiary are combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profit or losses, except where cost cannot be recovered.

For the purpose of preparing these consolidated financial statements, the accounting policies of

subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

b) Foreign Currency:

i. Foreign currency transactions:

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the consolidated statement of profit and loss in the period in which they arise.

ii. Foreign Operations:

Foreign exchange gains and losses arising from a monetary item receivable from a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognised in OCI and presented within equity as a part of foreign currency translation reserve ("FCTR").

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognised in OCI and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, such that control, significant influence or joint control is lost, the relevant amount in the FCTR is transferred to the consolidated statement of profit and loss.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

2.1 Basis of Measurement

All assets and liabilities are classified into current and non-current based on the operating cycle of twelve months or based on the criteria of realisation/settlement within twelve months period from the reporting/ balance sheet date.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
 - b. It is held primarily for the purpose of being traded;
 - c. It is expected to be realized within twelve months after the reporting date; or
 - d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. "
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within twelve months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively.

All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

2.2 Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their in cash and cash equivalents. The company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

2.3 Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognized in the period in which they are determined.

- a. **Depreciation and amortization:** Depreciation and amortization is based on Schedule II to the Companies Act, 2013, which describes useful lives of property, plant and equipment and intangible assets.
- b. **Provisions and contingencies:** Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.
- c. **Fair valuation:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows: Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3: Inputs are unobservable inputs for the asset or liability. For assets and liabilities that are recognized in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

to be re-measured or reassessed in line with the Company's Accounting Policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.4 Critical Accounting Judgements and Key source of estimation uncertainty operating cycle:

In the application of the company's accounting policies, the management of the company are required to make judgments, estimates, and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates is revised if the revision effects only that period or in the period of the revision and future periods in the revision effects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the company's accounting policies and that have the most significant effects on the amounts recognized in the financial statements. "

2.5 Provisions and contingent liability:

On an ongoing basis, Company reviews pending cases, claims by third parties and other. For contingent losses that are considered probable an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible or not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

2.6 Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the company. Further, there is no significant change in the useful lives as compared to previous year.

2.7 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees.

Foreign Currencies :

In preparing the financial statements of the company transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of transactions. At the end of each reporting period , monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non -Monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting these financial statements , the assets and liabilities of the company's foreign operations are translated into currency units using exchange rates prevailing at the end of each reporting period.

2.8 Property Plant & Equipment

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i. e. , freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up. Property, Plant and Equipment which are not ready for intended use as on the date of balance sheet are disclosed as "Capital Work -in-Progress". Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses."

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Depreciation

Depreciation is recognized in the statement of profit and loss on Straight line basis over the estimated useful lives of property, plant and equipment based on Schedule - II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period with the effect of any changes in estimated useful lives residual values and impairment loss, if any, and are accounted for on a prospective basis.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual

asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Leases

At the inception of the contract the company determines whether the contract is a lease or lease arrangement. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company recognises right of use asset representing its right to use the underlying asset for the lease commencement date.

The company measures the lease liability at the present value of lease payments that are not paid at the commencement date of lease. The lease payments are discounted using the interest rate implicit in the lease, if that cannot be readily determined the company uses incremental borrowing rate.

Right of use asset is depreciated using straight line method over useful life of right of asset.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

The company has elected not to apply in Ind As 116 to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of no value. The lease payments in such cases associated with these leases are recognised as expenses on a straight line basis over the lease term.

2.10 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial Assets

i. Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i. e. , the date that the Company commits to purchase or sell the asset.

ii. Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

a. Financial Assets at Amortized Cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognized in the Statement of Profit and Loss. "

b. Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms

of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the Statement of Profit and Loss.

Investment in Equity Instruments are designated as Financial Assets measured at fair value through OCI and Investments in Mutual Funds are designated as Financial Assets measured at fair value through statement of Profit & Loss on date of transition.

c. Impairment of Financial Assets

In accordance with Ind AS 109, expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18. As Company trade receivables are realized within normal credit period adopted by the company, hence the financial assets are not impaired.

d. De-recognition of Financial Assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

e. Other Financial Assets

In respect of its other financial assets, the Company assesses if the credit risk on those

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

B. Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i. Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. Fees of recurring nature are directly recognised in the statement of profit and loss as finance cost.

ii. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss. "

iii. De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i. e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generated Units (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.11 Cash and Cash Equivalents

Cash and Bank balances comprise of cash balance in hand, Cheques in hand, balance in current accounts with banks and Bank Fixed Deposits with maturity of 3 months or less than 3 months. Balances earmarked for a purpose (like dividend) are shown separately.

Cash flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

2.12 Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

Defined Contribution Plan

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Defined Contribution Benefits

The Company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for lump sum payment on retirement, death while in employment or on separation. "

2.13 Borrowing Cost:

Borrowing costs are charged to the Statement of Profit and Loss except in cases where the borrowings are directly attributable to the acquisition. Construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

2.14 Government Grants:

Ind AS 20 gives an option to present the grants related to assets, including nonmonetary grants at fair value in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Accordingly Sales Tax Deferment amount payable to Department has been considered as Government Grant and considered the interest expenses and amortization benefit in Profit and Loss Account and Balance Sheet.

2.15 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are

discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liability judgement:

Contingent liabilities are claims against the company not acknowledged as debt. Contingencies may arise from the ordinary course of business in relation to claims against the company, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur. The assessment of the existence, and potential quantum of contingencies inherently involve the exercise of significant judgement and the use of estimates regarding the outcome of future events.

2.16 Estimates and assumptions

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2.17 Revenue recognition

Revenue from contracts with customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of income can be measured reliably. Revenue is net of returns and is reduced for rebates, trade discounts, refunds and any other taxes collected on behalf of government such as GST etc.

Sale of goods

Revenue is recognised when the control of the goods has been transferred to a third party. This is usually when the title passes to the customer, either upon shipment or upon receipt of goods by the customer. At that point, the customer has full discretion over the channel and price to sell the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the product.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

Sale of services

Revenue from rendering of services is recognised by measuring the progress towards complete satisfaction of performance obligations at the reporting period and there are no unfulfilled obligations. "

Other Income

Other income includes Dividend, Interest, Profit / (Loss) on sale of Investments, Commission, Professional and Technical Services and other miscellaneous receipts if any. Dividend income from investments is recognized when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time proportionate basis, by reference to the principle outstanding and at the effective interest rate applicable. Commission income is recognised when the economic benefits associated with the transaction will flow to the entity or the amount of revenue can be measured reliably.

When the transaction involving the rendering of services is estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period.

The outcome of the transactions can be estimated reliably when all the following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the entity;
- (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably

2.18 Income Tax

Current Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. "

Deferred Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that effects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.19 Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.20 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost includes purchase price, duties, transport, handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

The basis of determination of cost is as follows:

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

Raw materials, packing materials, stores, spares and consumables : cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and work -in- progress: Cost includes direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excludes borrowings costs.

Stock- in- trade: Cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work -in-progress is determined with reference to the selling prices of related finished products.

2.21 Trade Receivables

A receivable is recognised if an amount of consideration that is unconditional (i. e. only the passage of time is required before payment of the consideration is due.) The Management has established a credit policy under which each new customer is analysed individually for credit worthiness before the company's standard payment terms offered upto 90 days.

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109 'Financial Instruments', which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

2.22 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.23 Fair value of investments:

The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the company in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the valuation exercise carried out by the company with the help of available historical annual reports and other information in the public domain.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

Note 3 : a) PROPERTY, PLANT AND EQUIPMENT

Particulars	Property, plant and equipment						Other intangible			
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Lab equipments	Total	Software	Total
Gross carrying value (at cost)										
Closing gross carrying value as at 31st March, 2021	298.92	1,174.26	3,121.09	84.22	132.16	197.44	24.68	5,032.76	40.34	40.34
Additions	19.06	718.48	942.99	19.25	48.14	42.72	2.02	1,792.67	43.22	43.22
Disposals	-	-	-	-	-	-	-	-	-	-
Closing gross carrying value as at 31st March, 2022	317.97	1,892.74	4,064.08	103.46	180.31	240.16	26.70	6,825.42	83.56	83.56
Accumulated Depreciation										
Opening accumulated depreciation	-	269.42	778.76	40.33	67.56	95.99	17.38	1,269.44	7.66	7.66
Depreciation charged during the year	-	38.23	1,69.48	8.53	24.26	39.19	5.94	285.63	4.84	4.84
Disposals	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	307.65	948.23	48.86	91.82	135.19	23.32	1,555.07	12.51	12.51
Net carrying amount as at 31.03.2022	317.97	1,585.08	3,115.85	54.60	88.49	104.97	3.38	5,270.35	71.05	71.05
Gross carrying value (at cost)										
Closing gross carrying value as at 31st March, 2022	317.97	1,892.74	4,064.08	103.46	180.31	240.16	26.70	6,825.42	83.56	83.56
Additions	2,470.53	578.73	1,186.30	85.06	149.51	213.46	-	4,683.59	5.13	5.13
Disposals	-	-	-	-	-	-	-	-	-	-
Closing gross carrying value as at 31st March, 2023	2,788.51	2,471.46	5,250.38	188.53	329.81	453.62	26.70	11,509.01	88.69	88.69
Accumulated Depreciation										
Opening accumulated depreciation	-	307.65	948.23	48.86	91.82	135.19	23.32	1,555.07	12.51	12.51
Depreciation charged during the year	-	62.94	222.15	9.10	37.85	25.74	0.74	358.53	7.54	7.54
Disposals	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	370.60	1,170.38	57.97	129.67	160.93	24.06	1,913.60	20.05	20.05
Net carrying amount as at 31.03.2023	2,788.51	2,100.86	4,080.00	130.56	200.15	292.69	2.64	9,595.42	68.64	68.64

