



**Exploring new horizons**  
Expanding | Diversifying | Innovating

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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.

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Scan this code to know more about the company.





# Exploring new horizons

**"The future belongs to those who believe in the beauty of their dreams." - Eleanor Roosevelt**

At Sigachi, we have always strived to go the extra mile. As a global leader in the production of microcrystalline cellulose, we have already established our presence in over 65 countries. To further develop a varied clientele base, we are steadily expanding our global footprint through strategic collaborations and acquisitions. Upholding the core values of excellence, respect, integrity and resourcefulness, we ensure to find ingenious solutions, delivering goods and services of the highest standards.

Backed by our proficient research and development team, we have always been at the forefront of innovation, developing a comprehensive product portfolio to fulfil the unmet needs of our customers. Our innovative product portfolio has played an instrumental role in fortifying our market position, addressing the industrial requirements and driving the organisation towards new heights of success.

Our financial acumen and deep industrial expertise enables us to assess the market minutely and develop strategies accordingly. We believe our strategic focus on diversifying our product mix, incorporating high margin yielding products and robust manufacturing prowess coupled with effective inventory management enables us to gain a competitive advantage over our peers and stay ahead of the curve.

Our commitment to delivering long-term value to our valued stakeholders encourages us to consistently expand, diversify and innovate, exploring the new horizons that brim with immense potential and provide the foundation for sustained growth and development.



## About Sigachi

# Prioritising innovation and excellence

We are one of the leading manufacturers of Microcrystalline Cellulose (MCC) in the domestic as well as the international market, supplying essential molecules for pharma excipients, nutraceuticals, cosmetics and food industries.

Over the years, we have earned the trust of a diverse clientele from over 65 countries and continue to power our growth with a staunch focus on quality and excellence. We have five state-of-the-art manufacturing facilities, an extensive sales and distribution channel and efficiently manage supply chain operations to ensure timely delivery of our products to different parts of the globe.

To retain our competitive edge, we rely on our robust Research and Development facilities. It empowers us to introduce innovative cellulose-based excipients. It has also made us a dependable supplier of quality products as well as new formulations that address unmet needs.

**3**

Decades of industry experience

**5**

State-of-the-art manufacturing facilities

**60+**

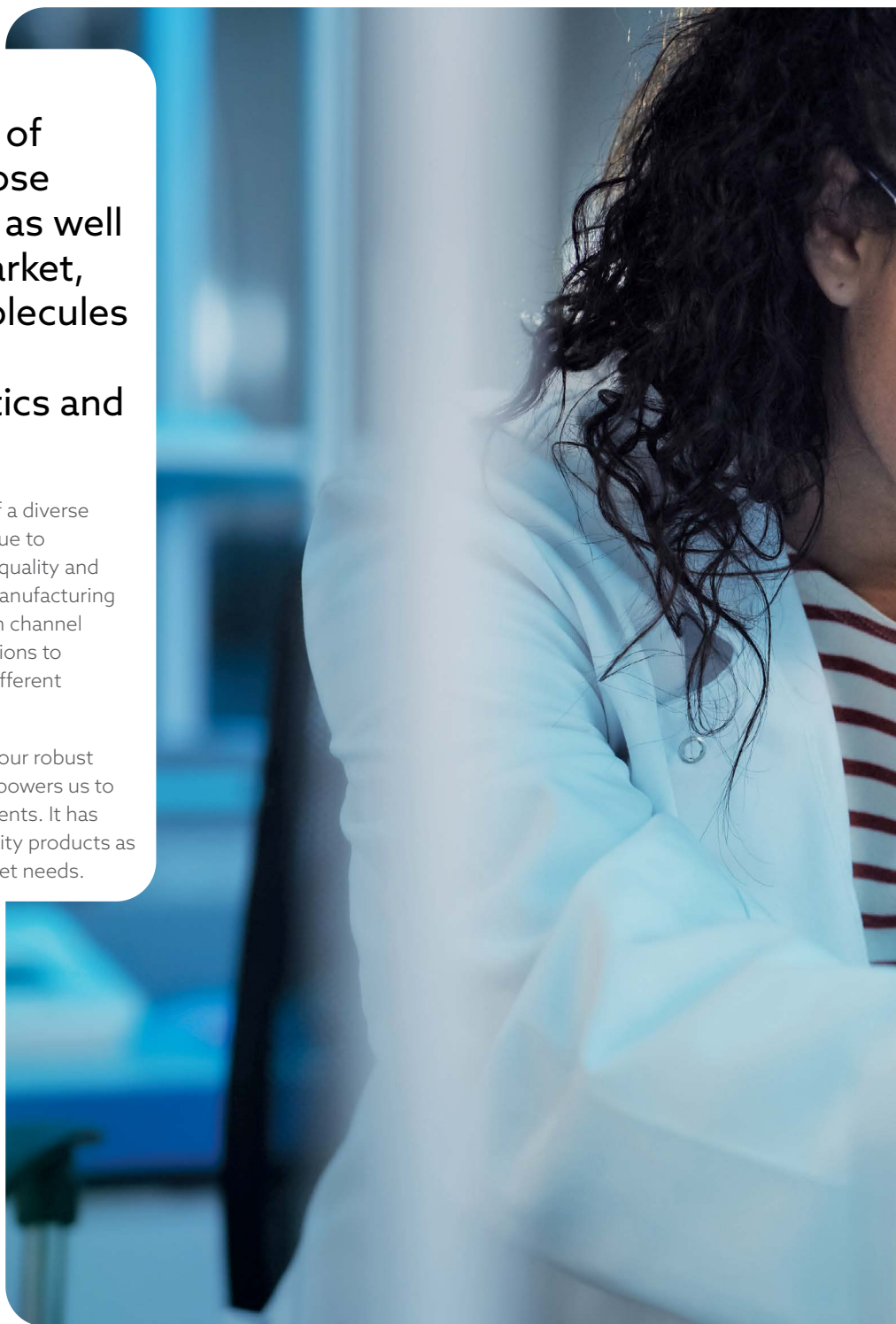
Widely used Excipients

**337+**

Customers across

**65+**

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.

