

SIGACHI INDUSTRIES PRIVATE LIMITED

BOARD OF DIRECTORS

Mr. Rabindra Prasad Sinha	Executive Chairman
Mr. S. Chidambaranathan	Executive Vice Chairman
Mr. Amit Raj Sinha	Managing Director & CEO
Mr. Vijay Amrutlal Bhavsar	Director
Mr. Dharm Prakash Tripathi	Director
Mr. Swami Das Nigam	Director

AUDITORS

Statutory Auditors:

T. Adinarayana & Co.,
Chartered Accountants
806, Raghava Ratna Towers
Chirag Ali Lane
Hyderabad-500 001

Internal Auditors:

PRSV & Co. LLP,
1-10-98/A, Chikoti Gardens,
202, Saptagiri Residency
Begumpet, Hyderabad-500 016.

BANKERS

State Bank of India
Yellareddiguda Branch,
8-3-961B, Srinagar Colony Road,
Hyderabad-500873.

REGISTERED & CORPORATE OFFICE

229/1 & 90, 4th Floor, Kalyan's Tulsiram Chambers
Madinaguda, Hyderabad-500049, Telangana.

FACTORIES

HYDERABAD

Plot No.20 & 21, Phase I
I.D.A. Pashamailaram
Isnapur, Medak District
Telangana

JHAGADIA

Plot No.763/2,
Near Gujarat Gas,
GIDC, Jhagadia, Bharuch
Gujarat

DAHEJ

Plot No.Z-16,
Dahej SEZ, Part-I,
Dahej, Dist-Bharuch
Gujarat

Management Discussion and Analysis on Excipient Market

Global Pharma Industry:

The global pharmaceutical industry is showing signs of recovery, with several positive factors projected for the next five years. Global spending on medicines is expected to reach US\$ 1.4 trillion by 2020, an increase of US\$ 349 billion from 2015. Spending will be concentrated in developed markets and focused on non-communicable diseases. Specialty therapies will continue to be more significant in developed markets than in pharmerging markets.

Global demand for pharmaceuticals will be driven by:

- ? Demographic trends
- ? Rise in diagnosis and treatment of chronic conditions
- ? Ageing and growing global population
- ? Improved access to healthcare
- ? Increasing per capita income

The key contributors of the US\$ 349 billion in growth over the next five years will be:

1. Improving access to modern medicines in pharmerging countries;
2. Enhanced use of more expensive branded medicines in developed markets; and
3. Use of cheaper alternatives when loss of exclusivity happens

Indian Pharma Industry: The pharmaceuticals market in India is the third largest in terms of volume and 13th largest in terms of value globally. Branded generics dominate the market with 70%+ share. The country is the largest provider of generic drugs globally with the Indian generics accounting for 20% of global exports in volume terms.

In 2015, the market size of the pharmaceutical industry in India was at US\$ 12.1 billion. Future growth is expected to be driven by increasing consumer spending, rapid urbanisation, and rising healthcare insurance among others.

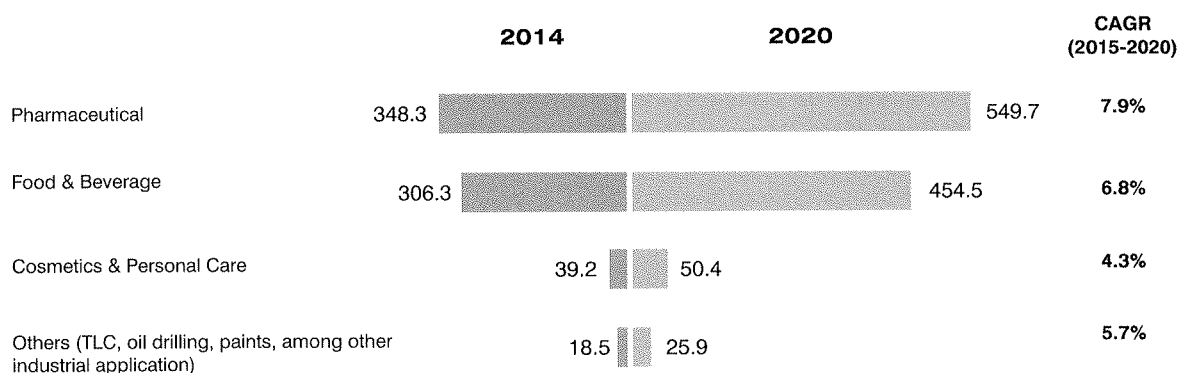
Going forward, growth in Indian market would also depend on the ability of companies to align their product portfolio towards therapies for chronic diseases (cardiovascular, anti-diabetes, anti-depressants and anti-cancers) that are on the rise.

Excipient Industry:

With the Global and Indian Pharma space growing steadily, there is evidence enough that the Excipient industry would continue to grow at the same pace, if not higher, on account of the excipients being used food and other allied industries, as functional ingredients and fillers.

However, the Pharma application would be the biggest contributor of growth for the MCC industry. Sectorwise contributions from Food, Cosmetics and Industrial applications are brought out below

PHARMACEUTICAL APPLICATION SET TO DRIVE THE MCC MARKET BETWEEN 2015 & 2020



• Ten Things that you need to know about Sigachi

- ★ Largest MCC manufacturer in India as on date
- ★ The only Indian manufacturer of MCC to have three manufacturing facilities
- ★ One among the few in the world to have EXCiPACT GMP, WHO GMP certified plants for MCC
- ★ Two DMF filed with USFDA. Three more under filing
- ★ Sigachi US Inc. commenced commercial operations in Early 2017
- ★ MCC product range from Sigachi is among the largest in the world
- ★ The only Indian MCC manufacturer catering to Pharma, food, Cosmetics, Beverage and other industrial applications
- ★ With three National award and numerous other awards and accolades, Sigachi is the most awarded Excipient Manufacturer
- ★ Sigachi also runs Operational and Maintenance Contracts (O&M) for Specialized plants
- ★ Sigachi has not lost a single manhour to labour unrest in the last 28 years

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of members of SIGACHI INDUSTRIES PRIVATE LIMITED will be held on Friday, the 29th day of September, 2017 at 10.30 A M at the Registered Office of the Company at 229/1 & 90, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2017 together with the Reports of Directors and Auditors thereon.
2. To declare a dividend on equity shares for the year ended 31st March, 2017.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, the consent of the members be and is hereby accorded for the ratification of the appointment of the Statutory Auditors of the Company, M/s. T Adinarayana & Co. (Proprietary Firm), Chartered Accountants, Hyderabad (Firm Registration No.000041S) to hold office from the conclusion of this Meeting till the conclusion of the 29th Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors of the Company plus other out of pocket expenses incurred for the purposes of the audit of the Company."

SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the year 2017-18 to Mr N V S Kapardhi, Cost Accountant, Hyderabad (Membership No.9488) appointed by the Board as Cost Auditors to conduct Audit of the Cost records maintained by the Company for the financial year ending 31st March 2018, amounting to Rs.20,000 excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified."

By Order of the Board

Place: Hyderabad
Date: 28.08.2017

(Rabindra Prasad Sinha)
Executive Chairman
DIN: 00413448

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENTS OF PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The relative explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Special Business set out above is annexed hereto and forms an integral part of the Notice.
4. All relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the Company on all working days, up to the date of the meeting.

EXPLANATORY STATEMENT

[Pursuant to Section 102 (1) of the Companies Act, 2013 (the Act)]

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying notice.

Item No. 4

The Board, in its meeting held on 3rd July, 2017, has approved the appointment and remuneration of the Mr N V S Kapardhi, Cost Accountant, Hyderabad (Membership No.9488) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018 at a remuneration of Rs.20,000 as audit fee together with Service tax as may be applicable at the time of payment.