Note:

- All the titles of the immovable properties are held in the name of the company.
- Depreciation is calculated as per straight line method based on the useful life of assets as indicated in schedule-II of the companies act, 2013.
- All properties, plant and equipments are under charge created by the company for the term loans availed.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

b) Capital Work-in-Progress

Particulars	Amount in ₹
Balance as at April 01,2021	374.00
Additions	1,334.24
Capitalised during the year	737.09
Balance as at March 31,2022	971.15
Balance as at April 01,2022	971.15
Additions	3,513.89
Capitalised during the year	994.67
Balance as at March 31,2023	3,490.37

CWIP ageing schedule:

CWIP	FY 22-23		FY 21-22	
	Projects in Progress	Projects temporarily suspended	Projects in Progress	Projects temporarily suspended
Less than 1 Year	3,213.09	-	833.55	-
1-2 Years	173.80	-	137.59	-
2-3 years	103.48	-	-	-
More than 3 Years	-	-	-	-
Total	3,490.37	-	971.15	-

c) Lease Assets

Particulars	Buildings
Gross carrying value (at Cost)	
Closing gross carrying value as at 31st March,2021	-
Additions	-
Disposals	-
Closing gross carrying value as at 31st March,2022	-
Accumulated Depreciation	
Opening accumulated depreciation	-
Depreciation charged during the year	-
Disposals	-
Closing accumulated depreciation	-
Net carrying amount as at 31.03.2022	-
Gross carrying value (at Cost)	
Closing gross carrying value as at 31st March,2022	-
Additions	2,863.62
Disposals	-
Closing gross carrying value as at 31st March,2023	2,863.62
Accumulated Depreciation	
Opening accumulated depreciation	-
Depreciation charged during the year	296.46
Disposals	-
Closing accumulated depreciation	296.46
Net carrying amount as at 31.03.2023	2,567.16

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

NON-CURRENT ASSETS

4 NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in other companies in equity instruments at cost.		
Unquoted equity shares (fully paid up)		
Investments in Pasha Mailaram Common Infrastructure Pvt Ltd	15.00	15.00
	15.00	15.00

5 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured and considered good		
Security deposits	24.04	29.74
Electricity deposits	118.79	92.88
Rental deposits	96.00	14.57
IPO Deposits	125.43	125.43
Bank deposits with more than 12 months maturity	1,800.00	3,191.00
Other deposits	88.25	61.88
	2,252.51	3,515.49

6 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	1,644.29	850.21
	1,644.29	850.21

CURRENT ASSETS

7 INVENTORIES

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material	2,255.96	1,065.25
Packing material	85.36	83.87
Consumables	13.67	19.64
Coal and furnance oil	76.13	45.25
Finished goods	1,857.08	1,660.73
	4,288.21	2,874.75
Work-in-process	372.08	170.00
	4,660.29	3,044.75

Valuation:

- Raw materials and Packing materials are valued at lower of cost or net realisable value.
- Finished goods are valued at cost of conversion and other costs incurred in bringing the inventories to their present location and valued at cost or net realisable value which ever is lower.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

8 TRADE RECEIVABLES

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable from others:		
Considered good-Un secured	8,071.85	6,012.43
Considered doubtful-Un secured	46.67	55.17
Less: Expected credit loss allowance	(101.62)	(55.17)
Total Receivables	8,016.91	6,012.43

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member(except from subsidiary company as stated above). Before accepting any new customer, the company uses an external credit scoring system and other potential information to assess the customer credit quality and defines credit limit.

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provisional matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on ageing of the days of receivables.

Refer Note no. 35.A for trade receivables ageing

9 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In Current accounts	1,371.82	2,901.35
In Deposit account(margin money with banks, the maturity of the period of which is less than 3 months)	-	-
Cash on hand	2.90	6.71
Others(Balances with bank for dividend payment)	0.56	
	1,375.28	2,908.06

10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with original maturity of more than 3 months	1,900.26	4,030.22
	1,900.26	4,030.22

11 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due-fixed Deposits	82.23	47.65
Advances to Suppliers	496.32	847.97
Advances to staff	13.52	16.17
Export Incentive receivable	99.70	366.25
	691.78	1,278.04

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

12 OTHER CURRENT ASSETS

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured and considered good		
Balances with statutory/government authorities	578.40	542.10
Advance Tax	30.78	-
Prepaid expenses	196.62	115.48
Unbilled revenue	290.98	55.65
	1,096.78	713.24

13 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised share capital		
3,20,00,000 Equity shares of Rs.10/- each	3,200.00	3,200.00
Issued, subscribed and fully paid-up		
3,07,42,500 Equity Shares of Rs.10/- each with voting rights	3,074.25	3,074.25
	3,074.25	3,074.25

a. Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	307.43	3,074.25	76.83	768.25
Issued during the year(Bonus Issue)	-	-	153.65	1,536.50
Issued during the year(Initial Public Offer)	-	-	76.95	769.50
Outstanding at the end of the year	307.43	3,074.25	307.43	3,074.25

b. Rights attached to the equity shares

The company has only one class of shares having a face value of Rs. 10/- per share. All equity shareholders rank pari-passu in respect of dividend and voting rights. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of preferential amounts, in proportion to their shareholding.

c. Details of shareholders holding more than 5% shares in the company

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	No of shares	% of holding	No of shares	% of holding
RPS Industries Private Limited	7,531,725	24.50%	7,531,725	24.50%
BEG RAJ YADAV	2,142,000	6.97%	2,142,000	6.97%
CHIDAMBARNATHAN SHANMUGANATHAN	1,940,835	6.31%	1,940,835	6.31%

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

13 EQUITY SHARE CAPITAL (Contd..)

d. Details of shares held by Promoters

Particulars	As at 31st Mar 23		% Change during the year	As at 31st Mar 22	
	No of shares	% of holding		No of shares	% of holding
RPS Industries Private Limited	7,531,725	24.50%	0.00%	7,531,725	24.50%
Chidambarnathan Shanmuganathan	1,940,835	6.31%	0.00%	1,940,835	6.31%
Rabindra Prasad Sinha	1,525,740	4.96%	0.01%	1,521,840	4.95%
Amit Raj Sinha	1,295,310	4.21%	0.00%	1,295,310	4.21%
Dharani Devi Chidambaranatham	743,625	2.42%	0.00%	743,625	2.42%
Nitin Raj Sinha	637,425	2.07%	0.00%	637,425	2.07%
Rabindra Prasad Sinha Family Trust	459,960	1.50%	0.00%	459,960	1.50%
Smita Sinha	310,625	1.01%	0.00%	310,625	1.01%
Amit Raj Sinha Family Trust	296,250	0.96%	0.00%	296,250	0.96%
Sudha Sinha	85,440	0.28%	0.00%	85,440	0.28%
Bimla Sharma	46,125	0.15%	0.00%	46,125	0.15%
Karthika Thavamani Chidambaranatham	16,875	0.05%	0.00%	16,875	0.05%
Bhavani Shanmugam Chidambaranathan	16,875	0.05%	0.00%	16,875	0.05%

14 NON- CURRENT BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
a) Financial Liabilities		
Secured		
Vehicle loans	-	-
Term loans	101.03	121.37
	101.03	121.37

Term Loans:

All term loans are secured by exclusive first charge on fixed assets created out of the term loans extended by the term lender and the second charge on the remaining fixed assets of the company (both present and future) by way of hypothecation of movable fixed assets and also equitable mortgage of immovable fixed assets of the company and personal guarantee of Rabindra Prasad Sinha, S Chidambaranathan, Amit Raj Sinha, Sudha Sinha and Dharani Devi.

Details of Indian rupee term loans as under:

Particulars	Term Loan
Bank Name	Kotak Mahindra bank
Outstanding as on 31.03.2023	187.69
Non Current:	101.03
Current:	86.65
Outstanding as on 31.03.2022	170.44
Non Current:	121.37
Current:	49.07
Sanction amount	246.39
Total No. of installments	60
Installments Due	25
Commencement of installments	25-Jun-20
Effective interest rate	As on 31.03.2023 Repo of 6.5% plus spread 2.85% (March 31, 2022 :Repo of 4% plus spread 3.5%)

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

14 NON- CURRENT BORROWINGS (Contd..)

Vehicle Loans:

All Vehicle loans are secured by hypothecation of concerned vehicle.