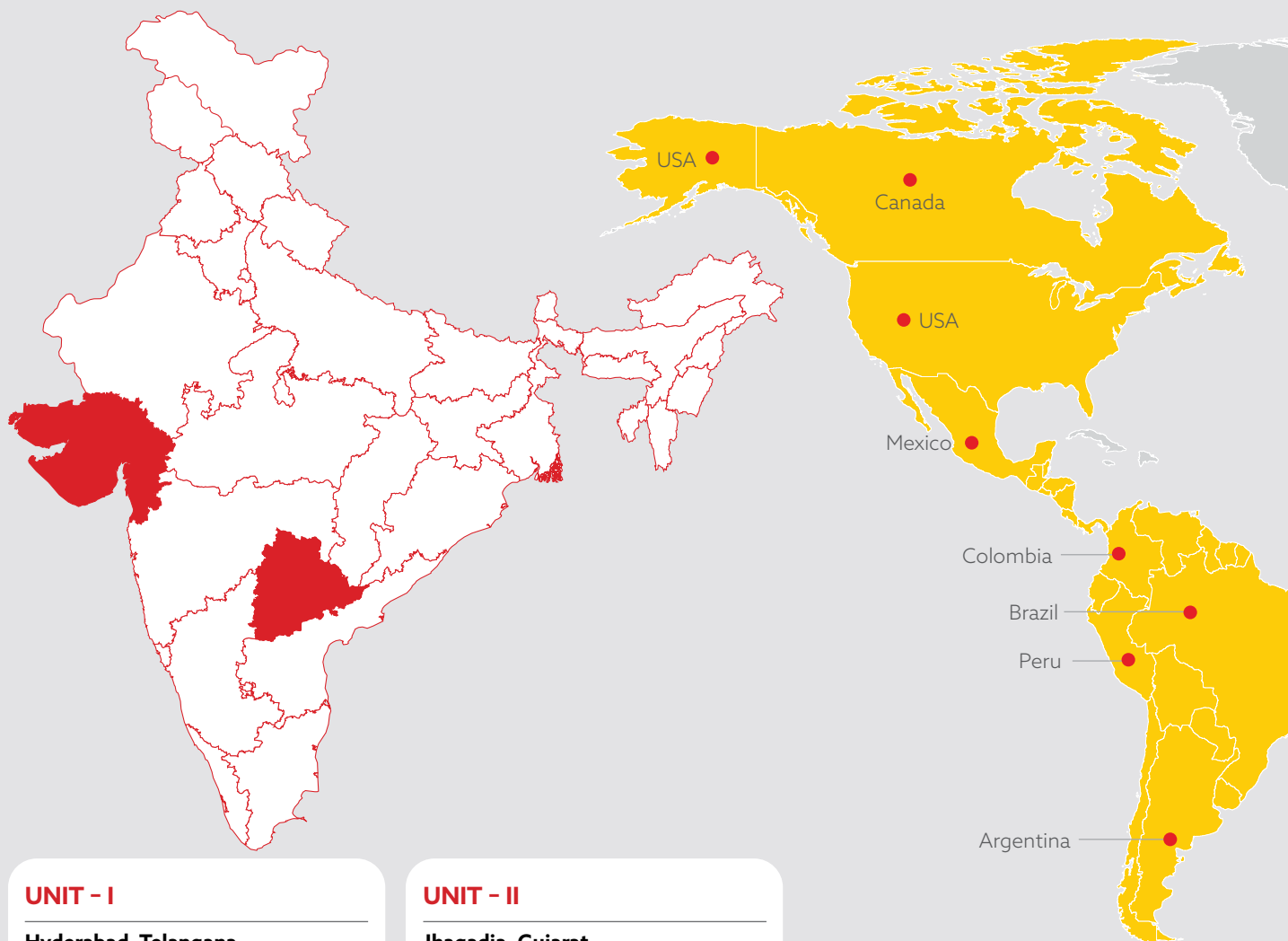


### Resourcefulness

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

# Expanding our presence far and wide



### UNIT - I

#### Hyderabad, Telangana

Products manufactured

Installed Capacity (MTPA) - **6400**

Production volume (MTPA) - **5951**

Capacity utilization- **92.98%**

### UNIT - II

#### Jhagadia, Gujarat

Products manufactured

Installed Capacity (MTPA) - **3300**

Production volume (MTPA) - **3164**

Capacity utilization- **95.87%**

### UNIT - III

#### Dahej, Gujarat

Products manufactured

Installed Capacity (MTPA) - **4800**

Production volume (MTPA) - **4487**

Capacity utilization- **93.47%**

### UNIT - IV

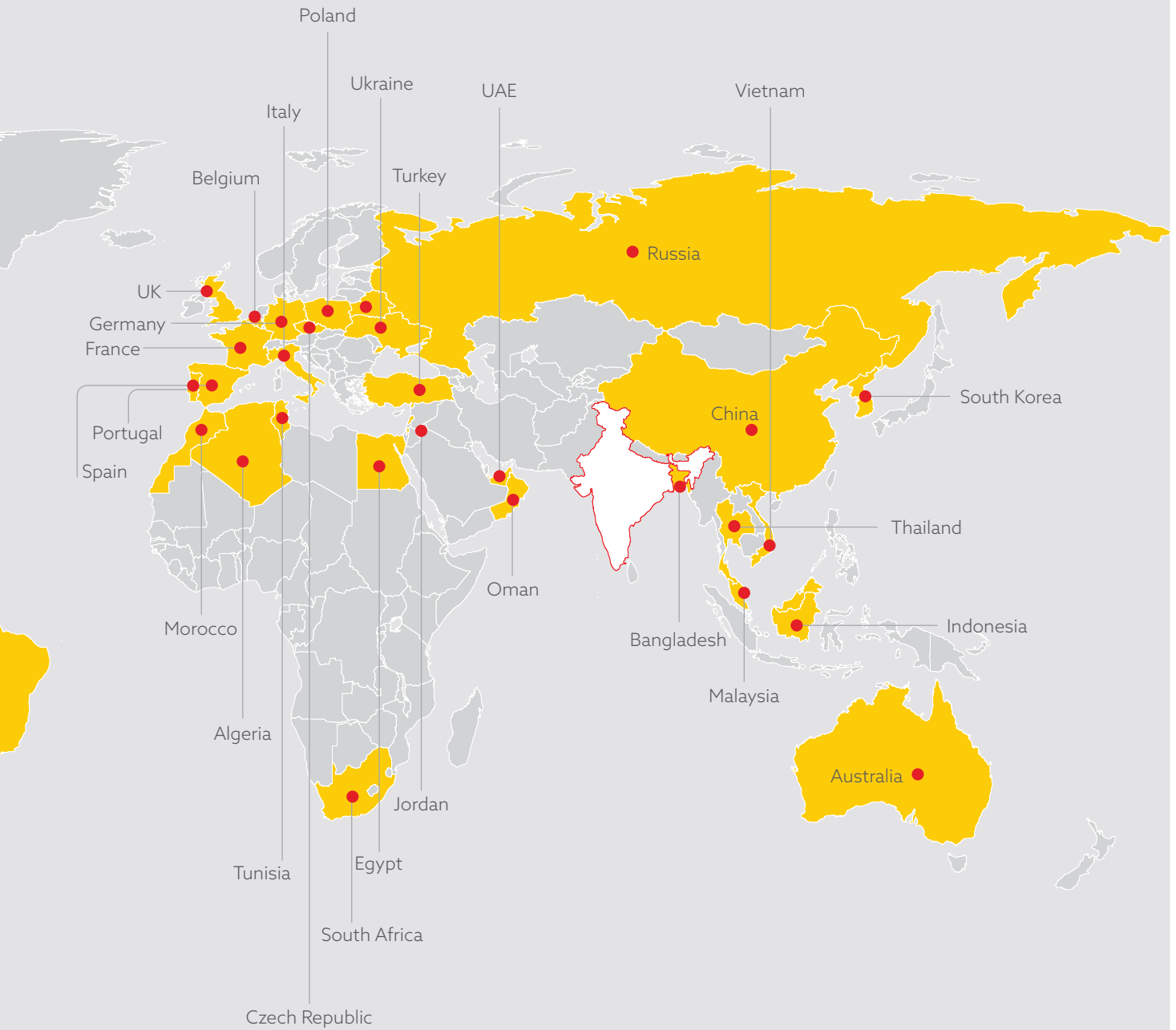
#### Sultanpur, Hyderabad

Installed Capacity (MTPA) - **12000**

### UNIT - V

#### Raichur, Karnataka

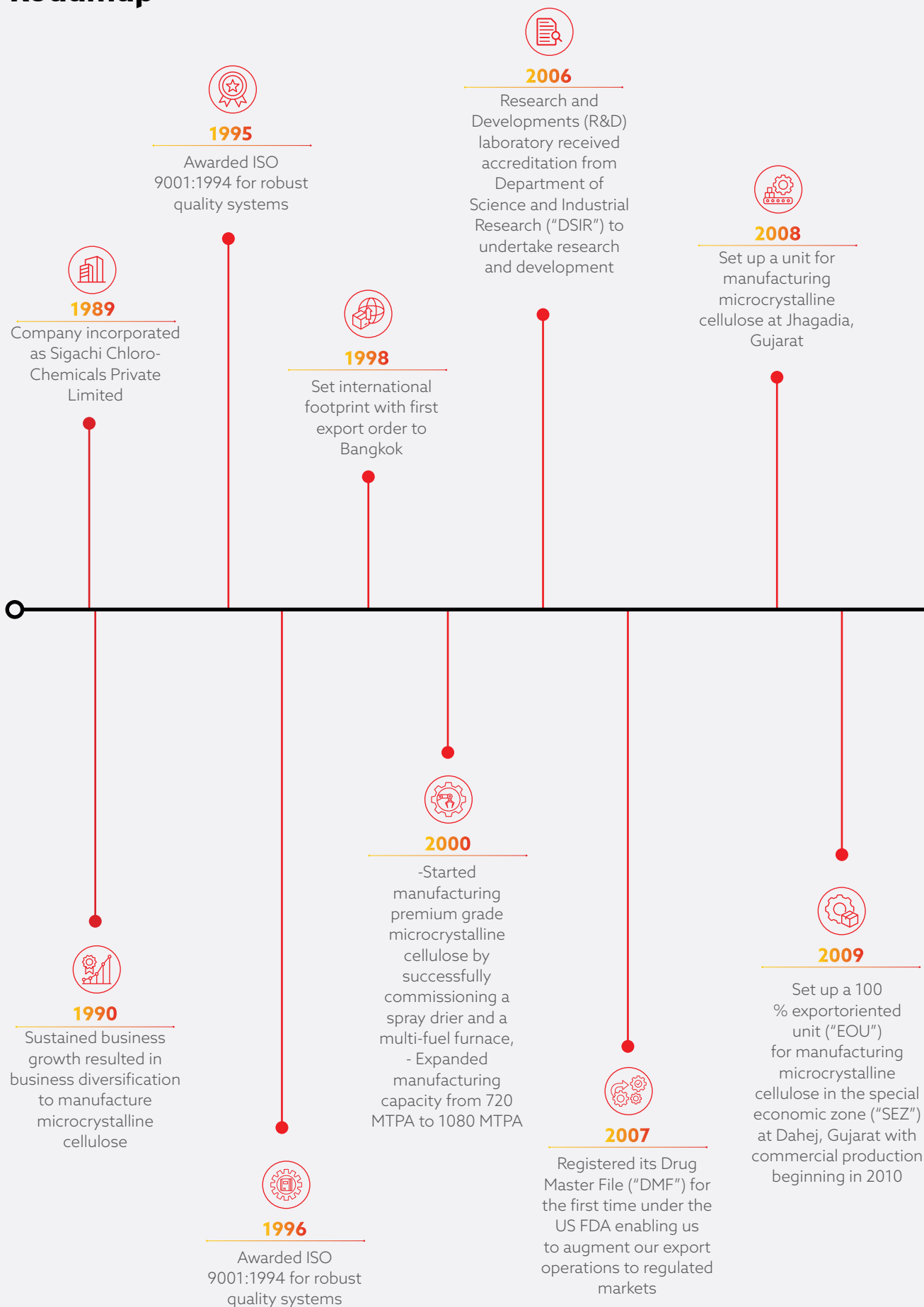
Production Capacity - **100 KL**



Map not to scale. Only for representation purpose



## Roadmap



**2010**

We commenced the commercial production of microcrystalline cellulose at our manufacturing unit situated at Jhagadia

**2016**

We received a certificate of registration from TUV India Private Limited certifying that the management system applied by us in our manufacturing unit situated at Jhagadia is as per ISO 9001:2008

**2020**

- We received a certificate of registration from United Registrar of Systems for certifying that the quality management systems of all our manufacturing units are in compliance with ISO 9001:2015.

- We received a certificate of registration from TUV NORD CERT GmH applying management system as per Food Safety System Certification 2000 (Version 4.1) in our manufacturing unit situated in Hyderabad.

**2024**

Sigachi MENA FZCO, a wholly owned subsidiary of the company has announced formation of joint ventures Sigachi Arabia and Sigachi Global.

**2012**

Commenced the commercial production of microcrystalline cellulose at the manufacturing unit situated at Dahej

**2022**

- Incorporated SIGACHI MENA FZCO as wholly owned subsidiary of the Company in Dubai, UAE

**2023**

- Acquired 80% Stake in Trimax Bio sciences Pvt Ltd to expand into API product offerings
- Certified as a great place to work by the Great place to work Institute
- Silver Rating from EcoVadis, a globally renowned ESG rating platform
- Sigachi MENA FZCO, a wholly owned subsidiary of the company has announced formation of a joint venture (JV), with Saudi National Projects Investment (SNP) to enter the rapidly growing Saudi Arabian market

**2017**

Commencement of operations of Sigachi Inc. US

**2014**

Approval received for the scheme of arrangement executed for the merger of Sigachi Cellulos Private Limited and Sigachi Plasticisers Private Limited

- We received a certificate of suitability from the European Directorate of Quality Medicines

**2011**

Our research and development division innovated a novel filtration process for manufacturing microcrystalline cellulose

**2021**

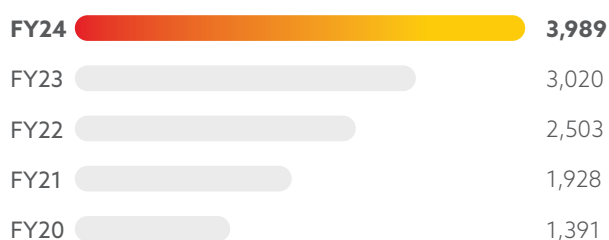
We debuted on the exchanges and delivered a massive 270% listing gain to the investors in IPO.

## Financial Highlights

# Enthusiastic and optimistic performance

## REVENUE FROM OPERATIONS

(Rs in million)

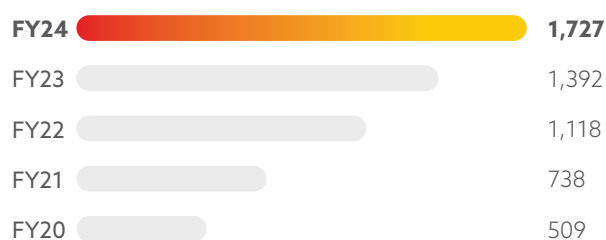


32.08%

YoY growth ↑

## GROSS PROFIT

(Rs in million)

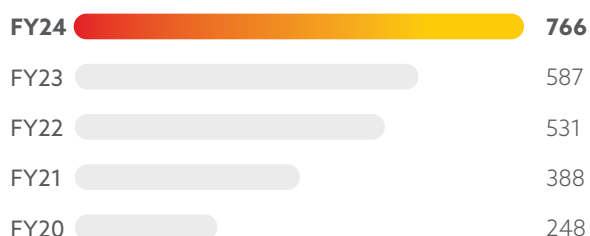


24.09%

YoY growth ↑

## EBITDA

(Rs in million)

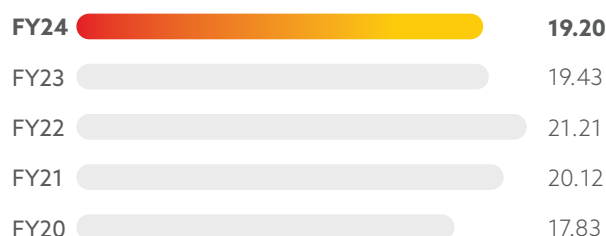


30.49%

YoY growth ↑

## EBITDA MARGIN

(%)

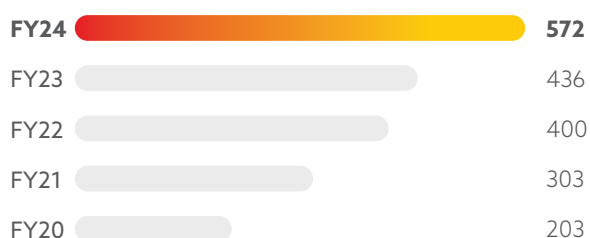


25

Bps ↓

## PAT

(Rs in million)

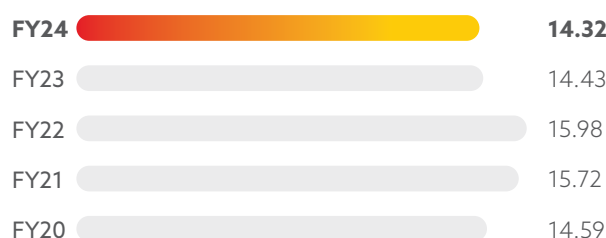


31.19%

YoY growth ↑

## PAT MARGIN

(%)



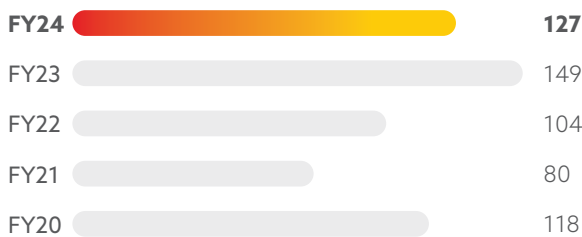
8

Bps ↓



**CASH CONVERSION CYCLE**

(Days)

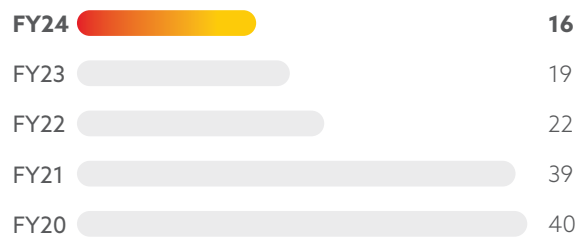


14.76%

YoY growth ↓

**ROCE**

(%)

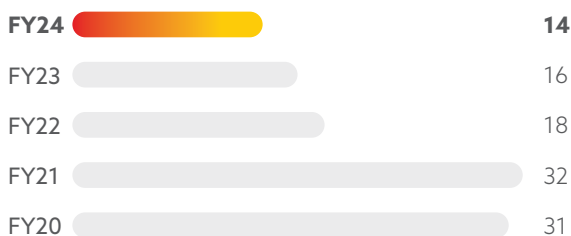


300

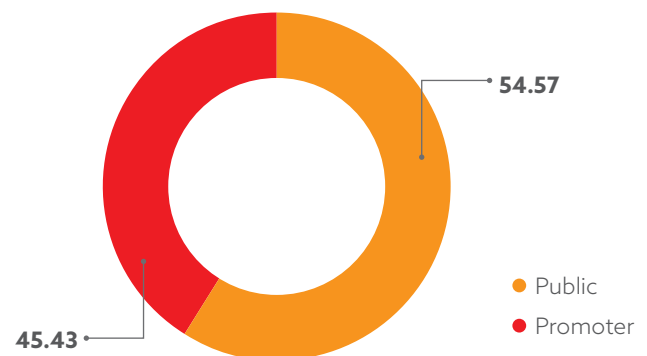
Bps ↓

**ROE**

(%)

**SHAREHOLDING PATTERN** as on 31<sup>st</sup> March 2024

(%)

**MARKET CAPITALISATION**

(Rs in million)