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 shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018. None of the Directors or relatives of Directors is concerned or interested, financially or otherwise, in this Resolution. The Board commends the Resolution for approval of the members as an Ordinary Resolution.

By Order of the Board

Place: Hyderabad

Date: 28.08.2017

(Rabindra Prasad Sinha)

Executive Chairman

DIN: 00413448

DIRECTORS' REPORT

To

The Members,
SIGACHI INDUSTRIES PRIVATE LIMITED

Your Directors have pleasure in presenting the 28th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2017.

1. FINANCIAL SUMMARY

₹ in Lakhs

Particulars	Year ended on 31 st March (Rupees in Lakhs)	
	2017	2016
Total Revenue	8174.53	7419.13
Total Expenses	7756.98	6943.39
Profit or (Loss) before Exceptional and Extraordinary items and Tax	417.55	475.74
Less: Exceptional Items	-	-
Less: Extraordinary Items	-	-
Profit or (Loss) before Tax	417.55	475.74
Less: Current Tax	91.92	110.78
Deferred Tax Liability /(Asset)	15.00	19.48
MAT Credit Entitlement	(30.12)	(40.69)
Profit or (Loss) After Tax	280.50	345.48
Add: Balance as per last Balance Sheet	807.62	536.31
Amount Available for appropriation	1088.12	881.79
Less: Transfer to Reserves	22.07	38.06
Less: Proposed Dividend	30.00	30.00
Dividend Distribution Tax	6.11	6.11
Balance Transferred to Balance Sheet	997.47	807.62

2. DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.1 per share (10%) for the year ended March 31, 2017, subject to the approval of the members at the ensuing Annual General Meeting. The dividend will be paid to the registered members of the Company as on the date of the ensuing Annual General Meeting.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 (the Act) do not apply as there were no amounts of dividend unclaimed or unpaid so far.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The Company has recorded total gross revenue of Rs.8174.53Lakhs during the year as against Rs.7419.13 Lakhs in the previous year, recording a growth of over 10% in the gross revenue. The net profit after provision for tax is Rs.280.50 Lakhs as against net profit of Rs.345.48Lakhs in the previous year.

Your Directors are optimistic about Company's business and hopeful of better performance with increased revenue in the current year.

5. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There is no material change in the nature of business affecting the financial position of the Company for the year ended 31st March, 2017. However, the Company has commenced trading of chemicals in a small way to start with.

6. DIRECTORS

Mr Bhavani Shanmugam Chidambaranathan, Director of the Company has resigned from the Board with effect from 26th November, 2016 and the Board places its appreciation for the advice rendered during his tenure with the Company. Mr Vijay Amrutlal Bhavsar, Whole-Time Director of the Company, has been reappointed for a further period of two years with effect from 1st December, 2016.

The remuneration of Mr Rabindra Prasad Sinha, Executive Chairman, Mr S Chidambaranathan, Executive Vice-Chairman and Mr Amit Raj Sinha, Managing Director & CEO of the Company has been increased with effect from 1st April, 2016 in accordance with the terms of their appointment as approved by the members in their meeting held on 31st December, 2014.

The Company is not mandatorily required to appoint any whole time Key Management Personnel (KMP).

7. FINANCE FROM BANKS

The Company has availed car loans of Rs.5.80 Lakhs and Rs.14.00 Lakhs from Canara Bank during the year under review. Canara Bank, SME Branch, Balanagar, Hyderabad took over the loans availed from Bank of Baroda during the year under review. The Company has repaid in full the loan availed from SREI Equipment Finance Limited during the year under review. Canara Bank has sanctioned enhancement in credit facilities to Rs.39,43,48,000 during the year under review.

State Bank of India, Yellareddyguda Branch, Hyderabad sanctioned various credit facilities for an aggregate amount of Rs.34.96 Crores for taking over the entire existing credit facilities of an aggregate amount of Rs. Rs.39,43,48,000 from the present bankers of the Company, Canara Bank, SME Branch, Kukatpally, Hyderabad pursuant to sanction letter dated 14th March, 2017.

8. SHARES

The Company has allotted 73,000 Equity shares of 10 each for cash at a premium of Rs.49 per share aggregating Rs.43,07,000 on 28th March, 2017 to one of the existing shareholders by way of private placement pursuant to Sections 42 and 62 of the Companies Act, 2013 during the year under review.

During the year under review, the Company has undertaken following transactions:

Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan
Nil	Nil	Nil	Nil

9. 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 this financial statements relate and the date of this report.

10. HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has incorporated a wholly owned subsidiary, namely, "Sigachi US, Inc." in the State of Virginia, United States of America on 20th January, 2017 for furthering the business of the Company abroad. However, no remittances have been made towards capital contribution of the subsidiary and the subsidiary has not yet commenced any business operations on or before 31st March, 2017.

The information on the subsidiary 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.

The Company does not have any holding, associate and joint venture Companies during the year under review.

11. PERSONNEL

No statement giving particulars as required by the provisions of the Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, annexed hereto since none of the employees of the Company are in receipt of remuneration in excess of the limits specified therein during the year under review.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, 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-II and is attached to this report.

13. DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

However, the Company has outstanding unsecured loans of Rs.29,93,042 availed from Banks of Rs.74,506 and Sales Tax deferral of Rs.29,18,536 as per the Financial Statements for the year ended 31st March, 2017.

14.AUDITORS**(a) Statutory Auditors**

M/s. T Adinarayana & Co, Proprietary Firm (Firm Registration No.000041S), Chartered Accountants, Hyderabad have been appointed as Statutory Auditors for 5 years to hold office as such from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting, subject to ratification at every Annual General Meeting.

M/s. T Adinarayana & Co, Proprietary Firm (Firm Registration No.000041S), Chartered Accountants, Hyderabad have signified their willingness to accept ratification of their appointment and have further confirmed their eligibility under Section 141 of the Companies Act, 2013. The Board of Directors in accordance with the provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder commend the ratification of the appointment of Statutory Auditors from the conclusion of 28th Annual General Meeting till the conclusion of 29th Annual General Meeting, for the consideration of the members.

(b) Cost Auditor

The Cost Audit Report for the year ended 31st March, 2016 was noted by the Board at its meeting held on 30th September, 2016 and has been filed with Registrar of Companies on 30th September, 2016. The Cost Audit report received for the year ended 31st March 2017 has been noted by the Board at its meeting held on 28th August, 2017 and the same will be filed with the Ministry of Corporate Affairs shortly.

In accordance with Section 148(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors had appointed Mr N V S Kapardhi, Cost Accountant, Hyderabad (Membership No.9488) as the Cost Auditors for year ending 31st March, 2018. The remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a resolution seeking Members' ratification for the remuneration payable to Mr N V S Kapardhi, is included at Item No.4 of the Notice convening the Annual General Meeting

© Secretarial Auditor

The Company being a 'Private Company' and an 'Un-listed Company'; the provisions of Section 204 of the Act read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 do not apply.

15. QUALIFICATIONS, IF ANY, IN AUDIT REPORTS

There are no qualifications, reservations or adverse remarks made by the Auditors in their report.

16. RISK MANAGEMENT POLICY

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

17. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no loans given and guarantees and securities provided by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable. The Company has incorporated a wholly owned subsidiary, namely, "Sigachi US, Inc." in the State of Virginia, United States of America on 20th January, 2017 pursuant to a resolution passed by the meeting of the Board held on 6th December, 2017. However, no remittances have been made towards capital contribution of the subsidiary and the subsidiary has not yet commenced any business operations on or before 31st March, 2017.