Details of indian rupee vehicle loans as under:

Particulars	Vehicle Loan
Bank Name	Kotak Mahindra bank
Sanctioned amount	10.25
Outstanding as on 31.03.2023	0.96
Non Current:	-
Current:	0.96
No.of installments	36
Commencement of installments	5-Jul-20
Effective interest rate	6.50%

The details where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet Date - NIL

15 Lease Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	2,306.10	-
	2,306.10	-

16 PROVISIONS

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Leave encashment	35.14	12.48
Gratuity	114.01	79.44
	149.15	91.92

17 DEFERRED TAX LIABILITIES (NET)

The movement on the deferred tax account is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
At the start of the year	544.38	436.12
Charge/(credit) to statement of profit and loss (for details refer note 30)	(24.62)	108.26
At the end of year	519.76	544.38

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

CURRENT LIABILITIES

18 BORROWINGS

Particulars	As at March 31, 2023	As at March 31, 2022
Secured:		
From banks	3,940.03	3,296.80
UnSecured:		
From NBFC and Others	8.22	15.16
	3,948.25	3,311.96

Working capital facilities:

Working capital facilities extended by Kotak Mahindra Bank are secured as mentioned below:

i) Primary security:

Extension of first and exclusive hypothecation charge on all existing and future current assets / moveable fixed assets of the borrower other than any encumbered assets.

Details of indian rupee working capital loans from banks are as under:

Particulars	Outstanding as on 31.03.2023	Outstanding as on 31.03.2022
Loans repayable on demand-Secured		
Kotak Mahindra Bank Cash CC	1,328.42	1,266.63
Kotak Mahindra Bank- Packing Credit	1,650.45	1,403.97
Kotak Mahindra Bank- Buyers Credit	961.16	626.21

19 Lease Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liabilities	404.82	-
	404.82	-

20 TRADE PAYABLES-Other financial liabilities -Current

Particulars	As at March 31, 2023	As at March 31, 2022
Due to micro, small and medium enterprises	-	-
Others	2,084.93	1,060.26
	2,084.93	1,060.26

Refer Note no. 35.B for trade payables ageing

21 OTHER FINANCIAL LIABILITIES-Current

Particulars	As at March 31, 2023	As at March 31, 2022
Current maturity of loans:		
Term loans(Secured)	86.65	49.07
Vehicle loans(Secured)	0.96	7.92
	87.61	56.99

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

22 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory remittances	100.87	50.30
Accrued expense payable	363.80	284.20
Employee benefits payable	342.94	214.36
Security Deposits	48.00	-
Unpaid Dividend	0.56	-
Advances from customers	80.79	37.93
	936.96	586.80

23 CURRENT TAX LIABILITIES(NET)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Income tax(Net)	-	128.34
	-	128.34

24 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products	27,550.97	23,687.27
Sale of services	2,653.54	1,341.71
	30,204.51	25,028.98
i. Sale of products		
Export		
MCCP	19,028.32	16,885.77
Others	1,198.14	981.66
Domestic		
MCCP	6,997.73	5,764.44
Others	326.77	55.40
	27,551	23,687
ii. Sale of services		
Operational and Management	2,653.54	1,341.71
	2,654	1,342

25 OTHER INCOME

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Duty drawback	1.96	-
Interest on fixed deposits	324.01	68.68
Net gain/(loss) on investments	-	6.52
Interest on electricity deposit	3.03	1.21
Net gain/(loss) on foreign currency transactions	338.16	186.55
	667.17	262.96

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

26 COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock	1,214.02	776.34
Add:Purchases	15,315.96	12,784.19
Less: Closing stock	2,431.12	1,214.02
	14,098.85	12,346.51

27 PURCHASES OF STOCK IN TRADE

Particulars	As at March 31, 2023	As at March 31, 2022
Trading Materials	137.18	-
	137.18	-

28 CHANGES IN INVENTORIES OF WORK-IN-PROCESS AND FINISHED GOODS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year		
Finished Goods	1,857.08	1,660.73
Work-in- process	372.08	170.00
	2,229.16	1,830.73
Inventories at the beginning of the year		
Finished Goods	1,660.73	708.14
Work-in- process	170.00	635.31
Net (increase)/decrease	(398.43)	(487.28)

29 EMPLOYEE BENEFIT EXPENSE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	2,818.95	1,409.72
Contribution to provident and other funds	206.72	152.02
Directors remuneration	602.03	452.84
Staff welfare expenses	197.36	93.46
	3,825.06	2,108.04

30 FINANCE COSTS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on borrowings	139.02	66.38
Bank Charges	84.48	45.13
Interest Expense	170.24	0.19
Other borrowing costs	35.52	5.36
	429.26	117.06

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

31 OTHER EXPENSES

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Manufacturing Expenses		
Power and Fuel Expenses	538.26	410.41
Stores and Spares	23.81	49.86
Repairs and maintenance		
Building	85.27	46.94
Machinery	58.82	66.74
Others	83.82	69.82
Wages and labour charges	1,496.51	1,185.71
Lab Expenses	48.12	27.67
Water Charges	114.42	128.61
	2,449.03	1,985.76
Administration ,Selling and Other Expenses		
Rent	80.43	92.96
Electricity charges	9.37	4.68
Insurance	220.68	100.13
Rates and taxes	74.31	50.23
R&D Expenses	50.81	42.98
Printing and stationery	33.96	23.62
Selling Expenses	691.93	293.55
Travelling and conveyance	312.28	189.04
Professional & consultancy fees	546.43	168.59
Remuneration to auditors		
Statutory audit	4.00	3.00
Tax audit	1.00	1.00
Communication expenses	63.38	36.97
Carriage Outward	1,938.33	2,628.72
Impairment loss recognized / (reversed) under expected credit loss model	49.83	23.93
Membership and Subscription Charges	3.65	4.73
Security Charges	34.99	25.50
Other general Expenses	25.69	16.25
CSR (Refer Note no 42)	79.25	65.61
	4,220.33	3,771.50
Total	6,669.36	5,757.27

32 INCOME TAXES

Income tax expense/ (benefit) recognised in the statement of profit and loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax expense	1,114.90	1,050.85
Deferred tax expense	(24.62)	108.26
Total income tax expense	1,090.29	1,159.11

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

32 INCOME TAXES (Contd.)

Reconciliation of effective tax rate

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before Income Tax (Standalone)	5,157.77	4,896.56
Profit before Income Tax (Subsidiary)	344.20	373.27
Expected tax expense	1,594.46	1,526.21
Adjustments:		
Deduction u/s 10AA(SEZ)-50% of profits	(1,547.80)	(1,177.66)
80JJAA Deduction	(121.97)	(72.12)
Expenses not deductible for tax purpose	839.31	401.54
Expenses deductible for tax purpose	(819.04)	(687.68)
Total	(1,649.50)	(1,535.91)
Profit after adjustments	3,508.27	3,360.65
Interest u/s 234C	0.79	9.77
Income tax expense	1,114.92	1,050.86
Effective tax rate	20.26%	19.94%

Deferred tax assets and liabilities

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax (assets)/liabilities:		
Property, plant and equipment	5.67	111.21
Current liabilities & provisions	(26.31)	(5.93)
Actruial gain	(3.97)	2.97
Net deferred tax liabilities	(24.62)	108.26

Movement in deferred tax assets and liabilities during the years ended 31st Mar 2023 and 31st Mar 2022

Particulars	As at March 31, 2022	Charge/(credit) to profit or loss	As at March 31, 2023
Deferred tax (assets)/liabilities:			
Property, plant and equipment	111.21	(105.54)	5.67
Current liabilities & provisions	(5.93)	(20.39)	(26.31)
Actruial gain	2.97	(6.94)	(3.97)
Net Deferred tax Liabilities	108.26	(132.87)	(24.62)

33 EMPLOYEE BENEFITS

a. Defined contribution plan

Employees contribution to provident fund and Employees statre insurance are recognised as expenditure in statement of profit and loss account,as they are incurred. There are no other obligation other than the contribution payable to aforesaid respective Trust/ Government Authorities.

b. Defined benefit plan

i. Gratuity:

The Company has provided gratuity liability as per the actuarial valuation provided by actuarial valuer. The benefits are determined and carried out at each Balance Sheet date.The company is in the process of setting up gratuity trust as per IT act 1961.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

33 EMPLOYEE BENEFITS (Contd..)

ii. Leave Encashment:

The Company has created provision for leave encashment liability for eligible employees. The benefits are determined and carried out at each Balance Sheet date.