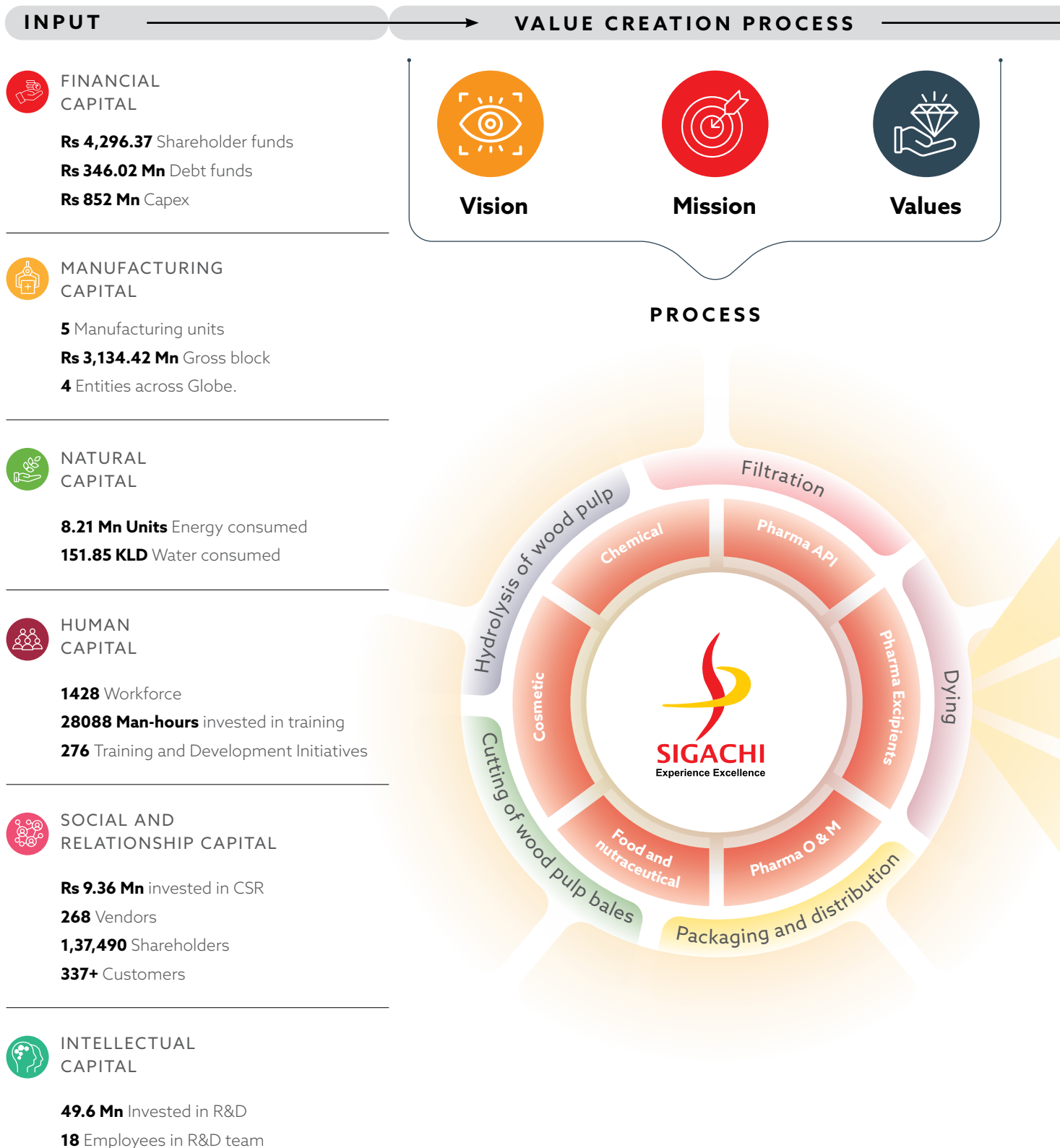
162.52%

YoY growth ↑

FY24 saw a remarkable rise in our stock price, translating to a substantial gain in market capitalisation.

## Value Creation Model

# Keeping stakeholder interest at the core



## OUTPUT

## OUTCOME

## SDG

## FINANCIAL CAPITAL

**Rs 3,989 Mn** Revenue from operations  
**Rs 572 Mn** PAT  
**Rs 766 Mn** EBITDA  
**Rs 2,397 Mn** Exports

## FINANCIAL CAPITAL

- Enhanced revenue and profitability
- Creating and maintaining shareholder value
- Robust cash flow



## MANUFACTURING CAPITAL

**13,602 MT** MCC produced  
**93.80%** Average capacity utilisation

## MANUFACTURING CAPITAL

- Consistent quality
- Cost optimisation
- High brand recognition
- Client satisfaction



## NATURAL CAPITAL

**42.79** KLD Water recycled using ETP  
 Focused on reducing carbon footprint

## NATURAL CAPITAL

- Responsible water and electricity usage
- Efficient and responsible use of natural resources



## HUMAN CAPITAL

Encouraging employee engagement activities  
 Inclusive workplace  
 Investment in training and development

## HUMAN CAPITAL

- Promoting equality and diversity
- Safe and healthy workplace
- Talent retention



## SOCIAL AND RELATIONSHIP CAPITAL

On-time payment to vendors  
**3006** CSR Beneficiaries

## SOCIAL AND RELATIONSHIP CAPITAL

- Consistent value for stakeholders
- Local business growth
- Improved education
- Employment generation



## INTELLECTUAL CAPITAL

**46** Trademarks  
**7** Patents Filed

## INTELLECTUAL CAPITAL

- Continuous innovation
- Creative thinking and flexibility with change



Fluid bed drying



Spray drying



Spin flash dryer



## Chairman's Message

# Capitalising on opportunities to expand our horizon



**We believe that in the future, our efforts to develop new products as well as enhance our existing offerings will ensure that we remain the partner of choice for our global clientele.**



## DEAR SHAREHOLDERS

It is a privilege to present to you our Annual Report for the financial year 2023-24 on behalf of the Board of Directors. I am happy to report that throughout the course of the past year, we continued to explore new horizons, expand our reach across geographies, diversify our offerings and undertake focused innovation to mark yet another successful year.

As you must be aware, we bring to the fore a deep industry expertise spanning three decades. Throughout our journey, we have been at the forefront of the Pharmaceutical Excipients, Nutra and food ingredient sectors. Our commitment to ensuring excellence across every aspect of our operations has made us one of the leading manufacturers of Microcrystalline Cellulose (MCC) worldwide. Additionally, we leverage our expansive global presence and robust R&D capabilities to cater to a growing client fraternity spread across 65+ countries. We believe that in the future, our efforts to develop new products as well as enhance our existing offerings will ensure that we remain the partner of choice for our global clientele.

During the year gone by, several headwinds continued to impact the global economic landscape, including geopolitical tensions in Europe and the Middle East, supply chain disruptions caused by the Red Sea Crisis and escalating commodity prices, among others. However, backed by its strong macroeconomic fundamentals, the Indian economy remained one of the fastest-growing major economies, registering a remarkable growth rate of 8.2% in FY 2023-24.

Speaking of our achievements this past year, I am happy to share that our ability to adeptly navigate challenges, adapt to changing customer demands and perform under competitive pressures has enabled us to deliver a stellar performance. We have realised our ambitious 2.6x growth target for revenue and profit after tax (PAT) over the past five years, despite facing significant macroeconomic headwinds. With an emphasis on customising products and delivering an exceptional customer experience, we were able to expand our horizons.

However, our focus extends beyond simply delivering products; we seek to ensure excellence in every facet of our operations. This can be evidenced by the enduring partnerships that we have nurtured with some of the industry behemoths on the strength of our top-notch product quality.

Going forward, we remain committed to strengthening our value proposition as a leading pharmaceutical player. I am confident that by building our core competencies, we are more prepared to witness substantial growth and capture additional market share.

Our strength and success are an outcome of the dedicated efforts of our talent pool. Hence, we prioritise keeping them engaged and motivated to enable them to deliver their best. By building a collaborative workplace, we strive to encourage innovation and empower our people to excel in their respective roles and contribute to our organisational objectives.

Besides achieving business growth and profitability, safeguarding the environment and enhancing the quality of life in our local communities are our key priorities. Through structured interventions focused on sustainable practices and societal well-being, we strive to make a meaningful impact on the society at large.

In the years ahead, we will continue to explore opportunities in our operational segments, which are excipient, API, O&M and certain opportunistic trading. Concurrently, we will remain committed to enabling continuous improvement, enhancing our R&D capabilities and implementing cost-effective manufacturing processes. We believe that this approach will enable Sigachi to sustain its position as a preferred manufacturer with the highest quality standards.

In closing, I would like to thank all our stakeholders, including our valued customers, dedicated team members and esteemed partners, for their continued support and trust. Together, we have built a strong foundation for success and I am confident that by continuing to work hand in hand, we will explore new horizons and create long-term value for all.

Thank you.

Best Regards,

**MR. RABINDRA PRASAD SINHA**  
Chairman

## CFO's Message

# Driving progress with financial prudence



**In FY24, we experienced robust financial performance, with overall revenue achieving an impressive year-on-year growth of 33.01%, rising from INR 3,087 million to Rs 4,106 million.**



## DEAR SHAREHOLDERS

As I reflect on the year gone by (FY24), I am happy to share that our collective efforts have resulted in remarkable growth for Sigachi. Our derisked business model is supported by multiple pillars: leadership in MCC manufacture globally; trusted brand across all operational business segments; presence in the entire pharma ecosystem; cutting-edge manufacturing capabilities; and low debt profile, maximising financial stability.

In FY24, we experienced robust financial performance, with Operational revenue achieving an impressive year-on-year growth of 32.08%, rising from Rs 3,020 million to Rs 3,989 million. Our revenue from Operations and Management (O&M) grew by 32.45%, reaching Rs 351 million from Rs 265 million in FY23. We also saw our EBITDA increase by 30.49% year-on-year to Rs 766 million with a healthy margin of 19.2%. Our net profit amounted to Rs 572 million, reflecting a growth of 31.19% year-on-year, while our Profit After Tax (PAT) margin stood strong at 14.32%. Our focus on financial prudence and operational efficiency continues to drive our success and growth.

Coming to our core business segment, I happy to report that we have successfully grown our Microcrystalline Cellulose (MCC) revenue by an impressive 2.6 times in the last five years. This year, we have strategically expanded our MCC production capacity by 7,200 metric tonnes annually at our Dahej and Jhagadia plants, bringing our total capacity to 21,000 metric tonnes annually. We anticipate a gradual rise in the utilisation of this recently added capacity, reaching a substantial proportion by FY26. This increase in capacity utilisation is expected to contribute positively to our topline from the MCC segment.





**We are committed to continuous improvement, focusing on enhancing our R&D capabilities and implementing cost-effective manufacturing processes to maintain our position as a preferred manufacturer with high quality standards.**



In the O&M segment, we have fostered strong partnerships with esteemed organisations, showcasing our commitment to excellence in this segment. We are excited about the robust growth in our O&M business revenue, which has increased significantly from FY19 to FY24, driven by our asset-light model with zero capex requirements and strategic contract wins that boost our return on equity and capital employed.

We believe there is significant potential for growth ahead, and we are strategically investing in expanding our product portfolio. Our recent acquisition of an 80% stake in Trimax Bio Sciences unlocks powerful synergies, as we now have a

common customer basket for our excipient and API offerings. By leveraging our expertise, innovative solutions and strong partnerships, we are confident of our ability to drive sustainable growth and deliver value to our stakeholders.

We are committed to continuous improvement, focusing on enhancing our R&D capabilities and implementing cost-effective manufacturing processes to maintain our position as a preferred manufacturer with high quality standards. We have optimised our inventory levels to reduce logistical cost, which has significantly improved our cash flow and overall profitability. Our proactive approach in this area ensures that we are well-positioned to meet the evolving demand of our customers, while maintaining sustainability and efficiency in our operations. Our focus on good governance and transparency aligns with our sustainable business practices, which will help us increase our market share through targeted initiatives.

Looking ahead, we are optimistic about the opportunities that lie ahead and are dedicated to maintaining our strong financial position, while driving innovation and sustainability in our operations. As we continue with our strategic expansion initiatives, we are confident that unlocking economies of scale and enhancing operational efficiencies will be pivotal for our future success. These efforts reinforce our commitment to sustainable growth and long-term value creation for all our stakeholders.

Best wishes,

**O. SUBBARAMI REDDY**  
Chief Financial Officer

## Managing Director & CEO's Message

# Confidently moving forward



**Our relentless focus on Research and Development empowers us to consistently improve our product portfolio.**



### DEAR SHAREHOLDERS

As I reflect on the past year, I am proud to share that FY 2023-24 has been a remarkable year for us. With over three decades of industry expertise, we continue to explore new horizons of growth through an emphasis on portfolio diversification and innovation. Along with the proficiency to develop Microcrystalline Cellulose, we have expanded our offerings to include the production of essential molecules for Pharma Excipients,

Nutraceuticals, Cosmetics and Food Ingredients. Our emphasis on quality and excellence continues to shape our growth trajectory, making us a reliable partner for our clients.

During the year under review, we reported year-on-year operational revenue growth of 32.08%, at Rs 398.9 crores. Our net profit has also risen to Rs 57.2 crores, a 31.19% increase from the previous year. The strength of our financial performance reiterates our ability to maintain a healthy balance sheet and remain relevant in a competitive landscape.

Our relentless focus on research and development empowers us to consistently improve our product portfolio. It has also



Looking ahead, we are optimistic about our growth trajectory and aspire to expand our footprint, improve our customer base and introduce innovative products for our global clientele.



enabled us to diversify our offerings for pharmaceuticals and food & nutrition. Besides, we have shored up our API production capability with the acquisition of Trimax Biosciences Pvt Ltd.