19. RELATED PARTY TRANSACTIONS

No statement giving particulars of contracts or arrangements made with related parties, under Section 188 of the Companies Act, 2013, as required pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014 is annexed hereto as the Company has not entered into such contracts or arrangements or transactions during the year under review. However, suitable disclosures in respect of other matters as required by the Accounting Standards (AS18) have been made in the notes (Refer to Note No.33) forming part of the Financial Statements.

20. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) of the Act relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

21. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 are furnished in Annexure-III and is attached to this Report.

22. MEETINGS OF THE BOARD

The Company has conducted thirteen Board meetings during the financial year under review and the dates of Board Meetings are 16th May, 2016, 4th June, 2016, 10th June, 2016, 29th July, 2016, 25th August, 2016, 30th September, 2016, 6th December, 2016, 15th December, 2016, 16th January, 2017, 25th February, 2017, 16th March, 2017, 24th March, 2017 and 28th March, 2017.

23. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) and Section 134(5) of the Companies Act, 2013, your Directors hereby report that: **a.** in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures; **b.** the directors had 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.** the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the

company and for preventing and detecting fraud and other irregularities; **d.** the directors had prepared the annual accounts on a going concern basis; **e.** the Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and **f.** the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 for appointment of Independent Directors do not apply to the company.

25. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed.

26. AUDIT COMMITTEE AND VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 are not applicable to the Company.

27. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the financial year no such complaints were received.

28. 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.

29. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and On Behalf of the Board of Directors

Place: Hyderabad
Date: 28.08.2017

(Rabindra Prasad Sinha)
Executive Chairman
DIN: 00413448

ANNEXURE -I

Annexure to the Directors' Report

FORM No.AOC-1

[Pursuant to the 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	NIL
2	Date since when subsidiary was acquired	NA
3	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
5	Share Capital	NIL
6	Reserves & Surplus/(Accumulated Loss)	NIL
7	Total Assets	NIL
8	Total Liabilities	NIL
9	Investments	NIL
10	Turnover	NIL
11	Loss Before Taxation	NIL
12	Provision for Taxation	NIL
13	Loss After Taxation	NIL
14	Proposed Dividend	NIL
15	Extent of Shareholding (in percentage)	NIL

The Company has incorporated a wholly owned subsidiary, namely, "Sigachi US, Inc." in the State of Virginia, United States of America on 20th January, 2017. However, no remittances have been made towards capital contribution and expenses of the subsidiary and the subsidiary has not yet commenced any business operations on or before 31st March, 2017.

Additional Information

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

Part "B": Associates/Joint Ventures-NIL

S No	Particulars	Name of the Company
1	Name of Associates/Joint Ventures	NIL
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)	
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

Place: Hyderabad
Date: 28.08.2017

(Rabindra Prasad Sinha)
Executive Chairman
DIN: 00413448

ANNEXURE-I

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.

- b. Proposals being implemented for reduction of consumption of energy Not Applicable

- c. Impact of measures at a & b above for reduction of energy consumption and consequent impact on cost of production of goods: Not Applicable

- d. Total energy consumption and energy consumption per unit as per Form A:

Particulars	For the year ended March 31,	
	2017	2016
a. Power and Fuel Consumption		
i. Electricity		
Purchased Units	39,87,178	38,28,726
Total Amount (Rupees)	2,31,29,974	2,20,20,366
Rate/Unit (Rupees)	5.80	5.75
ii. Own Generation (Through Diesel Generator)		
Units generated	45,492	65,572
Total Amount (Rupees)	9,69,435	10,78,050
Units per litre	3.10	3.83
Cost per Unit (Rupees)	21.31	15.95
b. Consumption per unit of Production		
Production (MTs)	5951.46	6660.53
Power Consumption in Rupees/MT	4049.33	3467.95

FORM – B

Technology, Research and Development

Form for disclosure of particulars with respect to technology absorption

<i>Research & Development</i>	
1. Specific areas in which R&D undertaken	<p>i. Development of 100% import substitution / Export oriented products range based on Chlorination of PP / Polyolefins / Plastomers / Ethylene copolymers for applications in Printing Inks, adhesives, Industrial anti corrosive coatings & paints</p> <p>ii. Development of 100% import substitution / Export oriented products range based on Cellulose and its derivatives for applications as Non Calorific food additive, under the brandname of AceFibre™</p> <p>iii. Process development for making Co-processed excipients having ingredients of MCC and Xanthan gum, Guar Gum and Mannitol</p> <p>iv. Establishing co-relation between Tablet hardness and bulk density of MCC and SMCC.</p>
2. Benefits derived as a result of the above R & D	<p>i. We are able to develop a new molecule for coating in Paint and Inks. The application trial at consumers end also has been found encouraging. The work on its technology to produce commercially in solid form nearing completion.</p> <p>ii. Various grades of cellulose for cosmetic applications have already been made and send across to customers as samples. Various other technological changes/ process changes are being worked out to be able to cater to all segments of the Cosmetic Industry.</p> <p>iii. Co-processed excipient with MCC and TCP development is underway and the product would have a good acceptance in market against the current products providing similar features</p> <p>iv. More than six technical papers published in the field of Pharma Research by the R&D team. This has resulted in our products being superior to others in terms of final finished formulation properties</p>
3. Future / further Plan of Action	<p>i. Fluidised Bed Technology for Vertical Thermopack has been commissioned. This process enhances the combustion efficiency of coal, lowering the cost of heating.</p> <p>ii. Cellulose as an ingredient in Cosmetics is underway. This would typically be used in Personal care and skin care verticals. COSMOS certification for MCC as a cosmetic ingredient would enhance the potential user base</p>
4. Expenditure on R & D	Rs.39.10 lakhs, both capital & revenue.

SIGACHI INDUSTRIES PRIVATE LIMITED

<i>Technology Absorption, Adaptation & Innovation</i>	
1. Efforts in brief made towards Technology absorption, adaptation and innovation	The R & D department has already made significant progress in lab trials of Polyolefin's and Cellulose for Cosmetics Industry.
2. Benefits derived as a result of above efforts eg. Product improvement, cost substitution	Since both the grades of product are 100% import substitute, it would offer customers better lead time, costs and many other after sales technical services for their product support.
3. Technology imported & absorbed (imported during the last 5 yrs reckoned from the beginning of the Financial year)	No Technology has been imported.

FORM – C*Particulars of Foreign Exchange Earning and Outgo***Amts. in ₹**

Particulars	For the year ended March 31, (in Rs.)	
	2017	2016
i. Foreign Exchange Earned		
Export of Goods	44,53,06,477	37,47,63,341
ii. Foreign Exchange Outgo		
a. Import of Raw Material	34,54,16,450	10,25,58,008
b. Travel Expenses	29,67,267	15,52,670
c. Others	NIL	NIL

For and On Behalf of the Board of Directors

Place: Hyderabad

Date: 28.08.2017

(Rabindra Prasad Sinha)

Executive Chairman

DIN:00413448

ANNEXURE-II

Annexure to Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1	CIN	U24110TG1989PTC009497
2	Date of Registration	11 th January, 1989
3	Name of the Company	SIGACHI INDUSTRIES PRIVATE LIMITED
4	Category/Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
5	Address of the Registered Office & Contact Details	229/1 & 90, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049, Telangana
6	Whether Listed Company	No
7	Name, Address and contact details of Registrar & Transfer Agent, if any	NIL

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacture of inorganic chemicals	2011	92.51%
2	Operation & Maintenance of Chemical Plants	7020	7.49%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S NO	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Sigachi US, Inc 371, Chamborley, Dr Reisterstown, MD 21136, USA	NA	Subsidiary	NIL	2 (87) (i)

The Company has incorporated a wholly owned subsidiary, namely, "Sigachi US, Inc." in the State of Virginia, United States of America on 20th January, 2017. However, no remittances have been made towards capital contribution of the subsidiary and the subsidiary has not yet commenced any business operations on or before 31st March, 2017.