The disclosure for defined benefit plan (Gratuity) as per Ind AS 19 are given here under:

The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

i. Changes in the present value of obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation as at beginning of the year	79.44	66.34
Current service cost	19.41	12.44
Interest cost	5.70	4.51
Actuarial (gain)/loss	9.45	(3.85)
Benefits paid	-	-
Defined benefit obligation as at the end of the year	114.01	79.44

iii. Fair value of assets and obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets as at the beginning of the year	-	-
OB difference	-	-
Investment income	-	-
Employer contribution	-	-
Expenses	-	-
Benefits paid	-	-
Return on plan assets	-	-
Fair value of plan assets as at the end of the year	-	-

iii. Fair value of assets and obligations

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets	-	-
Present value of obligation	114.01	79.44
Amount recognized in balance sheet	(114.01)	(79.44)

iv. Expenses recognised during the year

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
In income statement		
Interest cost/(income)	5.70	4.51
Current service cost	19.41	12.44
Expenses recognised in the income statement	25.11	16.95
In other comprehensive income (OCI)		
Actuarial (gain)/loss		
\Experience Variance	9.45	(10.20)
\Others	-	-
Return on plan assets	-	-
Net (income)/expense recognised in OCI	9.45	(10.20)

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

v. Actuarial assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.38%	7.18%
Salary growth rate (per annum)	5.00%	5.00%

vi. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	124.68	104.82	83.28	66.72
Change in rate of salary increase	96.93	134.92	62.17	89.25
Change in rate of attrition	98.48	127.39	64.71	82.42
Change in rate of mortality	110.90	117.20	74.06	74.48

34 EARNINGS PER SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax attributable to equity shareholders	4,353.62	4,003.73
Weighted average number of equity shares for Basic EPS	307.43	259.33
Weighted average number of equity shares for Diluted EPS	307.43	259.33
Basic earnings per share	14.16	15.44
Diluted earnings per share	14.16	15.44

Earning per share calculations are in accordance with Indian Accounting Standard 33-Earning Per Share, notified under section 133 of the companies act, 2013, read together with paragraph 7 of the companies (Accounts) Rules, 2015. As per Ind AS 33 paragraph 28, in case of bonus share, the number of shares outstanding before the event is adjusted for the proportionate change in the no. of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. In case of new issue of shares, for the purpose of calculating basic earning per share, the number of ordinary shares shall be the weighted average no. of ordinary shares outstanding during the period.

35.A Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 years	More than 3 Years	
(1) Undisputed Trade receivables - Considered good	7,215.89	641.26	132.01	0.96	81.73	8,071.85
(2) Undisputed Trade receivables - Significant increase in credit risk	-	-	-	-	-	-
(3) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
(4) Disputed Trade receivables - Considered good	-	-	-	-	-	-
(5) Disputed Trade receivables - Significant increase in credit risk	-	-	-	-	46.67	46.67
(6) Disputed Trade receivables - Credit impaired	-	-	-	-	-	-

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

35.B Trade payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 Years	
(1) MSME	-	-	-	-	-
(2)Others	2,044.72	40.21	-	-	2084.93
(3) Disputed dues- MSME	-	-	-	-	-
(3) Disputed dues- Others	-	-	-	-	-

36 RELATED PARTIES

In accordance with the provisions of Ind AS 24 "Related Party Disclosures" and the Companies Act 2013, Company's directors ,members of the company's Management and Key managerial Personnel are considered.

a. List of the transacted related parties and description of relationship

Nature of Relationship	Name of the related party	Relationship
Wholly owned subsidiary	Sigachi US, Inc	Owned by company
	Sigachi MENA FZCO	Owned by company
Key management personnel	Mr.R.P Sinha	Executive chairman
	Mr.S. Chidambaranathan	Executive vice chairman
	Mr.Amit Raj Sinha	MD & CEO
	Mr.Vijay Bhavsar	Director
Entities controlled by KMP	RPS Industries Private Limited	

b. Transactions with Related parties

Nature of transaction	Name of the related party	Year ended March 31, 2023	Year ended March 31, 2022
Managerial remuneration	Mr.R.P Sinha	149.72	144.80
	Mr.S.Chidambaranathan	149.72	144.80
	Mr.Amit Raj Sinha	220.52	171.50
	Mr.Vijay Bhavsar	3.00	12.00
Rent	Mr.Amit Raj Sinha	19.21	17.65
Sales	Sigachi US, Inc	3,849.44	4,797.10
Lease Rentals	RPS Industries Private Limited	263.26	-

c. Balances as at 31st Mar 2023

Nature of transaction	Name of the related party	As at 31st Mar 23	As at 31st Mar 22
Managerial remuneration	R.P Sinha	-	3.03
	S.Chidambaranathan	3.29	1.27
	Amit Raj Sinha	-	13.50
	Vijay Bhavsar	-	0.85
Rent payable	Amit Raj Sinha	1.61	1.33
Sales receipts	Sigachi US, Inc	1,987.70	2,358.16

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(Except wholly owned subsidiary company in which one of the director is a director as stated above). Maximum amount outstanding from the above - 1,987.70 Lakhs.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

37 Contingent Liabilities, Claims, Commitments (to the extent not provided for) and Other Disputes

a. Claims against the company:

Service Tax:

During the year ended 31 March 2020, the Company received a demand notice from commissioner of central tax (Service tax) for the period August 2014 to June 2017 demanding service tax of Rs. 5,59,20,813/- (including penalty of Rs.2,50,47,324/-). The Company believes that the claim is untenable and, accordingly, has filed appeals with the Appellate Tribunal regional bench Hyderabad against the aforesaid notice which is in progress and pending disposal.

b. Bank Guarantees:

The Bank Guarantees as at 31st March 2023 are Rs. 3,01,71,696/- and as at 31st March 2022 are Rs.1,03,92,565/- .

38 Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services. Based on the 'Management' approach as defined under Ind AS108, the Chief Operating Decision Maker (CODM) evaluates the performance on a periodical basis and allocates resources based on an analysis of the performance of various Businesses. The CODM is the Managing Director. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments and are as set out in the Significant Accounting Policies. Since, the Company is mainly pursuing only one activity i.e. manufacturing and selling of MCC, reporting of segment revenue and results does not arise.

39 MSME :

The Company is required to furnish details under section 22(1) to 22(5) of the Micro, Small and Medium Enterprises Development Act ,2006 (MSMED Act) read with para FV of general instructions for balance sheet in division II of schedule III of the companies act ,2013. As per the said regulations the company seeks information from the suppliers about registration particulars from them for furnishing the information.

Disclosure in respect of principal and interest pertaining to the Micro,Small and Medium Enterprises Dev. Act 2006 based on available details is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
a. Principal amount due to suppliers registered under the MSMED act and remaining unpaid as at year end.(all dues were paid before year end).	-	-
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	Nil	Nil
c. Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
d. Principal payment made to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
e. Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	Nil	Nil
f. Interest due and payable for the year amount of interest accrued and remaining unpaid at the end of each year towards suppliers registered under MSMED Act, for payments already made.	Nil	Nil
g. Further interest remaining due and payable for even in succeeding years.	Nil	Nil

The Company has no amount due to suppliers under the Micro,Small,and Medium enterprises Development act,2006, as at 31st march,2023.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

40 Financial Instruments valuation

All financial instruments are initially measured at cost and subsequently measured at fair value.

The carrying value and fair value of financial instruments by categories as of 31st Mar 23 are as follows

Particulars	Carrying value	Level of input used in			Fair value
		Level 1	Level 2	Level 3	
Financial assets					
At Amortised cost					
Investments*	-	-	-	-	-
Trade receivables	8,016.91	-	-	-	8,016.91
Cash and cash equivalents	1,375.28	-	-	-	1,375.28
Other bank balances	1,900.26	-	-	-	1,900.26
Other financial assets	691.78	-	-	-	691.78
Financial liabilities					
At Amortised cost					
Borrowings	4,049.29	-	-	4,049.95	4,049.95
Trade payables	2,084.93	-	-	-	2,084.93
Other financial liabilities	87.61	-	-	-	87.61

The carrying value and fair value of financial instruments by categories as of 31st Mar 22 are as follows

Particulars	Carrying value	Level of input used in			Fair value
		Level 1	Level 2	Level 3	
Financial assets					
At Amortised cost					
Investments*	-	-	-	-	-
Trade receivables	6,012.43	-	-	-	6,012.43
Cash and cash equivalents	2,908.06	-	-	-	2,908.06
Other bank balances	4,030.22	-	-	-	4,030.22
Other financial assets	1,278.04	-	-	-	1,278.04
Financial liabilities					
At Amortised cost					
Borrowings	3,418.36	-	-	3,418.17	3,418.17
Trade payables	1,060.26	-	-	-	1,060.26
Other financial liabilities	56.99	-	-	-	56.99

* excludes Financial assets measured at cost

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the Asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3 – Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

41 CAPITAL MANAGEMENT

The company manages its capital to ensure that it will be able to continue as going concern while creating value for share holders by facilitating the meeting of long term and short term goals of the Company.

The company determines the amount of capital required on the basis of annual business plan coupled long term and short term strategic investment and expansion plans.

The company monitors the capital by using net debt equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

Particulars	March 31,2023	March 31,2022
Non current borrowings	101.03	121.37
Current borrowings	4,035.87	3,353.79
Total debts	4,136.90	3,475
Less: Cash and cash equivalents	1,375.28	2,908.06
Other bank balances	3,700.26	7,221.22
Adjusted net debts	(938.64)	(6,654)
Equity	3,074.25	3,074.25
Other equity	23,761.81	19,703.71
Total equity	26,836.06	22,778
Adjusted net debt to equity ratio	(0.03)	(0.29)

42 Financial Risk Management

In course of its business, the company is exposed to certain financial risk such as market risk , credit risk and liquidity risk that could have significant influence on the company's business and operational/financial performance. The Board of directors and the Audit Committee reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

a. Credit risk

Credit Risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the company. The Company has a prudent and conservative process for managing its credit risk raising in the course of its business activities. Credit risk is managed through continuously monitoring the creditworthiness of customers and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

The company makes an allowance for doubtful debts/advances using expected credit loss model.

b. Liquidity risk

Liquidity Risk refers to the risk that the company will be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the board of directors , which has established an appropriate liquidity risk management framework for the management of the company's short term , medium term and long term funding and liquidity management requirements.The company manages liquidity risk by maintaining adequate reserves ,banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The company has obtained fund and non fund based working capital loans from bank .The borrowed funds are generally applied for company's own operational activities.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

42 Financial Risk Management (Contd..)

The table below provides details regarding the contractual maturities of significant financial liabilities.