To ensure manufacturing excellence, we continue to adopt innovative technology at our plants in Jhagadia and Dahej. It not only allows us to abide by stringent quality parameters but also enables us to ensure operational efficiency and cost effectiveness. We have 3 cutting-edge manufacturing

facilities with a capacity of 21,000 MTPA, positioning us favourably as one of the largest Microcrystalline Cellulose (MCC) manufacturing companies in India. It enables us to process large orders efficiently and meet customer specifications.

Looking ahead, we are optimistic about our growth trajectory and aspire to expand our footprint, improve our customer base and introduce innovative products for our global clientele. Above all, as a responsible corporate, our emphasis on sustainable value creation drives us to undertake initiatives that are designed to improve lives. From engaging in community development initiatives to reducing our environmental footprint and creating an inclusive working environment, we remain committed to fulfil our obligations towards diverse stakeholders.

In closing, I would like to extend my heartfelt gratitude to our people for their immense dedication and hard work which has been instrumental in our success. I also want to thank all our stakeholders for their support and confidence in Sigachi Industries. Your faith in our abilities has enabled us to navigate challenges and set new standards of excellence

Best wishes,

**AMIT RAJ SINHA**  
Managing Director & CEO

## Strengths

# Uncovering new dynamics for growth

Leveraging our manufacturing expertise, global presence and a comprehensive product portfolio, we remain committed to deliver exceptional value to our customers. Our emphasis on fulfilling unmet customer needs enables us to strengthen our R&D focus and nurture agile innovations. With an emphasis on innovation and exceptional quality, we are determined to scale new heights of success.



**GLOBAL  
PRESENCE**



**STRATEGIC  
LOCATION**



**FOCUS ON  
R&D**



**STRATEGIC  
EXPANSION**



**MANUFACTURING  
EXPERTISE**



**COMPREHENSIVE  
PRODUCT PORTFOLIO**









## Strengths contd...



### GLOBAL PRESENCE



- ♦ We have an extensive presence in Indian and international markets, exporting to over 65 countries across the world.
- ♦ Our global reach allows us to cater to a wide range of customers and adapt to evolving market demands.



### STRATEGIC LOCATION



- ♦ Our manufacturing facilities in Hyderabad, Sultanpur, Jhagadia, Dahej and Raichur ensure timely production and enable us to maintain supply chain efficiency.
- ♦ This allows us to provide customised solutions and meet specific customer needs.
- ♦ Additionally, we have increased production capacities for MCC at our Dahej and Jhagadia facilities and setting up a new unit in Dahej for CCS (Cross carmellose sodium).



### FOCUS ON R&D



- ♦ We are committed to continuous innovation through regular investments in R&D.
- ♦ We have two R&D centres and two in-house laboratories. One of them is DSIR accredited, enabling us to develop new and improved products while optimising our manufacturing processes.



### STRATEGIC EXPANSION



- ♦ We continuously expand our offerings through product diversification and enhancing our geographical reach.
- ♦ It has enabled us to enter the nutritional ventures segment with micronutrient premixes and increased production capacities for MCC.



## MANUFACTURING EXPERTISE



- ♦ Over 30 years of experience as a leading MCC manufacturer provides us a deep understanding of the market and equips us with capabilities to meet evolving market demands.
- ♦ Our R&D capabilities and advanced manufacturing infrastructure allow us to stay ahead of competition and introduce innovative solutions to the market.



## COMPREHENSIVE PRODUCT PORTFOLIO



- ♦ We offer a diverse range of MCC grades (15 microns to 250 microns) to cater to various applications in the pharmaceutical, food, nutraceutical and cosmetic industries.
- ♦ We are constantly expanding our offerings to include micronutrient premixes for the nutritional division and expanding opportunities in international markets.
- ♦ Our recent acquisition of Trimax Bio Sciences marks a significant step towards becoming a leading player in the API (Active Pharmaceutical Ingredient) segment, solidifying our position in the healthcare industry.





## Strengths contd...

### QUALITY

















We are dedicated to deliver the highest quality products that meet evolving customer needs. Our commitment to quality is evident across the entire production process.

Our state-of-the-art Quality Control (QC) laboratory oversees every stage of production. The QC team conducts rigorous testing to identify and resolve potential issues, ensuring the consistency of every batch produced at our facilities.

We utilise advanced equipment like pH meters, incubators and particle size analysers to ensure the accuracy and quality of the product. Furthermore, we conduct regular trainings for the QC team to abide by the highest standards of quality.

### CERTIFICATIONS

 EXCiPACT GMP	 HACCP	 GMP	 EDQM CEP	 ISO 9001:2015
 ISO 45001	 ISO 14001:2015	 FSSC 22000	 Ecovadis	 USFDA
 FSSAI	 Kosher	 Halal	 Great Place to Work	

**R&D**

At Sigachi, continuous innovation is driven by our advanced R&D facility. Our state-of-the-art centre nurtures an environment for research, development and exploration. Our R&D team actively monitors market trends to identify opportunities for new product development. This has resulted in the creation of innovative products like BARETab ODT, BareTab Nutra, HiCel HFS, and the JoyMix range of stabilisers, all designed to meet diverse customer requirements.

The R&D team plays a crucial role in ensuring regulatory compliance

and securing product patents for our new offerings. Currently, we are developing various premixes for pharmaceutical, food and nutraceutical applications, focusing on areas like sustained release, coating, fortification and immunity boosters. We are committed to providing customised solutions to our clients and leverage cutting-edge processes, including nanotechnology, to address emerging opportunities in the pharmaceutical and nutraceutical industries.

**Rs 49.6 Mn**  
R&D Investment

**18**  
R&D Team members

**07**  
Patents

**46**  
Trademarks



## Our People

# Building an engaged and empowered workforce

At Sigachi, we understand that our people form the cornerstone of our achievements. We are dedicated to creating a work environment that empowers our people to excel and accomplish personal as well as professional growth.

### SKILL DEVELOPMENT

We provide comprehensive training and development programmes to equip our people employees with necessary skills required to thrive in an evolving business ecosystem. This ensures a future-ready workforce that can adapt to changing industry demands.

### CAREER ADVANCEMENT

We encourage employee mobility within the company and offer opportunities for professional growth. This not only motivates and retains talent, but also fosters a culture of continuous learning and development.

### EMPLOYEE ENGAGEMENT

We believe in creating a dynamic and engaging work environment. We organise various activities to promote teamwork, collaboration and a sense of belonging. This fosters a positive work culture that helps to attract and retain top talent.

**1428**

Workforce

**Rs 571.5 Mn**

Investment in  
employee benefits

**276**

Training and  
Development  
initiatives











## Environment, Social & Governance

# Nurturing Our Planet

As a responsible corporate entity, we're passionate about building a sustainable future by actively reducing our environmental footprint and conserving resources. Our commitment to minimizing operational impacts drives us to take bold initiatives that support ecological balance and nurture our planet.

### WATER MANAGEMENT

At Sigachi, water conservation is an environmental, social, and economic imperative. We implement responsible water management techniques to minimize water consumption, recycle wastewater, and ensure efficient water use across our organization. Our facilities are equipped with Effluent Treatment Plants (ETP), Sewage Treatment Plants (STP), Mechanical Vapour Recompression (MVRE) systems, and a RO Recovery System to treat and reuse effluents, thereby reducing our environmental impact.

#### Goals:

- **Reduce Freshwater Consumption**  
**Intensity:** Targeting a 30% reduction by 2032, using 2021 as the baseline.
- **Increase Water Recycling:** Aiming to increase water recycling by 10% by 2028, based on 2021 levels.

**55426 KL**

Total Water consumption

**20160.60 KL**

Total Volume of wastewater

**3739 KL**

Total Volume of water reused

**15619.6 KL**

Total Volume of water recycled  
(excluding the water sent to 3<sup>rd</sup> party for discharge post treatment)



## ENERGY MANAGEMENT

We are actively implementing energy-efficient technologies and emission reduction strategies to lower our greenhouse gas (GHG) emissions from manufacturing, operations, and facilities.

To minimize our carbon footprint, we are dedicated to adopting and enhancing efficient energy management practices. Our key Energy and emission reduction targets include:

- ♦ **Energy consumption:**  
Aiming for a 20% reduction in energy consumption intensity by 2032, using 2021 as the baseline year.
- ♦ **Carbon Sequestration:**  
We are proud to announce that we have successfully achieved our goal of planting 50,000 trees by 2026, significantly contributing to carbon sequestration efforts.
- ♦ **Coal Consumption:**  
Targeting a 20% reduction in coal consumption intensity by 2028 and 30% by 2032, based on the 2021 baseline.

**14622.59 Tons**

Direct Source of  
Energy Consumption

**8066.50 Tons**

Indirect Source of  
Energy Consumption

**24776.82 ton CO<sub>2</sub> eq**

Own emissions (Scope 1)

**7421.18 ton CO<sub>2</sub> eq**

Emissions from bought-in  
energy (Scope 2)





## WASTE MANAGEMENT

Sigachi is committed to environmentally responsible manufacturing, directing all solid waste to certified vendors. Key practices include:

- ♦ **Waste Management:** A Segregation of hazardous and non-hazardous wastes at the source, with hazardous wastes stored in designated areas and disposed of according to Pollution Control Board regulations
- ♦ **Recycling:** Non-hazardous waste is sent to authorized recycling entities, supporting sustainable waste management
- ♦ **Biomass Conversion:** The company transforms waste into valuable biomass resources.

### Goals:

- ♦ Achieve a 20% reduction in solid waste (landfill) intensity by 2028, using 2021 as the baseline.
- ♦ Recycle 50% of raw material packaging by partnering with authorized vendors by 2030.
- ♦ Reduce solid waste (landfill) intensity by 30% by 2032, with a baseline year 2021.

**70.93 Tons**  
Non- Hazardous Waste

**16.37 Tons**  
Hazardous Waste

**16.24 Tons**  
Total waste in landfill

**87.30 Tons**  
Total Waste

**70.93 Tons**  
Total waste reused/recycled





## Social

# Nurturing communities to drive lasting change

As a responsible corporate citizen, we extend our commitment to sustainability beyond our operations, to actively partner with local communities and improve their living conditions. It not only results in positive change within society but also leads the way for the holistic development of the communities we are a part of.

**Rs 9.36 Mn**  
CSR Expenditure

**3,006**  
Beneficiaries



## Governance

# Upholding integrity and accountability

We remain committed to uphold the highest standards of corporate governance. Our emphasis on operating in an ethical and responsible manner helps us to fulfil global regulatory compliances. It also allows us to maintain transparency across our operations, work with integrity and accountability.



### OUR POLICIES



#### Code of Conduct

Our comprehensive Code of Conduct guides all employees, directors and business partners. It enforces strict adherence to relevant laws and regulations associated with financial and non-financial parameters. It also promotes fair, transparent and ethical practices within the organisation.

The Code of Conduct emphasises the importance of upholding the highest standards of integrity and professionalism in all our business interactions. It establishes a culture of accountability, responsibility and ethical behaviour. The code encourages both management and employees

to participate in activities that align with our values.



#### Whistleblower Policy

At Sigachi, we are dedicated to creating a work environment that is fair, inclusive and free from discrimination. Our core values focus on conducting business with transparency and integrity. To uphold these values and ensure the effectiveness of our Code of Conduct, we have established a Whistleblower Policy. It empowers all stakeholders to report areas of improvement, inappropriate behaviour or any suspected misconduct.



#### Board Diversity

Our Board of Directors comprise experts with varied experience and knowledge. This diversity of backgrounds allows informed decision-making and serves the best interests of the company and its stakeholders. Board members bring unique perspectives and ideas to the table, fostering the development of effective solutions that benefit the entire organisation.

**Link to all corporate policies:**

[All Corporate Policies](#)

## Board of Directors



**C** **M**

**MR. RABINDRA PRASAD SINHA**

Chairman

- ♦ Holds Masters degree in Chemical Engineering from Banaras Hindu University
- ♦ He has over 4 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 and 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



**MS. DHANALAKSHMI  
GUNTAKA**

Independent Director

- ♦ She holds a Masters and Bachelors 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.

**MR. SARVESWAR REDDY  
SANIVARAPU**

Independent Director

- ♦ Holds a Bachelors 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.