The Company does not have any holding, associate and Joint venture Companies.

SIGACHI INDUSTRIES PRIVATE LIMITED



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a. Individual/HUF	0	742126	742126	24.74	0	820536	820536	26.70	1.96
b. Central Govt									
c. State Govts									
d. Bodies Corporate	0	1004230	1004230	33.47	0	1004230	1004230	32.68	-0.79
e. Bank/FIs									
f. Any Other									
Sub-Total A (1)	0	1746356	1746356	58.21	0	1824766	1824766	59.38	1.17
(2) Foreign									
a. NRIs-Individuals									
b. Others-Individuals									
c. Bodies Corporate									
d. Banks/FIs									
e. Any Other									
Sub-Total A (2)									
Total Shareholding of Promoter A [A(1)+A(2)]	0	1746356	1746356	58.21	0	1824766	1824766	59.38	1.17
B. Public Shareholding									
1. Institutions									
a. Mutual Funds									
b. Banks/FIs									
c. Central Govt.									
d. State Govts.									
e. Venture Capital Funds									
f. Insurance Companies									
g. FIIs									
h. Foreign Venture Capital Fund									
i. Others									
Sub-Total B (1)									
2. Non-Institutions									
a. Bodies Corporate									
i. Indian	0	22500	22500	0.75	0	22500	22500	0.73	-0.02
ii. Overseas									
b. Individuals									
i. Holding nominal share capital up to Rs.1 Lakh	0	41885	41885	1.40	0	39475	39475	1.28	-0.12
ii. Holding nominal share capital in excess of Rs.1 Lakh	0	1172394	1172394	39.08	0	1169394	1169394	38.05	-1.03
c. Others									
1. NRIs	0	16865	16865	0.56	0	16865	16865	0.55	-0.01
2. Directors									
3. Clearing Members									
Sub-Total B Total Public Shareholding [B(1)-B(2)]	0	1253644	1253644	41.79	0	1248234	1248234	40.62	-1.17
C. Shares held by Custodians for GDRs/ ADRs									
GRAND TOTAL A+B+C	0	3000000	3000000	100	0	3073000	3073000	100	NIL

*shareholders other than promoters have been shown under Public Shareholding, though they were not "public" since there was no classification of non-promoter shareholders other than public.

(ii) Shareholding of Promoters

S No	Shareholders' Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of Change during the year
		No of Shares	% of total Shares	% of Pledged/ encumbered to Total shares	No of Shares	% of total Shares	% of Pledged/ encumbered to Total shares	
1	Rabindra Prasad Sinha	173853	5.80	0	179263	5.83	0	0.03
2	S Chidambaranathan	258778	8.63	0	258778	8.42	0	-0.21
3	C Dharani Devi	99150	3.31	0	99150	3.23	0	-0.08
4	Nitin Raj Sinha	84990	2.83	0	84990	2.77	0	-0.06
5	Amit Raj Sinha	99705	3.32	0	172705	5.62	0	2.30
6	Smit Sinha	21150	0.71	0	21150	0.69	0	-0.02
7	Ganesh Shanmugam	2250	0.08	0	2250	0.07	0	-0.01
8	C Kartika	2250	0.08	0	2250	0.07	0	-0.01
9	RPS Projects & Developers Private Ltd	1004230	33.47	0	1004230	32.68	0	-0.79
	Total	1746356	58.21	0	1824766	59.38	0	1.17

(iii) Change in Promoters Shareholding - There is no change during the year under review

S No	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of Total Shares	No of Shares	% of Total Shares
	At the beginning of the year	1746356	58.21	1746356	58.21
1	Rabindra Prasad Sinha				
	Opening Balance	1,73,853	5.80		
	Change: Bought on 28.03.2017	5,410	0.18		
	Closing Balance	1,79,263	5.83	1,79,263	5.83
2	S Chidambaranathan				
	Opening Balance	2,58,778	8.63		
	Change: NIL	0	-		
	Closing Balance	2,58,778	8.42	2,58,778	8.42
3	C Dharani Devi				
	Opening Balance	99,150	3.31		
	Change: NIL	0	-		
	Closing Balance	99,150	3.23	99,150	3.23
4	Nitin Raj Sinha				
	Opening Balance	84,990	2.83		
	Change: NIL	0	-		
	Closing Balance	84,990	2.77	84,990	2.77
5	Amit Raj Sinha				
	Opening Balance	99,705	3.32		
	Change: Allotment on 28.03.2017	73,000	2.38		
	Closing Balance	1,72,705	5.62	1,72,705	5.62
6	Smit Sinha				
	Opening Balance	21,150	0.71		
	Change: NIL	0	-		
	Closing Balance	21,150	0.69	21,150	0.69
7	Ganesh Shanmugam				
	Opening Balance	2,250	0.08		
	Change: NIL	0	-		
	Closing Balance	2,250	0.08	2,250	0.08
8	C Kartika				
	Opening Balance	2,250	0.08		
	Change: NIL	0	-		
	Closing Balance	2,250	0.07	2,250	0.07
9	RPS Projects & Developers Private Ltd				
	Opening Balance	10,04,230	33.47		
	Change: NIL	0	-		
	Closing Balance	10,04,230	32.68	10,04,230	32.68
	At the end of the year	18,24,766	59.38	18,24,766	59.38

SIGACHI INDUSTRIES PRIVATE LIMITED



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

S No	Shareholders? Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of Shares	% to Total Shares	No of Shares	% to Total Shares
1	B R Yadav	285600	9.52	285600	9.29
2	Sobha Nigam	71400	2.38	71400	2.32
3	Ganesh Singh Gehlot	58800	1.96	58800	1.91
4	Ruchi Simlote	34000	1.13	34000	1.11
5	Tribhuvan Ravji Thacker	30000	1.00	30000	0.98
6	Tripti Tribhuvan Thacker	30000	1.00	30000	0.98
7	Krishna Sinha	31600	1.05	31600	1.03
8	Maheswari V Bhavsar	28200	0.94	28200	0.92
9	C Satyanarayana Reddy	25000	0.83	25000	0.81
10	Usha Kiran Finance Limited	22500	0.75	22500	0.73

(V) Shareholding of Directors and Key Managerial Personnel

S No	Shareholders? Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No of Shares	% to Total Shares	No of Shares	% to Total Shares
1	Rabindra Prasad Sinha	1,73,853	5.80	1,79,263	5.83
2	S Chidambaranathan	2,58,778	8.63	2,58,778	8.42
3	Amit Raj Sinha	99,705	3.32	1,72,705	5.62
4	Vijay Bhavsar (HUF)	1,27,069	4.24	1,27,069	4.14
5	Dharm Prakash Tripathi	3,21,500	10.72	3,21,500	10.46
6	Swami Das Nigam	0	0	0	0
7	Bhavani Shanmugam	0	0	0	0

VI. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
i.) Principal Amount	227,321,682	11,308,964	0	238,630,646
ii.) Interest due but not paid	0	1,394,353	0	1,394,353
iii.) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	227,321,682	12,703,317	0	240,024,999
Change in Indebtedness during the financial year				
-Addition	45,495,218	0	0	45,495,218
-Reduction	0	-9,710,275	0	-9,710,275
Net Change	45,495,218	-9,710,275	0	35,784,943
Indebtedness at the end of the Financial year				
i.) Principal Amount	272,816,900	2,993,042	0	275,809,942
ii.) Interest due but not paid	0	0	0	0
iii.) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	272,816,900	2,993,042	0	275,809,942