Particulars	Up to 1 Year	1 to 3 years	3 to 5 years
31-Mar-23			
Non current borrowings	87.61	101.03	-
Current borrowings	3,948.25	-	-
Trade payables	2,084.93	-	-
Other payables	936.96	-	-
	7,057.77	101.03	-
31-Mar-22			
Non current borrowings	56.99	121.37	
Current borrowings	3,311.96		
Trade payables	1,060.26		
Other payables	586.80		
	5,016.01	121.37	-

c. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices such as commodity prices, foreign currency exchange rates and other market changes.

d. Exchange rate risk

The company's foreign exchange arises from its foreign operations, foreign currency revenues and expenses, (Primarily in US Dollars). Consequently, the company is exposed to foreign exchange risk through its sales and purchases to/from overseas customers/suppliers in various foreign currencies.

The foreign currency exposures were as follows:

Particulars	March 31, 2023	March 31, 2022
	USD	USD
Assets		
Cash and bank balances in USD	379,827	156,646
Trade receivables	7,269,529	7,621,774
Other assets	1,943,411	2,110,682
Total	9,592,767	9,889,101
Liabilities		
Trade payables	3,278,739	3,301,742
Other liabilities	103,325	116,145
Total	3,382,064	3,417,887
Net Exposure	6,210,702	6,471,215

Sensitivity analysis

A reasonably possible Strengthening/(Weakening) of the Indian Rupee against US dollars at March 31 would have effected the measurement of financial statements denominated in US dollars and effected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

40. Financial Risk Management (Contd.)

31-Mar-23

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement	62,107	(62,107)	-	-
USD				
	62,107	(62,107)	-	-

31-Mar-22

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement	64,712	(64,712)	-	-
USD				
	64,712	(64,712)	-	-

e. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. The company's exposure to the risk of changes in the market interest rate relates primarily to the company's long term debt obligations with floating interest rates. The company's interest rate exposure is mainly related to variable interest rates debt obligations. The company manages the liquidity and fund requirements for its day to day operations like working capital, suppliers / buyers credit.

The Interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the company is as follows:

Particulars	March 31, 2023	March 31, 2022
Floating rate instruments		
Financial liabilities		
Term loans from banks	187.69	178.36
Working capital facilities from bank	3,948.25	3,311.96
Total	4,135.94	3,490.32

Cash flow sensitivity analysis for variable -rate instruments

The risk estimates provided assume a change of 25 basis points interest rate for the interest rate benchmark as applicable to the borrowing summarised above. This calculation assumes that the change occurs at the balance sheet date and has been calculated on risk exposures outstanding as at that date assuming that all other variables, in particular foreign currency exchange rates, remain constant. The period end balances are not necessarily representative of the average debt outstanding during the period.

Cash flow sensitivity (net)	Profit or loss	
	25 bp increase	25 bp decrease
31-Mar-23		
Variable rate loan instruments	10.34	(10.34)
31-Mar-22		
Variable rate loan instruments	8.73	(8.73)

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

43.Ratios

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% of Variance	Reasons for variance
Current ratio	Current Assets	Current Liabilities	2.38	3.50	-32.01%	Variance is due to increase in current liabilities because of increase in trade payables .
Debt -Equity Ratio	Total Debt	Equity and Other Equity	0.15	0.15	0.60%	The variance is due to increase in total debt.
Debt Service Coverage ratio	EBITA(Earnings before interest, amortisation and tax)	Interest expenses including interest on lease liabilities.	1.54	1.60	-3.48%	The variance is due to increase in interest expense excluding interest on lease liabilities.
Return on Equity ratio	Profit after tax	Average share holders equity	17.55%	17.58%	-0.15%	The variance is due to decrease in profits of the subsidiaries.
Inventory turnover ratio	Revenue Annualised	Average Inventory	15.66	19.98	-21.60%	-
Trade Receivables Turnover ratio	Revenue Annualised	Average trade receivables	4.31	5.22	17.51	-
Trade payables Turnover ratio	Cost of materials consumed	Average trade payables	13.57	13.30	2.05%	The variance is due to increase in purchases.
Net Capital Turnover Ratio	Revenue	Working Capital(Current Assets - Current Liabilities)	3.00	1.97	52.51%	The variance is due to increase in Revenue .
Net Profit Ratio	Profit after tax	Net Sales	14.10%	15.83%	-10.91%	The variance is due to decrease in net profits and increase in Employee Benefits Expenses .
Return on Capital Employed	EBITA(Earnings before interest and tax)	Capital Employed (Tangible net worth+total debt+Deferred tax liability)	21.41%	22.51%	-4.90%	The variance is due to decrease in net profits and increase in Employee Benefits Expenses .

44 Details of CSR expenditure as per section 135 of the companies act, 2013:

Particulars	Amount
Amount Required to be spent by the company during the year	74.35
Amount of Expenditure Incurred	79.25
Shortfall at the end of the Year	-
Total of Previous years shortfall	-
Reason for Shortfall	NA
Nature of CSR activities	Eradicating hunger , poverty and malnutrition, Promoting Education, promoting gender equality. Support to community during Covid Safe water drinking Facility

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

45 Additional regulatory information:

- a) The title deeds of the immovable property of the company are held in the name of the company.
- b) The Property Plant and Equipment and intangible Assets held with the company are not subjected to revaluation during the year.
- c) Whether Investments are valued at fair value - Not Applicable.
- d) The company has not granted any loans or advances in the nature of loans to promoters , directors,, kmpts and other related parties .
- e) The company is not holding any benami property and no proceeding has been initiated or pending against the company.
- f) The company has no transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the income tax act 1961 (such as search or survey or any relevant provisions of income tax act 1961.)
- g) (A) The company has not advanced or loaned or inveted by funds in any other person(s) or entity(ies) ,including foreign entities (intermediaries) with understanding that the intermediary shall be directly or indirectly lend or invest in other person or entities on behalf of the company or provide any guarantee or security or the like to or on behalf of the company.

(B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding that company shall lend or invest in other person or entity identified in any manner by or on behalf of the funding party/ Ultimate beneficiary or provide any guarantee or security or the like on behalf of the funding party / Ultimate beneficiary.
- h) The company is not declared as willful defaulter by any bank or financial institutions or Rbi or other lenders.
- i) The company has borrowings from banks or financial institutions on the basis of security of current assets .Quarterly returns or statement of current assets filed by the company with the banks or financial institutions are in agreement with the books of accounts.

During the year, the company has been sanctioned working capital limits of Rs.50.75 crores ,in aggregate from banks on the basis of security of current assets. The company has filed quarterly returns of statements with such banks , which are in agreement with the books of accounts.

Name of the bank	Aggregate working capital limits Sanctioned (In Lakhs)	Nature of current asset offered as security	Quarter ended	Amount disclosed as per quaterly return/ statement. (In Lakhs)	Amount as per books of accounts. (In Lakhs)	Difference
Kotak Mahindra Bank Limited	5,075.00	Refer note below	30th June 2022	6,327.98	6,327.98	-
Kotak Mahindra Bank Limited	5,075.00	Refer note below	30th Sept 2022	8,483.53	8,483.53	-
Kotak Mahindra Bank Limited	5,075.00	Refer note below	31st Dec 2022	8,806.91	8,806.91	-
Kotak Mahindra Bank Limited	5,075.00	Refer note below	31st Mar 2023	9,522.07	9,522.07	-

Note: Pari-passu charge on the company's entire current assets namely stock of raw materials ,finished goods , stocks-in- process, consumables stores and spares and book debts at its plant sites or anywhere else , in favour of the bank hypothetication.

- j) The company has not invetsed or traded in crypto currency or virtual currency during the financial year.

46 Confirmation of balances

Confirmation of balances from the parties for the amounts due from them have benn confirmed by the parties.No material discrepancies are observed.

Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

47 Estimation uncertainty relating to the global health pandemic on COVID-19

The Covid-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a decrease in the economic activities. Given the virulent nature of the pandemic situation, the carrying value of the company's receivables as at 31st March, 2023, have been effected by the severity and duration of the outbreak and resulted in credit loss; however the Company believes that it has taken into account all the possible impact of known events arising out of Covid-19 pandemic in the preparation of financial results resulting out of fair valuation of these receivables. However, the impact assessment of Covid-19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes in this regard.

Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

As per our report of even date attached

For **T. Adinarayana & Co.**
Chartered Accountants
Firm Regn No. 000041S

Sd/-
Y. P. Rao
Partner
Membership No. 025266

Place: Hyderabad
Date: 25.05.2023

For and on Behalf of the Board of Directors

Sd/-
Rabindra Prasad Sinha
Executive Chairman

Sd/-
Amit Raj Sinha
Managing Director and CEO

Sd/-
Shreya Mitra
Company Secretary

Sd/-
S Chidambaranathan
Executive Vice Chairman

Sd/-
O. Subbarami Reddy
Chief Financial Officer

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Members of Sigachi Industries Limited will be held on Thursday, 7th September, 2023 at 11:00 A.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
- To declare dividend of 10% i.e., Re. 1/- on equity shares of face value of Rs. 10/- for the financial year ended 31st March 2023.
- To appoint a Director in place of Mr. Rabindra Prasad Sinha (DIN:00413448), who retires by rotation and being eligible, offered himself for re-appointment.
- To appoint a Director in place of Mr. Chidambaranathan Shanmuganathan, (DIN:00485497), who retires by rotation and being eligible, offered himself for re-appointment.

SPECIAL BUSINESS:

5. RATIFICATION OF REMUNERATION PAYABLE TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2023-24:

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 148(3) and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactments thereof, for the time being in force), and on recommendations of the Audit Committee and as approved by the Board of Directors, consent of the Members be and is here by accorded for payment of remuneration of Rs. 40,000/- (Rupees Forty Thousand Only) plus out of pocket expenses and applicable taxes thereon to **M/s MPR & Associates**, (Registration No. 000413) Cost Accountants to conduct the audit of the Cost Records of the Company for the Financial Year ended 31st March 2024.

RESOLVED FURTHER THAT Mr. Amit Raj Sinha, Managing Director or Ms. Shreya Mitra, the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give effect to the foregoing resolution."

6. SUB-DIVISION (STOCK SPLIT) OF 1 EQUITY SHARE OF FACE VALUE OF RS.10/- EACH INTO 10 EQUITY SHARES OF FACE VALUE OF RE.1/- EACH

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 61(1)(d) and 64 and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and read with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable laws, rules and regulations for the time being in force, if any, prescribed by any relevant authorities from time to time, to the extent applicable, subject to the provisions of the Memorandum and Articles of Association of the Company, subject to such other approvals, consents, permissions and sanctions as may be necessary from the concerned authorities or bodies, the approval of the members of the Company be and is hereby accorded, for sub-dividing the Equity Shares of the Company, such that 1 (one) Equity Share having Face value of Rs. 10/- (Rupees Ten Only) be sub-divided into 10 (ten) Equity Shares of face value of Re.1/- (Rupee One only) each fully paid-up, ranking pari-passu with each other in all respects, with effect from such date as may be fixed by the Board as the Record Date ("Record Date").

RESOLVED FURTHER THAT pursuant to the Sub-division of Equity Shares of the Company, the Authorized, Issued, Subscribed and Paid-up Equity Shares of face value of Rs. 10/- (Rupees Ten Only) each existing on the Record date to be fixed by the Board of Directors of the Company (which shall include any Committee thereof) subject to obtaining approval of the members, shall stand sub-divided into 10 (ten) Equity Shares of face value of Re. 1/- (Rupee One only) each fully paid up, the details of pre and post sub-division of equity share capital is as given below:

Type of Capital	Share Capital Structure (Pre Sub Division)			Share Capital Structure (Post Sub Division)		
	No of Equity Shares	Face Value (Rs.)	Total share capital (Rs.)	No of Equity Shares	Face Value (Re.)	Total share capital (Rs.)
Authorised Share Capital	4,30,00,000	10	43,00,00,000	43,00,00,000	1	43,00,00,000
Issued, Subscribed and Paid-up Capital	3,07,42,500	10	30,74,25,000	30,74,25,000	1	30,74,25,000

RESOLVED FURTHER THAT upon sub-division of equity shares as aforesaid, the number of sub-divided equity shares of the face value of Re. 1/- (Rupee One only) each, fully paid up, shall be credited to the respective beneficiary accounts of the shareholders maintained with their respective beneficiary accounts of the members with their respective depository participants, in lieu of the existing credits representing the equity shares of the Company of face value of Rs. 10/- (Rupees Ten only) each on the Record Date and the Company shall undertake such Corporate Action(s) as may be necessary in relation to the existing equity shares of the Company.

RESOLVED FURTHER THAT on sub-division, 10 (ten) Equity Shares of face value of Re. 1/- each be allotted in lieu of the existing 1 (One) Equity Share of face value of Rs. 10/- each subject to the terms of the Memorandum and Articles of Association of the Company which shall rank pari-passu in all respects with the existing fully paid Equity Shares of Rs. 10 /- each of the Company.

RESOLVED FURTHER THAT upon sub-division of equity shares, as aforesaid, Board be and is hereby authorised to issue and allot such number of Equity Shares of the Company of face value of Re. 1/- each as may be required to be issued and allotted upon exercise of the Convertible Warrants held by the Warrant holder(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to make appropriate adjustments to ensure fair and reasonable adjustment to the entitlement of the warrant holders due to sub-division/split of equity shares as aforesaid to reflect such corporate actions, including but without limitation, suitable adjustment of the warrant issue price or warrant exercise price in the same proportion, as the present Face Value of the Equity Shares of the Company bears, to the newly sub divided face value of the equity shares, without affecting any rights and obligations of the Warrant holder(s), subject to necessary approvals.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to agree to such changes/modifications as may be suggested by the Registrar of Companies, the Stock Exchanges or other competent authority or that may otherwise deem fit by the Board and to take such other steps as may be required to give effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, to give such directions as they may in their absolute discretion deem necessary, proper or desirable, to settle any question, remove any difficulty, to agree to such changes/modifications as may be suggested by the Stock Exchanges, Registrar of Companies or any other competent authority and that may be deemed fit by the Board, with regard to the subdivision of the equity shares, adjustments in the pricing of the convertible warrants and the alteration of the capital clause of the Memorandum of Association of the Company, as aforesaid and to carry out/execute all matters in connection therewith and incidental

thereto in order to give effect to this resolution including delegation of all or any of its powers herein conferred to any Committee of Directors and/ or any person(s) without any further approval of the shareholders."

7. ALTERATION OF CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY.

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 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 and the allied rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force) subject to such approvals, consents, permissions and sanctions as may be necessary from the concerned authority or bodies, and pursuant to the consent of the members for sub-division of equity shares, from existing 1 (one) Equity Share of face value of Rs. 10/- each into 10 (Ten) Equity Shares of face value of Re. 1/- each, the approval of the Members of the Company be and is hereby accorded for the alteration and substitution of the existing Clause V of the Memorandum of Association of the Company with the following new Clause V:

- V. The Authorized Share Capital of the Company is Rs. 43,00,00,000 (Rupees Forty Three Crores only) divided into 43,00,00,000 (Forty Three Crores) equity shares of Re. 1/-(Rupee One Only) each."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such necessary steps and actions as may be deemed expedient to give effect to this resolution including signing and execution of all such necessary documents as may be required in this regard."

8. VARIATION IN THE OBJECTS OF THE INITIAL PUBLIC ISSUE AS STATED IN THE PROSPECTUS OF THE COMPANY DATED 22.10.2021

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 Sections 13 and 27 of the Companies Act, 2013, as amended ("Companies Act"), read with the Companies (Incorporation) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactments thereof), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), 2018 as amended, and other applicable rules, regulations, guidelines and other statutory provisions for the time being in force, if any, and such other approvals, permissions and sanctions, as may be necessary, the approval of members of the Company be and is hereby

accorded to vary the terms referred to in the Prospectus or Objects for which the Prospectus was issued, more specifically to vary the location of one of the projects envisaged in the Objects of the Public Issue referred to in the Prospectus dated 22.10.2021 (the 'Prospectus') for the manufacture of Croscarmellose Sodium (CCS) from Kurnool, Andhra Pradesh to Dahej, Gujarat State in relation to the utilization of proceeds received from the Initial Public Offer, while there is no change in the proposed project of manufacturing Croscarmellose Sodium and in the amount earmarked for setting up of the same out of the Public Issue proceeds as stated in the prospectus dated 22.10.2021 (the "Prospectus") of the Company registered with the Registrar of Companies, Telangana, in relation to the initial public offering ("Offer") of equity shares of Rs.10/- each of the Company in the manner set forth in the Prospectus.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters

and things, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval and ratification thereto expressly by the authority of this resolution."

By order of the Board
For **Sigachi Industries Limited**

Sd/-
Shreya Mitra
Date: 10.08.2023
Place: Hyderabad Company Secretary & Compliance Officer

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid -19", General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as "the Circulars"), in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM.

Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

2. The Deemed Venue of the 34th AGM of the Company shall be its Registered Office.
3. Since the AGM will be held through VC/OAVM (e-AGM), the Route Map for venue of AGM is not annexed to the Notice.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum of the AGM under Section 103 of the Act.
5. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 as aforesaid, Notice of the AGM along with the Annual Report (viz. Financial Statement) for Financial Year 2022-2023 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories/R&T Agent. Members may note that the Notice and Annual Report for Financial Year 2022-23 will also be available on the Company's website www.sigachi.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of R&T Agent of the Company viz. Bigshare Services Pvt. Ltd at www.bigshareonline.com.

Alternatively, Member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy, DP ID (in case of electronic mode

shares), via e-mail at the Email Id – Bigshare Services Pvt. Ltd for obtaining the Annual Report and Notice of e-AGM of the Company electronically.