**MS BINDU  
VINODHAN**

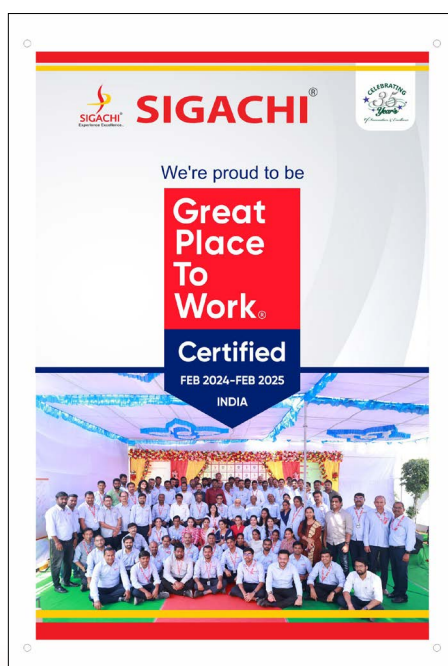
Independent Director

- ♦ 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

## Awards and Accolades



▼ Great place to work certified



# Director's Report

To  
The Members,  
**SIGACHI INDUSTRIES LIMITED**

Your directors are pleased to present the 35<sup>th</sup> Annual Report together with the audited financial statements for the year ended 31<sup>st</sup> March 2024. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

## FINANCIAL SUMMARY/HIGHLIGHTS:

A summary of the Company's financial results for the Financial Year 2023-24 is as under:

Particulars	2023-24		2022-23	
	Consolidated	Standalone	Consolidated	Standalone
Total Revenue	41,064.49	32,907.29	30,871.68	29,699.54
Total Expenses	34,087.24	27,393.59	25,243.80	24,541.77
Profit before depreciation, amortization and tax	8,057.21	6,384.56	6,110.4	5,819.87
Depreciation and amortization	1,079.95	870.86	662.52	662.10
Profit before tax	6,977.25	5,513.69	5,447.88	5,157.77
Tax Expense	1,250.50	1,412.26	1,094.26	1,001.75
Profit after Tax	5,726.75	4,101.43	4,353.62	4,156.02
<b>Net Profit for the Year</b>	<b>5,726.75</b>	<b>4,101.43</b>	<b>4,353.62</b>	<b>4,156.02</b>
Non Controlling Interests	8.73	-	-	-
Profit/ (Loss) after tax expenses after Non controlling Interest	5718.02	-	-	-
Opening balance of retained earnings	12,448.44	12,088.32	10,051.85	9,891.43
Net profit for the year attributable to equity shareholders of the company	5718.02	4,101.43	4,353.62	4,156.02
Dividend paid during the year	(307.43)	(307.43)	(307.43)	(307.43)
Transfer to General Reserve	(102.54)	(102.54)	(101.80)	(103.90)
Transfer to SEZ Re-Investment Allowance reserve	(1,208.50)	(1,208.50)	(1,547.80)	(1,547.80)
Other Appropriations	69.07	21.38	-	-
<b>Closing balance of Retained earnings</b>	<b>16,617.08</b>	<b>14,592.67</b>	<b>12,448.44</b>	<b>12,088.32</b>

## REVIEW OF OPERATIONS:

### Standalone:

During the year under review, the total income has increased to ₹ 32,907.29 lakhs from ₹ 29,699.54 lakhs of the previous year. Your company reported a Net Profit of ₹ 4,101.43 lakhs (Previous Year of ₹ 4,156.02 lakhs) after providing for Income Tax and Deferred Tax of ₹ 1,412.26 lakhs (Previous Year of ₹ 1,001.75 lakhs).

### Consolidated:

During the year under review, the total income has increased to ₹ 41,064.49 lakhs from ₹ 30,871.68 lakhs of the previous year. Your company reported a Net Profit of ₹ 5,726.75 lakhs (Previous Year of ₹ 4,353.62 lakhs) after providing for Income Tax and Deferred Tax of ₹ 1,250.50 lakhs (Previous Year of ₹ 1,094.26 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 nutraceutical, Food & Nutrition markets and API segment.

## AMOUNTS TRANSFERRED TO RESERVES:

During the year under review, your Company transferred a sum of ₹ 102.54 lakhs being 2.5 % of the Profit after Tax of the Financial Year to the general reserve. An amount of ₹ 14,592.67 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. 0.10/- per equity share on the Paid-up Equity Share Capital of the Company for the financial year 2023-24. The total outgo on account of dividend, stands at ₹ 3,28,19,498 /- 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 ₹ 5000/- a tax of 10% 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](mailto:cs@sigachi.com) on or before 04.09.2024. 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](mailto:cs@sigachi.com). The aforesaid declarations and documents need to be submitted by the shareholders on or before 04.09.2024.

In terms of Regulation 43A of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Dividend Distribution Policy was adopted to set out parameters and circumstances that will be taken into account by the Board while determining the distribution of dividend to the shareholders. The Policy is available on the website of the Company under the web link [www.sigachi.com](http://www.sigachi.com).

### 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 for FY 2016-17 under sub-section (5) of section 124 of the Companies Act, 2013.

The details of Dividend of earlier years remain unclaimed by the shareholders as on 31.03.2024 are as given below:

During Financial Year	Date of Declaration of Dividend	Last date of claiming dividend	Unclaimed amount as on 31.03.2024	Amt in ₹
				Due date for transfer to Investor Education and Protection Fund (IEPF)
2022-23	29.08.2022	28.09.2022	₹ 55,905/-	28.08.2029
2023-24	07.09.2023	06.10.2023	₹ 1,44,956/-	06.09.2030

Pursuant to provisions of Section 124 of Companies Act, 2013, the unclaimed dividend before the last date as mentioned above for the respective years, will be transferred to Investor Education and Protection Fund (IEPF) established by Government of India pursuant to Section 125 of the Companies Act, 2013.

The shareholders whose dividend is not yet claimed are requested to write to the Company/ RTA at the earliest for payment of the same.

### 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., 06.08.2024)

### MEETINGS OF THE BOARD:

Ten (10) Board Meetings were held during the financial year ended 31<sup>st</sup> March 2024. The details of the Board Meetings with regard to their dates and attendance is as mentioned 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.	25/05/2023	6	6	100%
2.	29/06/2023	6	6	100%
3.	10/08/2023	6	6	100%
4.	09/09/2023	6	6	100%
5.	09/10/2023	6	6	100%
6.	19/10/2023	6	6	100%

Sl. No.	Date of Meeting	Total No. of Directors on the Date of the Meeting	No. of Directors attended	% of the Attendance
7.	11/11/2023	6	6	100%
8.	14/11/2023	6	6	100%
9.	19/01/2024	6	6	100%
10	06/03/2024	6	6	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.

### 3. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee of the Company was duly constituted in line with the provisions of Regulation 20 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.

### 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 and Mr. Sarveswar Reddy Sanivarapu as Members.

### 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 27.05.2024 has reconstituted 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 Director	Chairperson
2.	Mr. Amit Raj Sinha - MD & CEO	Member
3.	Mr. Lijo Stephen Chacko, CEO Sigachi MENA	Member
4.	Mr. Subramanian Ananthanarayanan, Sr. VP HR	Member

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

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.

In the Board meeting held on 06<sup>th</sup> August 2024 Mr. Rabindra Prasad Sinha and Mr. Chidambaranathan Shanmuganathan were re-appointed as Whole-Time Director of the Company for a period of 3 years w.e.f 1<sup>st</sup> November, 2024 subject to necessary approvals of the Members at the ensuing Annual General Meeting.

In the Board meeting held on 06<sup>th</sup> August 2024 Mr. Amit Raj Sinha was re-appointed as Managing Director & CEO of the Company for a period of 3 years w.e.f 1<sup>st</sup> November, 2024 subject to necessary approvals of the Members at the ensuing Annual General Meeting.

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

### Information u/r 36(3) of SEBI (LODR), Regulations, 2015:

As required under Regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointments are given as **Annexure A** to the notice of the AGM forming part of this Annual Report.

## KEY MANAGERIAL PERSONNEL:

Mr. Amit Raj Sinha, Managing Director & CEO, Mr. O. Subbarami Reddy, Chief Financial Officer and Mr. Vivek Kumar, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company.

Ms. Shreya Mitra has resigned as Company Secretary & Compliance Officer w.e.f 06.04.2024 and Mr. Vivek Kumar was appointed as Company Secretary & Compliance Officer w.e.f 27.05.2024.

## DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has, inter alia, received the following declarations from all the Independent Directors 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 confirming that:

- they meet the criteria of independence as prescribed under the provisions of the Act, read with Schedule IV and Rules issued thereunder, and the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act;
- they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs and have qualified the online proficiency self-assessment test or are exempted from passing the test as required in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.
- they 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 Board of Directors of the Company has taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

## AUDIT COMMITTEE RECOMMENDATIONS:

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

## 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, 2024 was ₹ 4300.00 Lakhs and the paid-up Equity Share Capital as at March 31, 2024 stood at ₹ 3281.94 Lakhs.

During the year under review, Board of Directors of the Company in its meeting held on 09.10.2023 has allotted 1,60,51,900 equity shares of Re. 1/- each to Non-Promoters

on conversion of 16,05,190 warrants (Post Split -1,60,51,900) and the paid up capital has increased from ₹ 30,74,25,001 to ₹ 32,34,76,900

During the year under review, Board of Directors of the Company in its meeting held on 06.03.2024 has allotted 47,18,080 equity shares of Re 1/- each on conversion of 47,18,080 warrants and the paid up capital has increased from ₹ 32,34,76,901 to ₹ 32,81,94,980.

## 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, 2024 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, 2024, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22<sup>nd</sup> 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 has complied 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. The details of the familiarization programme of the Independent Directors are available on the website of the Company at the link: <https://sigachi.com/>

**INTERNAL AUDIT AND FINANCIAL CONTROLS:**

The Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis.

The company has appointed M/s PSRV & Co. LLP, Chartered Accountants to audit the internal control systems of the company for FY 2023-24 and there are no major observations reported in their reports.

**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 CSR POLICY):**

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 2023-24, the Company has spent ₹ 93.65 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 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:**

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors was evaluated on parameters such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility



towards stakeholders and independent judgement. All the Directors were subjected to peer-evaluation.

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held on 27<sup>th</sup> May 2024. 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 2023-24, 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:

The Company has not given loans, Guarantees or made any investments (except for parking excess funds in FDs with Scheduled banks, as and when required) during the year under review attracting the provisions under section 186 of the Companies Act, 2013.

### AUDITORS:

#### a) Statutory Auditors

During the financial year M/s. T. Adinarayana & Co, Chartered Accountants has resigned as Statutory Auditors of the Company w.e.f. 09.09.2023.

Further, the Board of Directors in its meeting held on 09.09.2023 appointed M/s. M S K A & Associates, Chartered Accountants of the Company to fill the casual vacancy. However, the said appointment did not receive the requisite majority in the EGM held on 11.11.2023.

Further, the Board of Directors in its meeting held on 11.11.2023 and in the EGM held on 05.02.2024 appointed M/s. Rakesh S Jain & Associates (Firm Registration No. 010129S) Chartered Accountants of the Company as Statutory Auditors of the Company to hold office up to the conclusion of 35<sup>th</sup> Annual General Meeting of the Company.

The Company received Special Notice on 02.08.2024 from Ms. Sushma Toshniwal holding more than 500000 shares together with the Resolution proposed to be passed at the forthcoming 35<sup>th</sup> Annual General Meeting to appoint a person other than a Retiring Auditor i.e., to appoint M/s. Yelamanchi & Associates, Chartered Accountants as Statutory Auditors, for a period of 5 years from conclusion of this 35<sup>th</sup> Annual General Meeting until the conclusion of 40<sup>th</sup> Annual General Meeting, under Section 140(4) of the Companies Act, 2013 read with Section 115 of the Companies Act, 2013.

The Board of the directors in its meeting held on 06.08.2024 has appointed M/s. Yelamanchi & Associates, Chartered Accountants as Statutory Auditors of the Company for a period of 5 years subject to approval of members of the company in the ensuing Annual General Meeting.

The Auditors' Report for fiscal 2024 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, 2024 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 CODE 3912 in relation to the financial year ending 31<sup>st</sup> March 2024. 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 31<sup>st</sup> March 2025.

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

The Board has re-appointed M/s MPR & Associates, Cost Accountants, Hyderabad as Cost Auditors of the Company for the Financial Year 2024-25.

#### 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 31<sup>st</sup> March 2024.

The Board has re-appointed Ms. Aakanksha as Secretarial Auditor of the Company for the Financial Year 2024-25.

#### 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, 2024.

The Secretarial Audit was carried out by Ms. Aakanksha, Company Secretary in practice for the financial year ended March 31, 2024.

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2024 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. Following are the observations made by the Secretarial Auditor in Secretarial Compliance report and Secretarial Audit Report:

Sr No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Observations made by the Secretarial Auditors	Comments by the Board of Directors
1.	Filing of RPT on the same day of the Filing of unaudited results with the Exchanges	Delay in filing RPT for the quarter ended September 2023.  The Company has filed the same with a delay of One day.	The Board of Directors of the Company instructed the Company Secretary to ensure that the Company complies with the regulation in time.
2.	Submission of Voting Results for the EGM held on 11.11.2023	Delay in filing of Voting Results in XBRL mode.  The Company has filed the Voting Results in XBRL mode with a delay of 20 days.	Clarification was provided and there after no action was taken. The Board of Directors of the Company instructed the Company Secretary to ensure that the Company complies with the regulation in time.

#### 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 2023-24 with the BSE Ltd and National Stock Exchange of India Limited, as provided by the Practicing Company Secretary was filed within the stipulated time as specified under Regulation 24A of the SEBI (LODR) Regulations.

#### 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 2023-24.

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 2024-25.

#### 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 2023-24, 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 Vigil Mechanism / 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 subsidiaries companies.

### 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 financial statements, 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 the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- f. 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;

### 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](http://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 06.08.2024 as follows:

### CONSTITUTION OF COMMITTEE:

Name	Designation
Ms. Chitra Sadhoo	External Member
Ms. Swati Sinha	Presiding Officer
Ms. Annapurna Carchalla	Deputy Presiding Officer
Ms. Saumya Dubey	Member
Mr. Subramanian Ananthanarayanan	Member
Dr. Rohit Raj	Member

All employees are covered under this policy. During the year 2023-24, there were no complaints received by the Committee.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY 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**.