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S No	Particulars of Remuneration	Name of MD/WTD				Total Amount
		Rabindra Prasad Sinha, Executive Chairman	S Chidambaranathan, Executive Vice-Chairman	Amit Raj Sinha, MD	Vijay Bhavsar, WTD	
1	Gross Salary					
	a. Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	28,80,000	28,80,000	36,00,000	10,00,000	1,03,60,000
	b. Value of perquisites U/s 17 (2) of the Income Tax Act, 1961	-	-	-	-	-
	c. Profits in lieu of salary U/s 17 (3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	8,38,333	8,38,333	8,38,333	-	25,14,999
	% of Profit	2%	2%	2%	-	-
	Other (specify)	-	-	-	-	-
5	Other (Specify) (Contribution to PF)	-	-	-	-	-
	Total (A)	37,18,333	37,18,333	44,38,333	10,00,000	1,28,74,999
	Ceiling as per the Act: Part II of Schedule V: Minimum Remuneration	N A	N A	N A	NA	NA

B. Remuneration to other directors:

S No	Particulars of Remuneration	Name of Directors			Total Amount
		Bhavani Shanmugam Up 26.11.16	D P Tripathi	Swami Das Nigam	
1	Independent Directors				
	a. Fees for attending Board and Committee meetings	-	-	48,000	48,000
	b. Commission	-	-	-	-
	c. Others (Specify)	-	-	-	-
	Total of 1	-	-	48,000	48,000
S No	Particulars of Remuneration	Name of Directors			Total Amount
		Bhavani Shanmugam Up 26.11.16	D P Tripathi	Swami Das Nigam	
2	Other Non-Executive Directors				
	a. Fees for attending Board and Committee meetings	-	48,000	-	48,000
	b. Commission	-	-	-	-
	c. Others (Specify)	-	-	-	-
	Total of 2	-	48,000	-	48,000
	Total B (1+2)	-	48,000	-	48,000
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	NA	NA	NA	NA

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD- NA

S No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross Salary				
	a. Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	-	-	-	-
	b. Value of perquisites U/s 17 (2) of the Income Tax Act, 1961	-	-	-	-
	c. Profits in lieu of salary U/s 17 (3) of the Income Tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	% of Profit	-	-	-	-
	Other (specify)	-	-	-	-
5	Other (Specify) (Contribution to PF)	-	-	-	-
	Total (A)	-	-	-	

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment /Compounding Fees imposed	Authority [RD/NCLT / Court]	Appeal made, if any (give details)
A	Company				
	Penalty	-	-	-	-
	Punishment	-	-	-	-
	Compounding	-	-	-	-
B	Directors				
	Penalty	-	-	-	-
	Punishment	-	-	-	-
	Compounding	-	-	-	-
C	Other Officers in Default				
	Penalty	-	-	-	-
	Punishment	-	-	-	-
	Compounding	-	-	-	-

For and On Behalf of the Board of Directors

Place: Hyderabad

Date: 28.08.2017

(Rabindra Prasad Sinha)

Executive Chairman

DIN:00413448

Independent Auditor's Report

To
The Members
M/s Sigachi Industries Private Limited
Report on the Financial Statements

We have audited the accompanying Standalone financial statements of **M/s SIGACHI INDUSTRIES PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its Profit/Loss and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
 - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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" to this report, and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact on its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in Note No.16 to these financial statements as to the holding of specified Bank Notes on 8th November, 2016 and 30th December, 2016 as well as dealings in specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on our Audit procedures and relying on the management representation regarding the holding and nature of cash transactions including specified Bank Notes, we report that this disclosures are in accordance with the Books of Accounts maintained by the Company and as produced to us by the management.

For T.Adinarayana & Co
Chartered Accountants
Firm Regn No 000041S

Place: Hyderabad
Date: 28th August, 2017

Y.Pullarao
Proprietor
Membership No 025266

ANNEXURE - A

(Annexure referred to in paragraph I of Independent Audit Report on the Financial Statements for the year ended 31st March, 2017)

i. In respect of Company's Fixed Assets:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- c. The title deeds of immovable properties are held in the name of the Company.

ii. In respect of its inventory:

- a. The management has conducted the physical verification of inventory at reasonable intervals.
- b. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

iii. In our opinion the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, there are no Loans Investments, Guarantees and Securities granted, in respect of which provisions of Sections 185 and 186 of the Companies, Act, 2013 are applicable hence not commented upon.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- vi.** We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Accounting Records and audit) Rules, 2011 as amended prescribed by the central Government under sub-section (1) of section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- vii.** a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
b. According to the information and explanation given to us, there are no dues of Income tax, sales tax, Service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii.** In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to Banks and other Financial Institutions. The Company has not taken any loan from the government and has not issued any debentures.
- ix.** Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x.** Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi.** Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013;

SIGACHI INDUSTRIES PRIVATE LIMITED



- xii.** In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii.** In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv.** Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment of shares during the year under review to one of its existing members and resultant proceeds were used as working capital of the Company. The company has complied with provisions of section 42 in connection with preferential allotment.
- xv.** Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi.** In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **T. Adinarayana & Co.,**
Chartered Accountants
Firm's registration number: 000041S

Y. Pulla Rao
Proprietor
Membership number: 025266

Place: Hyderabad
Date: 28.08.2017

“Annexure B” to the Independent Auditors’ Report

[Referred to in paragraph 2(f) under “Report on other legal and regulatory requirements” of our Report of even date]

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

We have audited the internal financial controls over financial reporting of M/s Sigachi Industries Private Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **T. Adinarayana & Co.,**
Chartered Accountants
Firm's registration number: 000041S

Y. Pulla Rao
Proprietor
Membership number: 025266

Place: Hyderabad
Date: 28.08.2017

Balance Sheet as at 31st March 2017

Amts. in ₹

	Particulars	Note	As on	As on
			31-Mar-17	31-Mar-16
I	EQUITY AND LIABILITIES			
1)	Shareholders' Fund			
	a) Share Capital	2	30,730,000	30,000,000
	b) Reserves & Surplus	3	172,904,660	148,135,232
2)	NON-CURRENT LIABILITIES			
	a) Long-Term Borrowings	4	42,313,437	62,488,558
	b) Deferred Tax Liability (Net)	5	11,180,093	9,679,520
	c) Long term provisions	6	4,870,552	3,794,214
3)	CURRENT LIABILITIES			
	a) Short-Term Borrowings	7	233,496,505	155,972,779
	b) Trade Payables			
	i) Payable to MSME parties		-	-
	ii) Payable to other than MSME parties	8	64,597,368	97,856,513
	c) Other Current Liabilities	9	32,683,265	39,952,254
	d) Short-Term Provisions	10	6,600,128	12,333,805
	Total		599,376,008	560,212,875
II	ASSETS			
1)	Non-Current Assets			
	a) Property, Plant & Equipment:			
	i) Tangible Assets	11	225,778,804	229,860,257
	ii) Capital Work-in-Progress		9,543,361	-
	b) Non-Current Investments	12	1,000,000	1,000,000
	c) Long Term Loans and Advances	13	9,546,392	7,562,193
2)	Current Assets			
	a) Inventories	14	144,587,956	119,796,443
	b) Trade Receivables	15	134,447,314	133,099,462
	c) Cash and Cash Equivalents	16	30,634,422	18,418,196
	d) Short-Term Loans and Advances	17	43,837,759	50,476,324
	Total		599,376,008	560,212,875

Significant Accounting Policies

The accompanying notes are an integral part of the financials

As per our report of even date
for **T. Adinarayana & Co.,**
Chartered Accountants
Firm Regn. No. 000041S

for and on behalf of the Board

RABINDRA PRASAD SINHA
Executive Chairman

(Y.P. Rao)
Proprietor
Membership No. 025266

S. CHIDAMBARANATHAN
Executive Vice Chairman

AMIT RAJ SINHA
Managing Director &
CEO

Place : Hyderabad
Date : 28-08-2017.