6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 01.09.2023 to 07.09.2023 (including both days) for the purpose of AGM and for determining the name of members eligible for dividend on equity shares, if declared at AGM.
9. To avoid fraudulent transaction(s), the identity / signature of the Members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/ CDSL and members holding shares in physical form is verified as per the records of the R&T Agent of the Company. Members are requested to keep the same updated.
10. Members holding shares in the electronic form are requested to inform any changes in address/ bank mandate directly to their respective Depository Participants.
11. The Securities and Exchange Board of India issued a circular for submission of Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar Card details to the Depository Participants with whom they have demat accounts.
12. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13, and to their respective depository participant, if held in electronic form.
14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, which extended vide SEBI circular dated January 15, 2021, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
15. For any communication, the shareholders may also send requests to the Company's investor email id: investors@sigachi.com
16. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars

the 34th Annual General Meeting of the company being conducted through Video Conferencing (VC) herein after called as "e-AGM".

17. Members may note that the Board of Directors, in its meeting held on May 25, 2023 has recommended a dividend of Re. 1/- per share for fiscal year 2022-23. The record date for the purpose of dividend will be 31st August, 2023. The dividend, once approved by the members in the ensuing AGM will be paid within 30 days from the date of AGM, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out to their registered addresses. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the pay-out date.
18. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct tax at source (TDS) from dividend paid to the members at the applicable rates. A separate email will be sent at the registered email ID of the members describing about the detailed process to submit the documents/ declarations along with the formats in respect of deduction of tax at source on the dividend payout. Sufficient time will be provided for submitting the documents/ declarations by the members who are desiring to claim beneficial tax treatment. The intimation will also be uploaded on the website of the Company www.sigachi.com. Shareholders holding shares in physical form may write to the company/ company's R&T agents for any change in their address and bank mandates; shareholders holding shares in electronic form may inform the same to their depository participants immediately, where applicable.
19. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or before 20.09.2023 as under:
 - i. to all the Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the Depositories viz. National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the close of business hours on 31.08.2023 (viz. the "Record Date");
20. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates as applicable to various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments made thereto from time to time. Some of the major features of the latest tax provisions on dividend distribution are stated as hereunder for a quick reference.

For Resident Shareholders, tax shall be deducted at source under Section 194 of the Income Tax Act, 1961 at 10% on the amount of Dividend declared and paid by the Company during financial year 2022-23 provided PAN is provided by the shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

However, no TDS shall be deducted on the dividend payable to a resident Individual if the total dividend to be received by them during Financial Year 2022-2023 does not exceed Rs. 5,000/-. Please note that this includes the previous dividend(s) paid, if any, and future dividend(s) which may be paid, during the Financial Year 2022-2023, if declared.
21. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and respective provisions of Secretarial Standard-2, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) is annexed hereto.
22. e-AGM: Company has appointed CDSL to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
23. Pursuant to the provisions of the circulars of AMC on the VC/OVAM(e-AGM):
 - a. Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required.
 - b. Appointment of proxy to attend and cast vote on behalf of the member is not available.
 - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
24. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
25. Up to 10000 members will be able to join on a FIFO basis to the e-AGM.
26. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
27. The attendance of the Members (members logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
28. The company has appointed Ms. Aakanksha, Practicing Company Secretary, as scrutinizer of the company to scrutinize the voting process.

THE INTRUCTIONS OF SHARE HOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE ASUNDER:

- (i) The voting period begins on 04.09.2023 at 09.00 A.M and ends on 06.09.2023 at 05.00 P.M. During this period shareholders of the Company, holding shares as on the cut-off date (record date) 31.08.2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in

India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

In case of Individual shareholders holding shares in demat mode:

In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for Remote e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.

- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
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"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details	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.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
 - click on Forgot Password & enter the details as prompted by the system.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
 - (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xvii) Additional Facility for Non-Individual Shareholders and Custodians –For Remote Voting only
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@sigachi.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (ix) Click on the EVSN for the relevant <Sigachi Industries 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 votes cast by 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
 - The company has appointed Ms. Aakanksha, Practicing Company Secretary, as scrutinizer of

the company to scrutinize the voting process. The Scrutinizer report shall be uploaded on the website of the Company and on the website of the Stock Exchanges within 24 hours from the conclusion of the Meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES

1. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
2. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

By order of the Board
Sigachi Industries Limited

Date: 10.08.2023
Place: Hyderabad Sd/-
Company Secretary & Compliance Officer
Shreya Mitra

EXPLANATORY STATEMENT

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

FOR ITEM NO.5

RATIFICATION OF REMUNERATION PAYABLE TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2023-24:

The Board in its meeting held on 25.05.2023, has approved the appointment of **M/s. MPR & Associates (Registration No. 000413) as Cost Auditors** to examine and conduct audit of cost records of the Company relating to all applicable products for the year ending 31st March 2024, at a remuneration of Rs. 40,000 per annum plus tax and out of pocket expenses incurred in connection with the audit. M/s. MPR & Associates, has furnished a certificate that it is not disqualified under the provisions of Section 148(5) read with Sections 139 and 141(3) of the Act and the appointment will be within the limits prescribed under Section 141(3)(g) of the Act.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is being sought for passing an Ordinary Resolution at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the year ending 31st March 2024.

The Board recommends the Resolution at Item No. 5 of the Notice for approval by the Members.

None of the directors or Key Managerial personnel of the Company or their respective relatives is concerned or interested financially or otherwise, in the Resolution as set out at Item No. 5.

ITEM NO. 6: SUB-DIVISION (STOCK SPLIT) OF 1 EQUITY SHARE OF FACE VALUE OF RS.10/- EACH INTO 10 EQUITY SHARES OF FACE VALUE OF RE.1/- EACH

And

ITEM NO. 7: ALTERATION OF CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

Presently, the Authorised Share Capital of the Company is Rs. 43,00,00,000/- (Rupees Forty Three Crores only) divided into 4,30,00,000 (Four Crores Thirty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each which is now proposed to be amended as given below:

"V. The Authorized Share Capital of the Company is Rs. 43,00,00,000 (Rupees Forty Three Crores only) divided into 43,00,00,000 (Forty Three Crores) equity shares of Re. 1/- (Rupee One Only) each."

Equity shares of the Company are listed and traded on National Stock Exchange of India Limited and BSE Limited. In order to improve the liquidity of the Company's equity shares in the stock market and also to broad base the small retail investors, it is proposed to sub-divide existing 1 equity share of face value of Rs. 10/- each into 10 equity shares of the face value of Re. 1/- each pursuant to the provisions of Section 61(1)(d) of the Act, the rules made thereunder and other applicable provisions.

The record date for the aforesaid sub-division of equity shares shall be fixed by the Board, after the approval of the members is accorded for the proposed sub-division.

In the opinion of the Board, proposed sub-division of the equity shares is in the interest of the investors and therefore the Board at its meeting held on 10th August, 2023 has approved the aforesaid sub-division subject to requisite approval of the members.

There will not be any change in the amount of authorized, subscribed and paid-up share capital of the Company on account of sub-division of equity shares. The sub-division of equity shares proposed under item No. 6 of this Notice shall also require amendment to the existing Clause V of the Memorandum of Association of the Company as set out under item no. 7 of this Notice.

Pursuant to Sections 13, 61 and other applicable provisions of the Act and the Rules made thereunder, approval of the members by way of Ordinary Resolution is required for sub-division and carrying out necessary amendment to the Memorandum of Association of the Company.

The Board recommends passing of the said resolutions set out at item nos. 6 and 7 by the members as Ordinary Resolutions separately.

None of the directors or Key Managerial personnels of the Company or their respective relatives is concerned or interested financially or otherwise, in the Resolutions set out at Item Nos. 6 and 7 except to the extent of the equity shares of the company held by them.

ITEM NO. 8: VARIATION IN THE OBJECTS OF THE INITIAL PUBLIC ISSUE AS STATED IN THE PROSPECTUS OF THE COMPANY DATED 22.10.2021

Pursuant to the Board Resolution dated 08.07.2021 and the Special Resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 in the Extra-Ordinary General Meeting ("EGM") by the shareholders of the Company held on 30.07.2021, the Company raised Rs. 110.13 Crores from the Initial Public Offer of its Equity Shares (the 'Issue'). The Company, in terms of Prospectus, proposed to utilise the IPO Proceeds towards:

1. Funding capital expenditure:

- for expansion of production capacity for microcrystalline cellulose ("MCC") at Dahej, Gujarat;
- for expansion of production capacity for microcrystalline cellulose ("MCC") at Jhagadia, Gujarat; and
- to manufacture Croscarmellose Sodium ("CCS"), a modified cellulose used as excipient at Kurnool, Andhra Pradesh.

2. General Corporate Purposes.

Pursuant to Section 27(1) of the Companies Act, 2013 a Company shall not vary the objects for which its Prospectus was issued unless consent from its shareholders is obtained through a special resolution.