## SIGNIFICANT & MATERIAL 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 and ICICI 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](http://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.

## INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES

During the year under review, Trimax Bio Sciences Private Limited has become subsidiary of the company. The Company's subsidiary Company Sigachi MENA FZCO has announced formation of a Joint Venture (JV) "Sigachi Arabia" with Saudi National Projects Investment Limited (SNP).

### Performance of Subsidiary Companies

**Sigachi US Inc.** The turnover of the Company for year ended 31.03.2024 stood at ₹ 79.13 crores and the profit was ₹ 16.53 crores. The Committee commended the impressive performance of the Company particularly the growth in profits as compared to the previous quarter and previous year. This increase in profit was due to better quality of product and competitive pricing.

**Sigachi MENA FZCO-** The turnover of the Company for year ended 31.03.2024 stood at ₹ 4,91,91,394 and the Loss was ₹ 1,62,89,540/-. Business opportunities are being created through Joint Ventures.

**Trimax Bio Sciences Pvt Ltd.** The company made a total income of ₹ 47.73 crores as on the year ended 31.03.2024 which includes both trading and manufacturing. The loss was (2,78,30,385) at the end of financial year 2023-24. Sale of the API is primarily in the domestic market i.e., unregulated market and the Company is working to make the products which are registered with USFDA. The impediment is absorbing the technology which is commercially viable which will improve the capacity utilization.

## HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The information on the subsidiaries, Sigachi US Inc., & Sigachi MENA FZCO and Trimax Bio sciences Pvt Ltd 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's wholly owned Subsidiary Company Sigachi MENA FZCO is having joint venture Sigachi Arabia. However, the Company does not have any holding and associate 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, 2024 there have been no instances, wherein companies have become or ceased to be subsidiaries, associates and joint ventures except acquisition of 80 % stake in Trimax Bio Sciences Private Limited which is a Subsidiary of the Company.

### **CONSOLIDATED FINANCIAL STATEMENTS:**

The Consolidated Financial Statements of your Company for the year ended March 31, 2024 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 all the subsidiaries are also available on the website of the Company at [www.sigachi.com](http://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](http://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, 2024.

### **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 2023-24 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. Rabindra Prasad Sinha Whole-time Director, Mr. S Chidambaranathan Whole-time Director and Mr. Amit Raj Sinha Managing Director of the Company to the median remuneration of the employees is 1:0.021, 1:0.021 and 1:0.013 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 2023-24. 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 2023-24 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.

**DECLARATION FROM DIRECTORS:**

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164(1) and 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualifications of Directors)

Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) or are debarred or disqualified by the Securities and Exchange Board of India ("SEBI"), Ministry of Corporate Affairs ("MCA") or any other such statutory authority.

All members of the Board and Senior Management have affirmed compliance with the Code of Conduct for Board and Senior Management for the financial year 2023-24. The Company had sought the following certificates from independent and reputed Practicing Company Secretaries confirming that:

a. none of the Director on the Board of the Company has been debarred or disqualified from being appointed and/or continuing as Directors by the SEBI/MCA or any other such statutory authority.

b. independence of the Directors of the Company in terms of the provisions of the Act, read with Schedule IV and Rules issued thereunder and the Listing Regulations.

**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: NIL
2. Issue of shares with differential rights: NIL
3. Issue of shares under employee's stock options scheme: NIL
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NIL
5. Buy back shares: NIL
6. Disclosure about revision: NIL
7. Preferential Allotment of Shares:
  - The Board of Directors in its meeting held on 29.06.2023 and the shareholders in the EGM held on 26.07.2023 has approved to issue not exceeding 1,10,00,000 convertible warrants on preferential basis to certain identified promoters and non-promoters/entities.
  - The Board of Directors in its meeting held on 10.08.2023 has approved to allot 1,09,75,000 Convertible warrants to promoters and non-promoters.
  - The Board of Directors in its meeting held on 09.10.2023 has allotted 1,60,51,900 equity shares of Re 1/- each to Non-Promoters on conversion of 16,05,190 warrants (Post Split -1,60,51,900)
  - the Board of Directors of the Company in its meeting held on 06.03.2024 has allotted 47,18,080 equity shares of Re 1/- each on conversion of 47,18,080 warrants.
8. Rights Issue of Shares: NIL



## STOCK SPLIT OF EQUITY SHARES

The shareholders in the EGM held on 07.09.2023 has approved for Sub-Division (Stock Split) of 1 Equity Share of Face Value of ₹ 10/- each into 10 Equity Shares of Face Value of Re.1/- each. The record date was fixed as 09.10.2023 for stock split of Equity Shares.

## 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-(stable) 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. Sigachi Industries has been re-certified as a Great Place to work by the Great place to work Institute
- b. Silver Rating from EcoVadis, a globally renowned ESG rating platform

## OPENING OF NEW CORPORATE OFFICE

The Company has set up a Corporate Office at Plot No.G 57/2, Survey no.70 & 174, Sultanpur Village, Patancheru Mandal, Hyderabad, Sanga Reddy District, Telangana- 502319 and the operations from the said Corporate office commence from Monday, 4<sup>th</sup> September 2023.

## VARIATION OF THE OBJECTS OF THE COMPANY:

The shareholders in the EGM held on 07.09.2023 has approved 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 amounted to variation in terms of the 'Objects of the IPO'.

The shareholders in the EGM held on 05.02.2024 has approved for extension of the estimated timeline upto 31.03.2026 for utilization of the funds for the manufacture of Croscarmellose Sodium (CCS) at Dahej, Gujarat State, while there is no change in the proposed project of manufacturing Croscarmellose Sodium and in the amount earmarked for setting up of the same.

## AGREEMENTS/MOU ENTERED BY THE COMPANY:

During the period under review, the Company has not entered any agreement or MOU.

## 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 on Behalf of the Board of Directors  
**Sigachi Industries Limited**

Place: Hyderabad  
Date: 06.08.2024

**Amit Raj Sinha**  
Managing Director  
& CEO  
DIN: 01263448

**Rabindra Prasad Sinha**  
Whole-Time Director & Chairman  
DIN: 00413448

# 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

Sr No.	Particulars			
1.	Name of the Subsidiary	Sigachi US, INC	SIGACHI MENA FZCO	Trimax Bio Sciences Pvt Ltd
2.	Date since when subsidiary was acquired	20.01.2017	06.03.2023	01.08.2024
3.	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	January to December	April to March	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@83.37	AED@22.70	-
5.	Share Capital	INR 13,00,800	INR 1,56,66,000	INR 36,00,00,000
6.	Reserves & Surplus/ (Accumulated Loss)	INR 21,97,69,252	INR (2,19,33,389)	INR 21,41,07,941
7.	Total Assets	INR 40,55,16,206	INR 10,036,9072	INR1,36,77,66,467
8.	Total Liabilities	INR 18,44,46,154	INR 10,66,36,461	INR 79,36,58,526
9.	Investments	NIL	NIL	INR 13,80,000
10.	Turnover	INR 79,13,47,560	INR 4,88,78,225	INR 47,65,24,643
11.	Profit Before Taxation	INR 17,69,79,075	INR(1,62,89,540)	INR (2,34,63,702)
12.	Provision for Taxation	INR 1,16,54,043	NIL	INR(2,78,30,385)
13.	Profit After Taxation	INR 16,53,25,031	INR(1,62,89,540)	INR 43,66,684
14.	Proposed Dividend	NIL	NIL	NIL
15.	Extent of Shareholding (in percentage)	100%	100%	80%

#### Additional Information:

Sr No.	Particulars	Names
1	Name 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

Sr 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)	
5	Description of how there is significant influence	NIL
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	
	b. Not considered in Consolidation	

**Additional Information:**

Sr No.	Particulars	Names
1	Name of associate/joint ventures which are yet to commence operations	NA
3	Names of associate/joint ventures which have been liquidated or sold during the year	NA

For on Behalf of the Board of Directors

**Sigachi Industries Limited**

Place: Hyderabad  
Date: August 06, 2024

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



# Annexure – II

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (o) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

### 1. A brief outline on 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. The Composition of the CSR Committee:

Sr 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.	Amit Raj Sinha	Managing Director & CEO	2	2

- Web-link(s) 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](http://www.sigachi.com)
- 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):
- 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 ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		NIL	

- Average net profit of the company for last three financial years as per section 135(5) : ₹ 45,16,36,993/-.

Sl No.	Particulars	Amount (in ₹)
(a)	Two percent of average net profit of the company as per section 135(5)	90,32,739
(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)	90,32,739

- (a) CSR Amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
93,65,457		NIL		NIL	

(b) Details of CSR amount spent against ongoing projects for the financial year: 2

(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 ₹)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation -Through implementing agency
1	Integrated Development Project	Eradicating hunger, poverty and malnutrition & making available safe drinking water	YES	Gujarat	50.00 Lakhs	No	Aga Khan Rural Support Program (India) -CSR00004229
2	Promoting education and Safe water drinking facility -Initiative	Eradicating hunger, poverty and malnutrition & making available safe drinking water	Yes	Hyderabad and Gujarat	26.62 lakhs	Yes	-

(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 ₹)	(7) Mode of implementation Direct (Yes/No)	(8) Mode of implementation -Through implementing agency
1	Empowering Women	Empowering Women	No	Banglore	17.03 lakhs	Yes	-

(d) Amount spent in Administrative Overheads- NIL

(e) Amount spent on Impact Assessment, if applicable- NIL

(f) Total amount spent for the Financial year – 93.65 lakhs

(g) Excess amount for set-off, if any:

Sl No.	Particulars	Amount (in ₹)
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	90,32,739
ii.	Total amount spent for the Financial Year	93,65,457
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	3,32,718
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	3,32,718

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 years: NIL

10. In case of creation on 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 subsection (5) of section 135 - NA

For on Behalf of the Board of Directors

**Sigachi Industries Limited**

Place: Hyderabad  
Date: August 06, 2024

**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

- Details of contracts or arrangements or transactions not at arm's length basis: NIL
- Details of material contracts or arrangements or transactions at arm's length transactions:

Name of the related party (Nature of Relationship)	Nature of Contracts/ Arrangements transaction	Duration of the Contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of Approval by the Board	Amount Year ended 31 <sup>st</sup> March 2024
Sigachi US, INC	Sale of goods or services	NA	NA	30/01/2023	45,50,07,871
Sigachi MENA FZCO	Sale of goods or services	NA	NA	30/01/2023	4,71,78,223
RPS Industries Private Limited	Lease Rentals	NA	NA	30/01/2023	3,60,59,000
Trimax Bio Sciences Private Limited	Purchase of good or services	NA	NA	30/01/2023	27,50,82,195
Amit Raj Sinha	Rent	NA	NA	30/01/2023	20,61,052

For on Behalf of the Board of Directors  
**Sigachi Industries Limited**

Place: Hyderabad  
Date: August 06, 2024

**Amit Raj Sinha**  
Managing Director & CEO  
DIN:01263292

**Rabindra Prasad Sinha**  
Whole-Time Director & Chairman  
DIN: 00413448

## Annexure IV

# Management Discussion and Analysis

### Global economic review<sup>1</sup>

The global economy demonstrated resilience, while navigating several macroeconomic challenges. While volatile commodity prices surged inflationary pressures in both advanced and emerging economies, geopolitical turmoil, notably in Ukraine-Russia and more recently in the Middle East exacerbated the condition. Consequently, fiscal and debt vulnerabilities aggravated in the developing nations. Furthermore, with central banks implementing interest rates hikes, it weighed upon the global economic growth. Moreover, with China's economy exhibiting signs of strain as it grappled with real-estate issues and subdued consumer confidence, it is expected to negative ramifications on global economy.

However, on a brighter note, emerging markets such as India, Vietnam and Mexico experienced stronger-than-expected growth and attracted significant foreign investments. Advanced economies, such as the US, has also surpassed its

pre-pandemic growth. As over 85% central banks worldwide tightening monetary policies, it significantly reins in inflation across many regions. Few low-income and frontier economies reclaimed their market position as well.

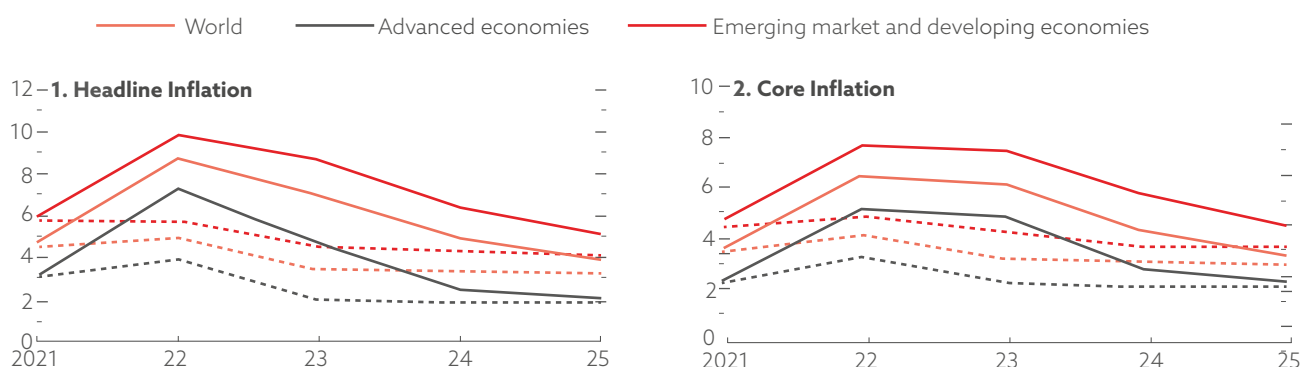
### Outlook

Global growth is expected to sustain its trajectory at 3.2% in CY 2024 and CY 2025. With the debottlenecking of supply chains and effective monetary policies, inflation is expected to recede faster than anticipated across most regions. Additionally, global headline inflation is projected to decrease to 5.8% in 2024.