SIGACHI INDUSTRIES PRIVATE LIMITED



Statement of Profit and Loss Account for the year ended 31st March 2017

Amts. in ₹

	Particulars	Note	Year ended 31-Mar-17	Year Ended 31-Mar-16
I	REVENUE			
	Gross Revenue from Operations	18	857,429,696	784,019,820
	Less: Taxes & Duties		46,201,570	46,277,849
	Net Revenue from Operations		811,228,126	737,741,971
	Other Income	19	6,225,227	4,171,186
	Total Revenue		817,453,353	741,913,157
II	EXPENSES			
	Cost of Material Consumed	20	470,105,283	438,926,701
	Change in Inventories of Finished Goods	21	(5,247,814)	(17,061,506)
	- and Work in Progress			
	Employee Benefit expenses	22	132,462,981	129,253,813
	Finance costs	23	43,265,382	39,266,336
	Other Expenses	24	122,120,748	90,357,023
	Depreciation	11	12,991,443	13,596,902
	Total Expenses		775,698,023	694,339,270
	Profit Before Tax [I - II]		41,755,330	47,573,887
	Tax Expenses:			
	- Current Tax		12,204,317	11,077,861
	- Deferred Tax Expenses	5	1,500,573	1,948,796
	Profit for the Year		28,050,440	34,547,230
	Earning Per Share [Nominal Value Per Share Rs.10]	25		
	- Basic		9.35	11.52
	- Diluted		9.35	11.52

Significant Accounting Policies

The accompanying notes are an integral part of the financials

As per our report of even date
for **T. Adinarayana & Co.,**
Chartered Accountants
Firm Regn. No. 000041S

for and on behalf of the Board

RABINDRA PRASAD SINHA
Executive Chairman

(Y.P. Rao)
Proprietor
Membership No. 025266

S. CHIDAMBARANATHAN
Executive Vice Chairman

AMIT RAJ SINHA
Managing Director &
CEO

Place : Hyderabad
Date : 28-08-2017.

applicable trade discounts and allowances. The cost of free samples including duties and taxes to customers for sales promotion are recognised as a sales expense credited to the sales account.

SERVICE INCOME

Operation and maintenance income is recognised on rendering of services as per the terms of contract.

INTEREST

Interest Income on deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

F CENVAT

Cenvat benefit is accounted for by reducing the purchase cost of the raw materials and adjusted against excise duty liability.

G EMPLOYEES BENEFITS

i SHORTTERM BENEFITS

All employees benefits due wholly within a year of rendering services are classified as short term benefits. These benefits like salaries, wages, short term compensated absences, expected cost of bonus, ex-gratia are recognized as expense on accrual at the undiscounted amount in the Profit and Loss Account.

ii RETIREMENT BENEFITS

DEFINED CONTRIBUTION PLAN

Employees' contribution to provident fund and ESI are recognized as expenditure in Profit & Loss Account, as they are incurred. There are no other obligations other than the contribution payable to aforesaid respective trusts/Govt authorities.

DEFINED BENEFIT PLAN

The company provides for gratuity and leave encashment as defined benefit plan. There are no other post retirement benefits. The defined benefit gratuity and leave encashment obligations on annual basis is determined by actuarial valuation..

H FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions are recorded at the exchange rates prevailing on the dates when the relevant transactions took place. Exchange difference arising in settled foreign currency transactions during the year and translation of assets and liabilities at the year end are recognized in the statement of profit and loss.

I EARNING PER SHARE

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the adjusted profit/(loss) 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 which could have been issued on the conversion of all dilutive potential equity shares, if any.

J TAXATION

i Income Tax

The provision for taxation is based on assessable profits of the company as determined under the Income Tax Act, 1961.

ii Deferred Tax

The company is providing and recognizing deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

iii Minimum Alternative Tax (MAT)

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the statement of Profit and Loss. The credit available under the Income-tax Act, 1961 in respect of MAT paid 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 period for which the MAT credit can be forward for set-off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

K PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized only when there is a present obligation as a result of past events and when 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. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realised.

L IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets. As per the assessment conducted by the Company as at 31 March 2017, there are no indications that the relevant assets have suffered an impairment loss.

M CASH AND CASH EQUIVALENTS

Cash and Cash equivalents comprises cash at bank and on hand and short term investment with an original maturity of 3 months or less.

Notes to Accounts:

Amts. in ₹

2	Share Capital	Year Ended	
		31-Mar-17	31-Mar-16
	Authorized Share Capital		
	71,50,000 no. of Equity Shares of Rs. 10 each	71,500,000	71,500,000
	T o t a l	71,500,000	71,500,000
	Issued, Subscribed and Paid-up Capital		
	30,73,000 no. of Equity Shares of Rs. 10 each fully paid-up	30,730,000	30,000,000
	T o t a l	30,730,000	30,000,000

Amts. in ₹

a Reconciliation of Number of Shares Outstanding				
Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year @Rs.10 each	3,000,000	30,000,000	3,000,000	30,000,000
Add: Issued during the year	73,000	730,000	-	-
Outstanding at the end of the Year	3,073,000	30,730,000	3,000,000	30,000,000

- b The company issued 73,000 number of equity shares of Rs.10/- each at a premium of Rs.49/- per share on 28.03.2017 to the existing shareholder.

c Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is entitled to one vote per share held. All the shareholders are eligible for the dividend proposed by the Board of Directors subject to the approval of the shareholders in the ensuing annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

d Details of shares held by shareholders holding more than 5% of the aggregate shares in the company					
Equity Shares		As at March 31, 2017		As at March 31, 2016	
Name of the Shareholder	No. of Shares	% of Shares Held	No. of Shares	% of Shares Held	
M/s. RPS Projects & Developers Pvt. Ltd.	1,004,230	32.68	1,004,230	33.88	
Sri. Dharm Prakash Tripathi	321,500	10.46	321,500	10.72	
Sri. BR Yadav	285,600	9.29	285,600	9.52	
Sri. S Chidambaranathan	258,778	8.42	258,778	8.63	
Sri. Rabindra Prasad Sinha	179,263	5.83	173,853	5.80	
Sri Amit Raj Sinha	172,705	5.62	99,705	3.32	

SIGACHI INDUSTRIES PRIVATE LIMITED



Amts. in ?

3	Reserves & Surplus	Year Ended	
		31-Mar-17	31-Mar-16
a)	A.P. State Subsidy (as per last Balance Sheet) Balance as at the beginning of the Year Add: Additions during the Year	437,053 -	437,053 -
	Balance as at the end of the Year	437,053	437,053
b)	Share Premium Balance as at the beginning of the Year Add: Additions during the Year	12,876,515 3,577,000	12,876,515 -
	Balance as at the end of the Year	16,453,515	12,876,515
c)	General Reserve Balance as at the beginning of the Year Add: Additions during the Year	15,003,142 2,207,339	11,197,231 3,805,911
	Balance as at the end of the Year	17,210,481	15,003,142
d)	Amalgamation Reserve Balance as at the beginning of the Year Add: Additions during the Year	39,056,600 -	39,056,600 -
	Balance as at the end of the Year	39,056,600	39,056,600
e)	Surplus in Statement of Profit and Loss Account Balance as at the beginning of the Year Add: Profit for the Year	80,761,922 28,050,440	53,631,343 34,547,230
		108,812,362	88,178,573
	Less: Appropriations Proposed Dividend on Equity Shares for the Year Dividend Distribution Tax Transfer to General Reserve Prior period expenses	3,000,400 610,821 2,207,339 3,246,791	3,000,000 610,740 3,805,911 -
	Balance as at the end of the Year	99,747,011	80,761,922
	T o t a l	172,904,660	148,135,232