The Company intends to vary the terms of Objects of the IPO as referred to in the Prospectus in the manner specified in the resolution. The relevant and material information as per the Companies (Prospectus and Allotment of Securities) Rules, 2014 is set out below:

Sr. No.	Objects as stated in prospectus	IPO Proceeds	Total Amount Spent up to 30.06.2023	Unutilised Amount as per prospectus	% of achievements as per prospectus	% of unutilised amount as per prospectus
1.	For expansion of production capacity for MCC at Dahej, Gujarat	28.16	28.16	Nil	100%	Nil
2.	for expansion of production capacity for MCC at Jhagadia, Gujarat	29.24	29.24	Nil	100%	Nil
3.	Funding capital expenditure to manufacture CCS at Kurnool, Andhra Pradesh	32.30	Nil	32.30	Nil	100%
4.	General corporate purposes	20.43	20.43	Nil	100%	Nil
	Total	110.13	77.83	32.30	70.67%	29.33%

The Particulars Of The Proposed Variation In The Terms Of Contracts Referred To In The Prospectus Or Objects For Which Prospectus Was Issued:

As on date, a sum of Rs. 32.30 Crores is yet to be utilized for setting up of Croscarmellose Sodium ("CCS") at Kurnool, Andhra Pradesh. However, the Company intends to relocate the CCS project to the State of Gujarat wherein the Company's manufacturing facilities are already existing at Jhagadia and Dahej with adequate area of land, which may amount to variation in terms of the 'Objects of the IPO'.

However, there is no change in the specified Object of Manufacture of Croscarmellose Sodium (CCS) and in the sum of the issue proceeds earmarked for the same towards the estimated cost of the Project. The proposed change relates to the location of the project only, subject to shareholders' approval.

Exit Option for the Dissenting Shareholders:

Once the approval under Section 27(1) of the Companies Act, 2013 has been obtained, Section 27(2) of the Companies Act, 2013 mandates that all shareholders who have voted against the resolution (the "Dissenting Shareholders") shall be given an exit offer by the promoters or the controlling shareholders (the "Exit Offer Provider") in a manner specified by the Securities and Exchange Board of India ("SEBI").

The promoters of the Company shall provide an exit opportunity to the dissenting shareholders subject to the conditions mentioned in SEBI ICDR Regulations 2018 and provisions of the Companies Act, 2013.

The Reason And Justification For Seeking Variation:

The reasons and justification for the relocation of the CCS (Croscarmellose Sodium) project from Kurnool (Andhra Pradesh) to Dahej (Gujarat) are detailed below:

- Administrative / Operational Convenience: Dahej offers a more favourable administrative and operational environment, which may include smoother regulatory processes and better infrastructure, making it easier to run the CCS project efficiently.
- Easy Accessibility of Raw Materials: Dahej's proximity to easily accessible sources of raw materials is beneficial for the CCS project, leading to cost savings and improved operational efficiency. The presence of a convenient seaport can further facilitate imports and exports.
- Special Economic Zone (SEZ) Location: Being in an SEZ location can provide additional advantages, including

ease of import and export, potentially reducing hurdles and enhancing international trade opportunities.

4. Interchange / Transfer of Resources: The presence of existing manufacturing facilities of the Company in the vicinity of Dahej, involved in related activities, can enable resource interchange and transfer, leading to synergies and improved overall project efficiency.
5. Good Business Prospects: Dahej's favorable market opportunities and demand for CCS products, possibly due to a larger presence of business operations and increasing demand for carbon capture technologies, make it an attractive location for the project.
6. Complex Excipient Manufacturing Facilities: Dahej's suitability for setting up complex excipient manufacturing facilities is a crucial factor as it can significantly contribute to the CCS project's success or benefit related industries.

The Proposed Time Limit Within Which The Proposed Varied Objects Would Be Achieved:

Preferably by the conclusion of Fiscal 2024, subject to obtaining any requisite approval wherever required.

The Risk Factors Pertaining To The New Objects:

In view of the reasons mentioned above, since there is no change in the amount earmarked as well as nature of the manufacture, there are no further risk factors pertaining to the relocation of the CCS project at Dahej, Gujarat except the risk factors as mentioned in the Prospectus.

The other relevant information which is necessary for the members to take an informed decision on the proposed resolution:

The proposed variation in terms of the prospectus i.e., relocation of the CCS project from Kurnool, Andhra Pradesh to Dahej, Gujarat would help the Company for the reasons mentioned above. The manufacture of Croscarmellose Sodium (CCS) can be more conveniently and advantageously be combined with the manufacture of other products of the Company at the new location.

Accordingly, in terms of the provisions of Section 27 of the Companies Act, 2013 and any other applicable provisions and the rules made there under, the Board seeks approval of the members by way of Special Resolution for variation in the terms of the Objects of the Issue as mentioned in the proposed resolution.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested, financially or otherwise, directly or indirectly in the resolution set forth in Resolution No. 8 of this Notice

By order of the Board
Sigachi Industries Limited

Date: 10.08.2023
Place: Hyderabad Company Secretary & Compliance Officer
Sd/-
Shreya Mitra

ANNEXURE-A: ITEM. 2 & 3 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Rabindra Prasad Sinha	Mr. Chidambaranathan Shanmuganathan
DIN	00413448	00485497
Date of Birth/Age	01/09/1950	10/05/1943
Date of First Appointment on the Board	19/01/1990	30/06/1990
Address	Plot No. 40, Ushodaya Enclave BHEL HIG Phase - 2, Madinaguda, Tirumalagiri, Miyapur, Hyderabad - 500049	Plot No.33, Ushodaya Enclave, HIG Phase-2, Madinaguda, Tirumalagiri, Miyapur, Hyderabad - 500049
Email-id	chairman@sigachi.com	scn445@gmail.com
Nationality	Indian	Indian
Brief Resume, Qualification and Experience	He holds a bachelor's degree in science (chemical engineering) from Bihar Institute of Technology and a master's degree in chemical engineering from Banaras Hindu University	He holds a bachelor's degree in science from University of Madras. He has qualified the postgraduate diploma in business administration from Annamalai University and the national certificate examination in supervision held by National Productivity Council, New Delhi. He has also cleared the associate membership examination held by the Indian Institute of Chemical Engineers.
Expertise in specific functional area	Has been associated with the company since 1990 i.e., since inception as an Executive Director, thus is well versed with the functions and Management of the Company. He has an experience of over three decades in the cellulose and fine chemicals industry.	Has been associated with the company since 1990 i.e., since inception as an Executive Director, thus is well versed with the functions and Management of the Company. He has an experience of more than five decades in the field of variety of chemicals and derivatives of cellulose.
Number of shares held in the Company	15,25,740 equity shares (4.96% of the Paid up Capital of the Company)	19,40,835 equity shares (6.31% of the Paid up Capital of the Company)
Name of the Listed entities in which the person also holds the directorship and the membership of the committees of the Board along with the Listed entities from which the person has resigned in the past three years*	NIL	NIL
Relationships between Directors inter-se	Mr. Rabindra Prasad Sinha, Executive Chairman and Whole time Director is the father of Mr. Amit Raj Sinha, CEO and Managing Director of the Company.	NIL
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	NIL	NIL
Remuneration details(Including Sitting Fees & Commission)	Rs. 1,49,72,448/-	Rs.1,49,72,448/-

*Excluding Sigachi Industries Limited

Corporate information

Directors

Mr Rabindra Prasad Sinha
Mr Chidambaranathan
Shanmuganathan
Mr Amit Raj Sinha
Ms. Bindu Vinodhan
Ms. Dhanalakshmi Guntaka
Mr. Sarveswar Reddy Sanivarapu

Chief Financial Officer

Mr. O. Subbarami Reddy

Company Secretary & Compliance Officer

Ms. Shreya Mitra

Statutory Auditor

M/s. T. Adinarayana & Co.
Chartered Accountants
806, 8th Floor, Raghava Ratna
Towers, Chirag Ali Lane, Abids,
Hyderabad- 500 001

Internal Auditor

M/s. PSRV & Co. LLP

Chartered Accountants
1-10-98/A 2nd Floor, Saptagiri
Residency, Chikoti Gardens,
Begumpet, Hyderabad- 500 016,
Telangana, India

Cost Auditor

M/s. MPR & Associates
Cost Accountants H.No. 6-3-
349/15/17, Flat No. 301, Sai
Brundavan Apts, Dwarkapuri Colony,
Punjagutta, Hyderabad-500 082,
Telangana, India

Registrar & Share Transfer Agent

Big Share Services (P) Ltd.

Office No S6-2, 6th Floor, Pinnacle
Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East)
Mumbai - 400 093

Bankers

Kotak Mahindra Bank Limited

Registered Office

#229/1 & 90, Kalyan's Tulsiram
Chambers, Madinaguda,
Hyderabad- 500 049 Telangana,
India

Unit 1

Plot number 20 and 21, phase -1,
IDA, Pashammailaram, Isanpur,
Sangareddy, Hyderabad - 502 307,
Telangana, India.

Unit 2

Plot no-Z-16, SEZ unit, Dahej SEZ
part-1, Dahej, Bharuch- 392130,
Gujarat, India

Unit 3

Plot no-763/2, GIDC, Jhagadia GIDC,
Bharuch- 393 110, Gujarat, India.

Unit 4

Plot Number G. 57/2, I/P, Sultanpur,
Ameenpur (M), Sangareddy District,
Telangana - 502032, Hyderabad,
India.



www.sigachi.com

Registered Office

No. 229/1 & 90, 2nd Floor,
Kalyan's Tulsi Ram Chambers,
Madinaguda, Hyderabad- 500 049
Telangana State, India
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