In advanced economies, growth is expected to decrease from 1.6% in 2023 to 1.5% in 2024, before rebounding to 1.8% in 2025. This reflects the potential of economic growth upon easing restrictive monetary policies and the withdrawal of fiscal stimulus. On the other hand, global trade is anticipated to grow by 3.3% in 2024 and 3.6% in 2025.

**Figure 1.16. Inflation Coming Down over Time**

(Percent; dashed lines from January 2022 WEO Update vintage)



Source: IMF staff calculations. Note: Inflation is based on the consumer price index. Core inflation excludes volatile food and energy prices. Emerging market and developing economies' core inflation from January 2022 WEO Update is estimated using available data. WEO World Economic Outlook

### Indian economic review<sup>2</sup>

In FY 2023-24, India maintained its growth momentum despite a sluggish global economy. The Indian economy achieved an impressive GDP growth rate of 8.2%, surpassing that of major global economies. Its growth rate surpassing the previous year's rate of 7%, demonstrates the resilience of the Indian economy.

Effective monetary policies focusing on aligning inflation with target levels, has been one of the key drivers to support sustained medium-term growth. The continued emphasis on stability has bolstered consumer confidence and improved economic stability, stimulating demand across various sectors. The reported year also observed a notable surge in capital expenditure, rising from ₹ 10.5 lakh crore in FY23 to

₹ 12.7 lakh crore in FY24. This uptick has further spurred private investment and facilitated economic activities nationwide.

The economy has also benefited from robust domestic demand, primarily fuelled by increased private consumption. These progressions, combined with prudent fiscal management, are expected to sustain economic expansion in the future.

The positive economic momentum is reinforced by strong performances in key high-frequency economic indicators such as credit growth, GST collections and the Purchasing Manager's Index (PMI) in both services and manufacturing sectors. Notably, the service sector is recording high PMI, consistently exceeding 60 points, reflecting robust growth in this sector. These indicators collectively affirm dynamic economic activity and a sustained recovery, positioning India for continued growth and stability in the forthcoming years.

<sup>1</sup><https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

<sup>2</sup><https://pib.gov.in/PressReleaseDetail.aspx?PRID=2022323>



## Outlook

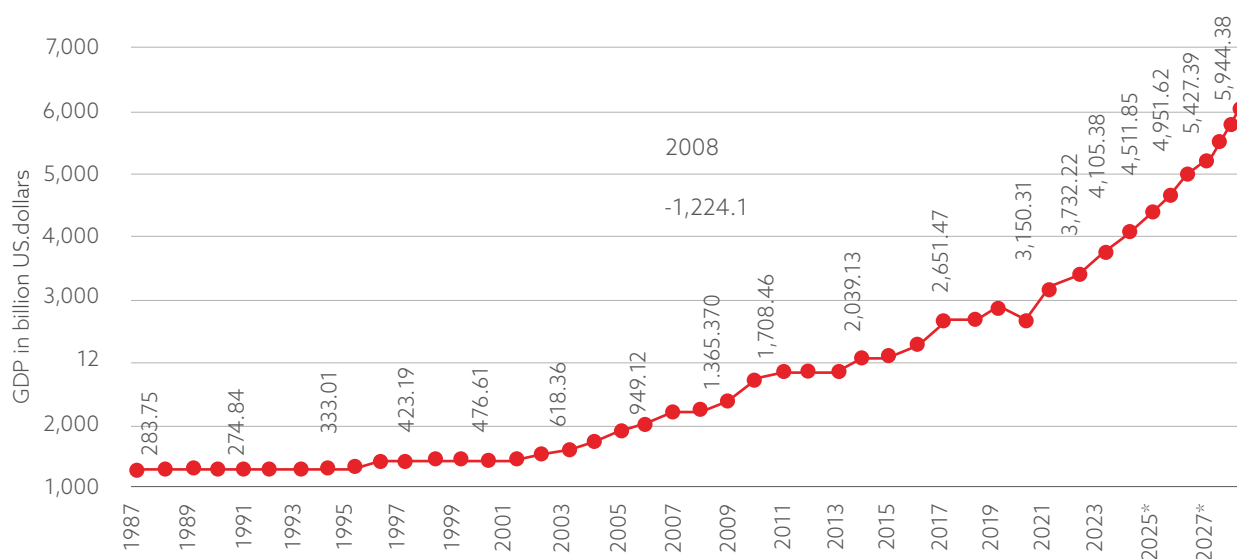
The Indian economy exhibits promising growth prospects. This growth can be primarily attributed to substantial investments in infrastructure, bolstered by robust fiscal strategies and ongoing policy enhancements.

Furthermore, a young workforce coupled with targeted development initiatives in smaller cities, is poised to drive demand across various sectors. Consequently, this fosters sustainable long-term economic expansion.

With global economic conditions improving and central banks easing monetary policies, India is well-positioned to attract investments. This is not only anticipated to bolster exports but also reduce fiscal deficit. Meanwhile, significant investments are expected to alleviate inflation challenges and aid in stabilising prices and sustaining economic momentum.

### India: Gross domestic product (GDP) in current prices from 1987 to 2028<sup>3</sup>

(in billion U.S. dollars)



## Industry overview

### Global pharmaceutical industry<sup>4</sup>

The pharmaceutical sector stands as a formidable force within the healthcare domain, developing life-saving treatments and shaping public health outcomes. The industry, comprising an intricate network of companies, research institutions and regulatory bodies, plays a pivotal role in introducing new medicines to market and elevating global health standards.

The market observes certain companies holding key positions. While the United States is at forefront with its pharmaceutical giants taking dominant market shares, Europe and Asia are also emerging as notable contenders.

With a diverse range of medications, the pharmaceutical industry observes branded drugs retaining a majority of the market share. However, it is indicated that there will be a potential decline in their market share as generics providing cost-effective alternatives are steadily becoming popular. Furthermore, biologics, a category of drugs derived from living organisms, are also gaining momentum.

The pharmaceutical industry, an innovation-centric sector, remains steadfast in its commitment to research and development (R&D). Most of the pharmaceutical companies heavily invest in this pivotal stage to ensure that they can outperform their peers.

The journey from discovery to market is rigorous and tedious. On average, researchers may need to evaluate 5000 to 10000 compounds to identify the suitable choice. This is followed by meticulous testing for safety and efficacy. These time-intensive processes reflect the substantial resources and perseverance required to bring new medications to the public.

### Outlook<sup>5</sup>

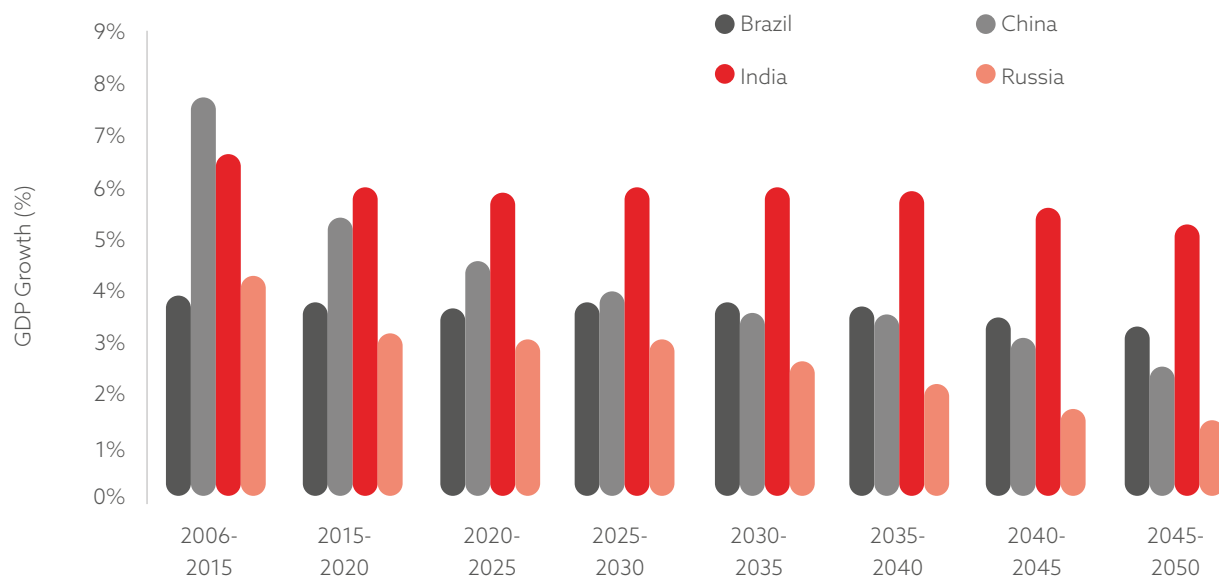
The global pharmaceutical industry recorded a valuation of \$222.4 billion in FY 2023-24. This projection highlights the industry's economic significance and its contribution to driving global healthcare expenditure<sup>6</sup>. It is expected that the pharmaceutical product market will reach \$352.98 billion by FY 2032 owing to increasing demand for innovative treatments.

<sup>3</sup><https://www.statista.com/statistics/263771/gross-domestic-product-gdp-in-india/>

<sup>4</sup><https://www.skyquestt.com/report/pharmaceuticals-market#:~:text=Pharmaceuticals%20Market%20size%20was%20valued,is%20used%20for%20medical%20purposes>

<sup>5</sup><https://www.pwc.com/us/en/industries/pharma-life-sciences/pharmaceutical-industry-trends.html>

<sup>6</sup><https://www.skyquestt.com/report/pharmaceuticals-market#:~:text=Pharmaceuticals%20Market%20size%20was%20valued,is%20used%20for%20medical%20purposes>



Forecasted growth of Indian pharmaceutical sector in comparison to some other big pharmaceutical sectors worldwide (source: BRICs and Beyond, Goldman Sachs, November 2007).<sup>7</sup>

### India's pharmaceutical industry<sup>8</sup>

India's pharmaceutical sector has been at the forefront in research and innovation, underpinned by a robust scientific and technological foundation, increasing governmental support, thriving domestic market and competitive manufacturing costs.

India is the world's largest provider of generic medicines by volume, holding a 20% share of the total global generic supplies. It produces around 60,000 different generic brands across 60 therapeutic categories and accounts for 20% of the global supply. As of recent estimations, there are 500 active pharmaceutical ingredient (API) manufacturers contributing approximately 8% to the global API Industry.

India also dominates the vaccine market with a 60% market share, meeting 40 -70% of the WHO demand for Diphtheria, Tetanus and Pertussis (DPT) and Bacillus Calmette-Guérin (BCG) vaccines, as well as 90% of the WHO demand for the measles vaccine. Affordable HIV treatment and rising demand of Indian medications due to their low price and high quality have earned India the moniker of the pharmacy of the world.

The Indian pharmaceutical industry has sustained its average growth rate of 9.47% over the past years, reaching \$42.34 billion. This growth can be primarily attributed to burgeoning exports and increasing domestic market demand. It is estimated that the pharma sector will become a \$65 billion industry by the end of 2024 and surge to \$120 billion by 2030.

### Government initiatives<sup>9</sup>

The Government has implemented various measures to bolster research and innovation in the sector.

In its Vision Pharma 2047, the Indian Government aims to achieve several milestones

1. **Global Leadership in Pharmaceutical Manufacturing:** India aims to establish itself as a global leader in producing affordable, innovative and quality pharmaceuticals and medical devices. The country aims to align its goals with the principle of Vasudhaiva Kutumbakam, or "the world is one family."
2. **Innovation and Research:** The nation seeks to emerge as a pioneer in innovation and research, particularly in delivering sustainable healthcare products.
3. **Accessibility and Affordability:** The country is relentlessly taking initiatives to ensure affordable products that meets patient expectations and can be accessed by all. Effective partnerships between industries, scientific communities and governments will enhance healthcare outcomes and facilitate universal health coverage.
4. **Health System Contribution:** India aims to contribute to a health system characterised by equity, efficacy and efficiency. The country is also focusing on

<sup>7</sup>[https://www.researchgate.net/figure/Forecasted-growth-of-Indian-pharmaceutical-sector-in-comparison-to-some-other-big\\_fig1\\_352177631](https://www.researchgate.net/figure/Forecasted-growth-of-Indian-pharmaceutical-sector-in-comparison-to-some-other-big_fig1_352177631)

<sup>8</sup><https://www.investindia.gov.in/team-india-blogs/pharmaceutical-sector-spotlight-driving-innovation-india>

<sup>9</sup><https://www.investindia.gov.in/team-india-blogs/pharmaceutical-sector-spotlight-driving-innovation-india>

developing a comprehensive product profile targeting Non-Communicable Diseases (NCDs), Anti-Microbial Resistance (AMR), and rare and neglected diseases.