Amts. in ₹

4	Long-Term Borrowings	Year Ended	
		31-Mar-17	31-Mar-16
a)	Secured Term Loans from Banks Vehicle Loans from Banks	36,918,752 2,401,643	47,026,250 2,758,991
b)	Un-Secured From Directors From Banks From Others Sales Tax Deferral	- 74,506 - 2,918,536	5,549,556 950,250 2,500,000 3,703,511
		2,993,042	12,703,317
	T o t a l	42,313,437	62,488,558

Amts. in ₹

18	Revenue from Operations	Year ended	Year Ended
		31-Mar-17	31-Mar-16
a	Sale of Products		
	Domestic Sales	351,323,702	342,165,856
	Export Sales	445,306,477	386,085,098
	Total Sales	796,630,179	728,250,954
	Less: Taxes & Duties	46,201,570	46,277,849
	Net Sales	750,428,609	681,973,105
b	Operation & Maintenance Income	60,799,517	55,768,866
	Total Income	811,228,126	737,741,971

Amts. in ₹

19	Other Income	Year ended	Year Ended
		31-Mar-17	31-Mar-16
	Interest on deposits	1,278,859	1,561,879
	Gain on foreign Currency Fluctuations	4,436,474	(722,537)
	Sale of Scrap	342,533	85,470
	Profit on sale of Vehicle	167,361	202,415
	Export Incentives	-	3,043,958
	Total Other Income	6,225,227	4,171,186

Amts. in ₹

20	Cost of Raw Material Consumed	Year ended	Year Ended
		31-Mar-17	31-Mar-16
a)	Raw Material Consumed		
	Opening Inventory	29,543,288	37,303,901
	Add: Purchases	410,245,996	355,395,522
	Less: Inventory at the end of the Year	45,520,919	29,543,289
	Cost of Raw Material Consumed during the year	394,268,366	363,156,135
b)	Cost of Packing Material Consumed		
	Opening Inventory	1,843,037	527,586
	Add: Purchases (Net)	21,587,459	20,158,723
	Less: Inventory at the end of the Year	4,023,015	1,843,036
	Cost of Packing Material Consumed during the year	19,407,480	18,843,273
c)	Cost of Consumables Consumed		
	Opening Inventory	412,251	1,534,701
	Add: Purchases (Net)	5,205,656	7,511,144
	Less: Inventory at the end of the Year	634,155	412,251
	Cost of Consumable Material Consumed during the year	4,983,752	8,633,594
d)	Coal, Firewood & Furnace Oil Consumed		
	Opening Inventory	1,883,771	3,219,188
	Add: Purchases (Net)	52,609,872	46,958,283
	Less: Inventory at the end of the Year	3,047,957	1,883,771
	Cost of Coal, Firewood & F.Oil Consumed during the year	51,445,685	48,293,700
	Total Cost of Material Consumed	470,105,283	438,926,701

		Amts. in ₹	
21	Changes in Inventory of Finished Goods and Work in Progress	Year Ended	
		31-Mar-17	31-Mar-16
	Stock at the End of the Year		
	Finished Goods	11,721,157	23,881,959
	Work in Progress	79,640,753	62,232,137
	Total - A	91,361,910	86,114,097
	Stock at the Beginning of the Year		
	Finished Goods	23,881,959	10,383,641
	Work in Progress	62,232,137	58,668,950
	Total - B	86,114,096	69,052,591
	Increase / (Decrease) in Stocks (B-A)	(5,247,814)	(17,061,506)

		Amts. in ₹	
22	Employee Benefit expenses	Year Ended	
		31-Mar-17	31-Mar-16
	Employees Remuneration and Benefits	109,314,066	105,371,889
	Bonus & Leave Encashment	2,953,478	3,632,462
	Contribution to PF and ESIC	3,779,593	3,534,197
	Directors' Remuneration	10,426,000	8,520,000
	Directors' Commission	2,472,000	3,612,000
	Gratuity	1,076,338	2,844,261
	Staff Welfare Expenses	2,441,506	1,739,004
	Total Employee Benefit Expenses	132,462,981	129,253,813

		Amts. in ₹	
23	Finance Cost	Year ended	Year Ended
		31-Mar-17	31-Mar-16
	Interest on Working Capital	19,342,522	18,023,423
	Interest on Vehicle Loans	285,822	380,816
	Interest on Term Loans	8,293,004	11,772,923
	Interest Others	9,017,197	3,049,976
	Bank Charges	6,326,837	6,039,198
	Total	43,265,382	39,266,336

		Amts. in ₹	
24	Other Expenses	Year Ended	
		31-Mar-17	31-Mar-16
	Stores, Spares & Chemicals Consumed	6,237,644	6,627,882
	Water Charges	5,258,728	3,537,881
	Power and Fuel	24,424,885	23,645,778
	Rent	2,413,328	2,309,020
	Repairs & Maintenance	9,076,468	6,964,688
	Carriage Outward	30,213,252	14,831,943
	Insurance	2,500,168	1,888,412
	Rates & Taxes	1,516,159	2,252,913
	Printing & Stationery	609,442	830,751
	Legal & Professional Charges	4,236,056	1,152,518
	Communication Expenses	1,662,656	1,306,707
	Selling Expenses	19,212,042	15,253,529
	Travelling and Conveyance Expenses	6,399,683	7,105,055
	Auditors' Remuneration	726,260	150,000
	Membership & Subscriptions	368,564	539,741
	R & D Expenses	192,612	893,796
	Miscellaneous Expenses	2,456,069	1,066,409
	Bad Debts Written off	1,457,910	-
	Other operating Expenses	3,158,822	-
	Total Other Expenses	122,120,748	90,357,023

		Amts. in ₹	
25	Earnings Per Share	Year Ended	
		31-Mar-17	31-Mar-16
	Profit Attributable to Equity Shareholders		
	Net Income	28,050,440	34,547,230
	Face Value of Equity Share	@Rs.10 each	@Rs.10 each
	Weighted Average Number of Shares Outstanding	3,000,000	3,000,000
	Shares allotted as on 28.03.2017	73,000	-
		3,073,000	3,000,000
	Basic Earnings Per Share of Rs.	9.35	11.52
	Diluted Earnings Per Share of Rs.	9.35	11.52
26	Estimated amount of contract remaining to be executed on capital account and not provided is Nil. (Previous Year Nil).		
27	Confirmation of balances of certain parties for amount due to / due from them as per the accounts of the company have not been received. However the values in the books of accounts are final, since it is indicated that our balances are deemed to be correct, if confirmation is not received before certain prescribed period.		

28	Details of Imported and Indigenous Raw Material Consumption	Year Ended			
		31-03-17		31-03-16	
	Imported	299,895,531	76.06%	92,519,594	26.03%
	Indigenous	94,372,835	23.94%	262,875,928	73.97%

SIGACHI INDUSTRIES PRIVATE LIMITED

Amts. in ₹

		Year Ended	
		31-03-17	31-03-16
29	CIF Value of Imports		
	Raw Material	345,416,450	102,558,008
30	Expenditure in Foreign Currency		
	Travelling Expenses	2,967,267	1,552,670
31	Earnings in Foreign Currency		
	Export Sales	445,306,477	386,085,098

32	Disclosure pursuant to Account Standard 15 (Revised 2005) employee benefits:		
a	Defined Contribution Plan		
	Contribution to defined contribution plan recognized as expenditure in Profit and Loss Account as under:		
		Year Ended	
		31-06-2017	31-03-16
	Employers' contribution to Provident Fund	3,323,477	3,119,486
b.	Defined Benefit Plan		
	The company has provided gratuity liability on accrual basis as on 31 March 2017 as under:		
		Year Ended	
		31-06-2017	31-03-16
	Provision for Gratuity	3,294,638	2,718,550

A summary of the Gratuity & Leave Encashment plans are as follows:

		31-03-17	31-03-16
	Assumptions:	Gratuity Plan	Leave Encashment plan
	Discount rate	7.90%	7.90%
	Rate of increase in compensation levels	6.00%	6.00%
	Rate of return on plan assets	0.00%	0.00%
	Expected average remaining working lives of employees (years)	26 years	26 years
	Table showing changes in present value of obligations:		
	Present value of obligation as at the beginning of the year	-	-
	Past service cost	2,718,550	1,075,664
	Current service cost	576,088	500,250
	Benefit paid	-	-
	Actuarial (gain)/loss on obligations	-	-
	Present value of obligation as at the end of the year	3,294,638	1,575,914
	The amount to be recognised in Balance Sheet and statement of Profit and Loss:		
	Present value of obligation as at the end of the year	3,294,638	1,575,914
	Fair value of Plan Provisions as at the end of the year	-	-
	Funded status	(3,294,638)	1,575,914
	Net Asset / (Liability) Recognised in Balance Sheet	3,294,638	1,575,914

Amts. in ₹

Expense recognised in the statement of Profit and Loss:		
Current service cost	576,088	500,250
Past service cost	2,718,550	1,075,664
Interest cost	-	-
Expected return on Plan Assets	-	-
Net actuarial (gain)/loss recognised in the year	-	-
Expenses recognised in the statement of Profit & Loss	3,294,638	1,575,914

33 Dividend proposed by the directors is provided for in the books of account pending approvals at the Annual General Meeting.

34 Contingent Liabilities	31-Mar-17	31-Mar-16
Bank Guarantees outstanding at the end of the year	2,770,834	2,714,000

Pending Legal Matter

No Legal Matters are pending.

35 Impairment of Assets

The company assessed at the Balance Sheet date the value of the fixed assets in order to comply with the provisions of AS-28. The company was of the opinion that the assets of the company will generate adequate benefits in future. The company has arrived to the opinion considering the present condition of the assets and withstanding capacity even for increased capacity by two to three times to that of present capacity. In view of this position the company has felt "the value in use" of fixed assets is more than the carrying cost of fixed assets. Hence no provision for impairment of fixed assets has been made.

36	Related parties disclosures		
a	Name of Related Parties and nature of relationships		
	Nature of Relationship	Year Ended 31-03-17	Year Ended 31-03-16
	Directors	Mr. R.P. Sinha, Executive Chairman	Mr. R.P. Sinha, Executive Chairman
		Mr. S. Chidambaramathan, Executive Vice Chairman	Mr. S. Chidambaramathan, Executive Vice Chairman
		Mr. Amit Raj Sinha, Managing Director & CEO	Mr. Amit Raj Sinha, Managing Director & CEO
		Mr. Vijay Bhavsar - Director	Mr. Vijay Bhavsar - Director
b	The company incorporated a wholly owned subsidiary on 20th January 2017 with name "Sigachi US, Inc." in the state of Virginia, one of the state of United States of America.		

SIGACHI INDUSTRIES PRIVATE LIMITED

Amts. in ₹

C	Transactions with related parties			
	Related party	Transactions	Year Ended	
			31-03-17	31-03-16
	Mr. R.P. Sinha	Remuneration & Commission	3,718,333	2,838,800
	Mr. S.Chidambaranathan	Remuneration & Commission	3,718,333	2,838,800
	Mr. Amit Raj Sinha	Remuneration & Commission	4,438,333	3,219,400
	Mr. Vijay Bhavsar	Remuneration & Commission	1,000,000	900,000
	M/s. RPS Projects & Developers Pvt Ltd.	Investment	10,042,300	10,042,300
	Year End Balances			
	RPS Projects & Developers Pvt. Ltd.		-	117,082
	Mr. R.P. Sinha		179,988	806,094
	Mr. S.Chidambaranathan		186,628	167,400
	Mr. Amit Raj Sinha		212,166	4,431,336
	Mr. Vijay Bhavsar		167,500	362,794

37 Segment Reporting

a Primary Segment reporting

The company has identified "Manufacturing of Micro Crystalline Cellulos Powder" as the only business segment which is considered as primary segment for disclosure in the context of Accounting Standard 17 "Segment Reporting"

b Secondary Segment (by Geographical Segment)

The Company sells its products outside and within India which in the context of Accounting Standard 17 "Segment Reporting" is disclosed as below

Amts. in ₹

Particulars	Year Ended	
	31-03-17	31-03-16
Segment Revenue		
a) India	372,146,876	355,828,059
b) Outside India	445,306,477	386,085,098
Total	817,453,353	741,913,157

Total carrying amount of segment assets by geographical location of assets for each geographical segment whose assets are 10% or more of the total assets of all geographical segments and the additions to the same are as under:

Amts. in ₹

Segment Assets	Carrying Amount of Segment assets		Additions to fixed assets during the year	
a) India	554,533,803	527,168,296	13,490,809	50,063,211
b) Outside India	44,842,204	33,044,579	-	-
Total	599,376,007	560,212,875	13,490,809	50,063,211

38 In the opinion of Board of Directors of the company, the current assets, loans, advances and deposits are approximately of the value stated in the accounts if realized in the ordinary course of business, unless otherwise stated. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

As per our report of even date
for T. Adinarayana & Co.,
 Chartered Accountants
Firm Regn. No. 000041S

for and on behalf of the Board

RABINDRA PRASAD SINHA
 Executive Chairman

(Y.P. Rao)
 Proprietor
Membership No. 025266
 Place : Hyderabad
 Date : 28-08-2017

S. CHIDAMBARANATHAN
 Executive Vice Chairman

AMIT RAJ SINHA
 Managing Director & CEO

SIGACHI INDUSTRIES PRIVATE LIMITED

Regd. Office: 229/1 & 90, 4th Floor, Kalyan's Tulasiram Chambers,
Madinaguda, Hyderabad-500049
CIN: U24110TG1989PTC009497

PROXY FORM

I/We of
..... being a
Member / Members of **Sigachi Industries Private Limited**, hereby appoint
..... of
..... or failing him / her
..... Or failing him /
her of as my / our
proxy to attend and vote for me / us and on my / our behalf at the Twenty Eighth Annual General
Meeting of the Company to be held on Friday, the 29th September, 2017 at 10.30 AM at Registered
Office : 229/1 & 90, 4th Floor, Kalyan's Tulasiram Chambers, Madinaguda, Hyderabad-500049 and /
or at any adjournment thereof.

As witness my / our hand(s), this day of 2017.

Signature of the Shareholder / Proxy Holder

Member's Folio No. / DP ID-Client ID

Note: Proxies must be deposited at the Registered Office of the Company at : 229/1 & 90, 4th Floor,
Kalyan's Tulasiram Chambers, Madinaguda, Hyderabad -500049, not less than forty-eight hours before
the time fixed for holding the meeting.

SIGACHI INDUSTRIES PRIVATE LIMITED

Regd. Office: 229/1 & 90, 4th Floor, Kalyan's Tulasiram Chambers,
Madinaguda, Hyderabad-500049
CIN: U24110TG1989PTC009497

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I hereby record my presence at the Twenty Eighth Annual General Meeting of the Company on
Friday, the 29th September, 2017 at 10.30 AM at 229/1 & 90, 4th Floor, Kalyan's Tulasiram Chambers,
Madinaguda, Hyderabad-500049,

Folio No. / DP ID-Client ID

Full Name of the Shareholder in Block Letters:

No. of shares held :

Name of Proxy (if any) in Block Letters :

Signature of the Shareholder / Proxy / Representative *

Strike out whichever is not applicable.

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