5. **Balanced Policy Framework:** The Government seeks to create an equilibrium between social, economic and governance by implementing facilitative, balanced and progressive policies and regulatory frameworks.
6. **Environmental Sustainability:** Aligning with the vision of Panchamrita, India aims to reduce its carbon footprint in the pharmaceutical and medical technology sectors, striding towards India's goal of Net Zero by 2070.

To achieve these objectives, various initiatives and policies have been put in place

- The National Pharmaceutical Policy (2023) is being developed to address challenges faced by the industry and augment the overall ecosystem. It focuses on fostering global leadership, promoting self-reliance, advancing health equity and accessibility, enhancing regulatory efficiency and attracting investments.
- Foreign Direct Investment (FDI) limits have been liberalised to attract investments, increasing inflows to the sector since April 2000.
- Schemes such as Strengthening of Pharmaceuticals Industry (2022), Promotion of Bulk Drug Parks (2020), Human Resource Development in the Medical Device Sector (2023) and Promotion of Research and Innovation in Pharma MedTech Sector (PRIP), aim to strengthen the industry, promote domestic manufacturing and foster innovation and research.
- Production Linked Incentive (PLI) schemes for Pharmaceuticals and Medical Devices have been launched to incentivise production, strengthen manufacturing capabilities and reduce dependence on imports.
- Other initiatives facilitated by the Biotechnology Industry Research Assistance Council (BIRAC) and CSIR-Central Drug Research Institute, support research and development projects and drug discovery efforts.

Through these concerted efforts, India's pharmaceutical sector is poised to maintain its leadership in research and innovation. The industry's scientific prowess, increasing governmental support and robust domestic market, make India an attractive destination for global pharmaceutical companies to conduct research and development.

### Global food and nutrition market<sup>10</sup>

Increasing health awareness, especially post-pandemic, is driving the growth of the global food and nutrition market. This has resulted in a surge in demand for immunity-boosting

supplements and dietary products. Mineral supplements, in particular, have witnessed high demand due to their role in boosting health.

The market is expected to reach USD 12.63 billion by 2030, with a projected Compound Annual Growth Rate (CAGR) of 9.9% between 2023 and 2030.



#### Drivers for Market Growth

**Increasing Demand for Sports Nutrition:** The increasing focus on health and fitness, driven by fitness enthusiasts and professional athletes, is bolstering the growth of sports nutritional market. With rising awareness about diseases such as diabetes, obesity and cardiovascular diseases, people are seeking sports nutrition to mitigate these risks.

**Growing Influence of E-Commerce:** The convenience and accessibility offered by online and retail channels have significantly contributed to market growth. E-commerce platforms have improved product visibility and broader reach across various demographics.



#### Opportunities for Market Expansion

**Increasing Adaptation of Vegan Food:** The rising popularity of plant-based foods and superfoods has spurred the development of new nutritional products in appealing forms such as gummies and soft chews. This trend has especially been beneficial for individuals who seek alternative options to traditional tablets or pills.

**Lack of vital nutrients:** Modern diets lack essential nutrients, increasing ailments caused due to nutritional deficiencies. With heightened consumer awareness concerning the significance of proper nutrition, the demand for nutritional foods to combat malnutrition is anticipated to surge, thereby, driving market growth.



#### Challenges

**Availability of Nutritional Food:** Limited access to nutritional foods in certain countries, especially in underdeveloped regions, poses a challenge to market growth due to a lack of product availability and awareness.

<sup>10</sup><https://www.databridgemarketresearch.com/reports/global-nutritional-food-market>



### Market Scope

As the nutritional food market is highly segmented, it is important for market players to analyse industry segments and gain valuable insights to identify core market applications. It is important to understand the dynamics to develop products that can bolster the growth of the market.

### India's food and beverage industry<sup>11</sup>

India's food and beverage (F&B) industry stands as one of the largest and most rapidly expanding sectors, comprising numerous segments and sub-segments. It is estimated that the domestic food processing segment will maintain a substantial growth trajectory, reaching USD 470 billion by FY2025 from USD 263 billion in FY2021. This impressive growth can be attributed to various factors, including shifting lifestyles, rising incomes, increasing urbanisation and favourable government policies.

Indian food and beverage sector commands a significant 27% share in the Direct-to-Consumer (D2C) market space. With the emergence of new start-ups introducing innovative product ranges, the sector has significantly seen improvement in terms of sale. While the food and beverage industry contributes 3% to the GDP, it occupies nearly two-thirds of India's overall retail market. The market is poised to reach nearly USD 504.92 billion by 2027.

The food and beverage industry sustains the livelihoods of over 7.3 million individuals, making it the largest single employment provider in India. It also serves as a pivotal growth catalyst for various ancillary segments of the economy. Within the industry, several sub-segments also exist, encompassing diverse categories such as dairy products, confectionery, frozen foods, convenience foods, processed fruits and vegetables, as well as alcoholic and non-alcoholic beverages.

When it comes to the food service segment, the industry is expected to grow from USD 57.2 billion to USD 78.8 billion by the year 2026. Within the organised food service market, revenues amounted to USD 27.1 billion, with USD 5.9 billion originating from organised chains and the remaining from independent establishments. The growth can be attributed to widespread internet accessibility, facilitating seamless one-tap payments and mobile wallet transactions.

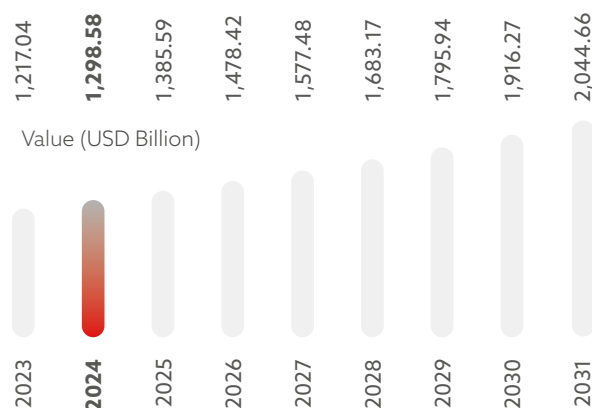
### Global MCC market<sup>12</sup>

The global market for Microcrystalline Cellulose (MCC) has witnessed remarkable growth in the recent years. The growth can be attributed to various factors, including heightened demand for pharmaceutical formulations, growing health consciousness and other influential factors. MCC has established itself as a preferred product across multiple industries.

The global MCC market can be segmented into product type, end-use industry, functionality and region. While under product type, it is categorised into powdered microcrystalline cellulose and granulated microcrystalline cellulose, end-use industry segmentation includes pharmaceutical, food and beverage, cosmetics and personal care, chemicals and textiles.

Among these segments, the pharmaceutical industry has played a crucial role in propelling the MCC market forward. The versatility to act as a binding agent position MCC as an excipient in various pharmaceutical formulations, particularly in tablets and capsules. Given the escalating global demand and widespread application of MCC in drug manufacturing, the pharmaceutical sector stands out as one of the most potent end-use industries for MCC.

### India Nutritional Supplements Market (2023-2031)<sup>13</sup>



### India's MCC market<sup>14</sup>

Owing to the presence of prominent industry players, India has fortified its position in the global microcrystalline cellulose market. With the expansion of manufacturing activities across various sectors in the country, the production of raw materials has increased. Notably, the production of microcrystalline cellulose, a pivotal excipient in pharmaceutical tablet manufacturing, has experienced a robust surge.

To meet the escalating global demand, particularly from American and European regions, key stakeholders in the Indian

<sup>11</sup><https://hospitality.economicstimes.indiatimes.com/news/speaking-heads/trends-and-happenings-in-the-food-beverages-segment-in-2023-and-the-prospects-for-2024/106300783>

<sup>12</sup><https://www.skyquestt.com/report/microcrystalline-cellulose-market>

<sup>13</sup><https://www.astuteanalytica.com/industry-report/india-nutritional-supplements-market>

<sup>14</sup><https://www.futuremarketinsights.com/reports/microcrystalline-cellulose-market>



MCC market are strengthening their production capacities. This is expected to propel the growth of Indian MCC market at a CAGR of 8% in the upcoming years.

**Demand from the pharmaceutical industry-** MCC is commonly employed as an excipient within pharmaceutical formulations, hence with the expansion of the industry, the demand for MCC is expected to increase.

**Growing consumption in the food and beverage industry-** As MCC are sourced from botanical origins, it finds widespread utilisation in food processing, notably in baking. Its versatility also extends to the manufacture of snacks, burger patties and dietary supplements.

### India's over-the-counter (OTC) industry<sup>15</sup>

OTC medications are used to treat minor illnesses. Pharmacists usually recommend patients OTC drugs that do not fall under Schedule K of the Drugs and Cosmetics Act of 1940 or any other restrictive schedules.

#### Market Insights

The Indian OTC drugs market has undergone rapid transformation owing to factors such as a burgeoning population, increasing ailment cases and affordability of the medications.

The development of medical infrastructure, introduction of patented drugs and the emergence of new business models have improved consumers' access to medicines. While vitamins and minerals hold the largest OTC market share (36.84%), cold and cough remedies are expected to grow rapidly.

#### Market Drivers

With easy availability of information on the internet, consumers are shifting more towards purchasing OTC medications. Furthermore, health-conscious community are also increasing the sales of Vitamins and Mineral Supplements (VMS) in various formulations.

#### Market Challenges

While the market holds optimism, there are certain challenges that need to be addressed. Antibiotics taken without prescription result in developing resistance to the antibiotics. Misuse or dependence on drugs such as sedatives, analgesics, antacids and laxatives also pose as a potential risk of the unregulated OTC market.

### India's branded generic drug market<sup>16</sup>

The growth of India's over-the-counter (OTC) drugs market can be attributed to growing shift in consumer attitudes towards self-medication, ongoing product innovations and pharmaceutical companies' increasing preference for OTC drugs over prescription (RX) drugs. As the India's population is increasingly relying on self-medication coupled with rising middle class with increased purchasing power, the demand

for OTC drugs is expected to surge. Categories, especially, cough and cold formulations, gastrointestinal medications, analgesics and dermatological drugs are expected to record an increase in their sales.

However, India might face challenges in producing cost-effective alternatives if a recommendation from the proposed trade deal between India and the European Free Trade Association is implemented.<sup>17</sup>

Nevertheless, the utilisation of self-medication in India is most prevalent among the middle-economic families. Looking forward, the demand for OTC drugs in India is expected to substantially increase.

### Nutraceutical market

#### Market Overview

The India nutraceuticals market was valued at USD 26.87 billion in 2023. The market is expected to grow at a CAGR of 13.5% between 2024 and 2030. Some of the key drivers for the growth include rising popularity of healthy diets, increasing lifestyle-related ailments and a paradigm shift towards preventive healthcare. As consumers are understanding the connection between healthy dietary habits and pharmaceutical expenditure, consumers are embracing healthy food practices. This has also resulted in governments reducing healthcare and social security costs.

#### Market share and consumer trend

India accounted for 9.22% of global nutraceuticals market revenue in 2023. The ageing population adopting healthy food and products to combat heart ailments and obesity are especially driving the demand for nutraceuticals. Personalised nutrition for this demographic presents significant growth opportunities. Innovation has been one of the key drivers for the market. Companies are developing novel formulations such as fortified food and beverages to meet evolving consumer health needs.

#### Innovation and regulation landscape

The advent of technology and evolving consumer preferences have been crucial to foster innovation in the nutraceuticals market. Market players are developing advanced delivery systems, such as controlled-release technologies and nano-encapsulation, to enhance ingredient bioavailability and efficacy. Adherence to stringent regulations and government guidelines ensure product safety, quality and enforce efficacy. It also enhances consumer confidence, influencing consumer perceptions and purchasing behaviour.

#### Market dynamics and end user focus

Growing health concerns, rising geriatric population, surging healthcare expenses, increased awareness about nutraceuticals and changing lifestyles have been crucial for the propelling the growth of the market. Furthermore, end-user concentration remains a significant factor, with consumer demand shaping product development and market dynamics.

<sup>15</sup><https://finance.yahoo.com/news/india-otc-over-counter-drug-095800154.html>

<sup>16</sup><https://www.mordorintelligence.com/industry-reports/india-otc-drugs-market>

<sup>17</sup><https://www.policycircle.org/industry/indias-generic-drugs-industry/>

## Nutrition market <sup>18</sup>

In FY2023-2024, the Indian Nutritional Supplements Market was valued at USD 11.85 billion. It is projected to reach market valuation of USD 28.70 billion by 2032, growing at CAGR of 10.7% during the projection period.

India's nutritional supplements market has experienced transformation owing to evolving dietary requirements and changing public health challenges. Growing health and wellness awareness is bolstering the growth of the nutrition market. The landscape of Indian nutrition is also marked by several critical issues that influence the supplement market.

### Driver: Rising Health Consciousness

The Indian nutritional supplement market is witnessing a remarkable surge, predominantly driven by an escalating health consciousness among the population. A recent survey has revealed that approximately 65% Indian consumers are now more health conscious than they were five years ago. This surge in awareness has significantly contributed to the expansion of the market for nutritional supplements. This has also resulted in the increasing demand for vitamins and

minerals; sales in this segment is projected to rise by 49% in the upcoming years.

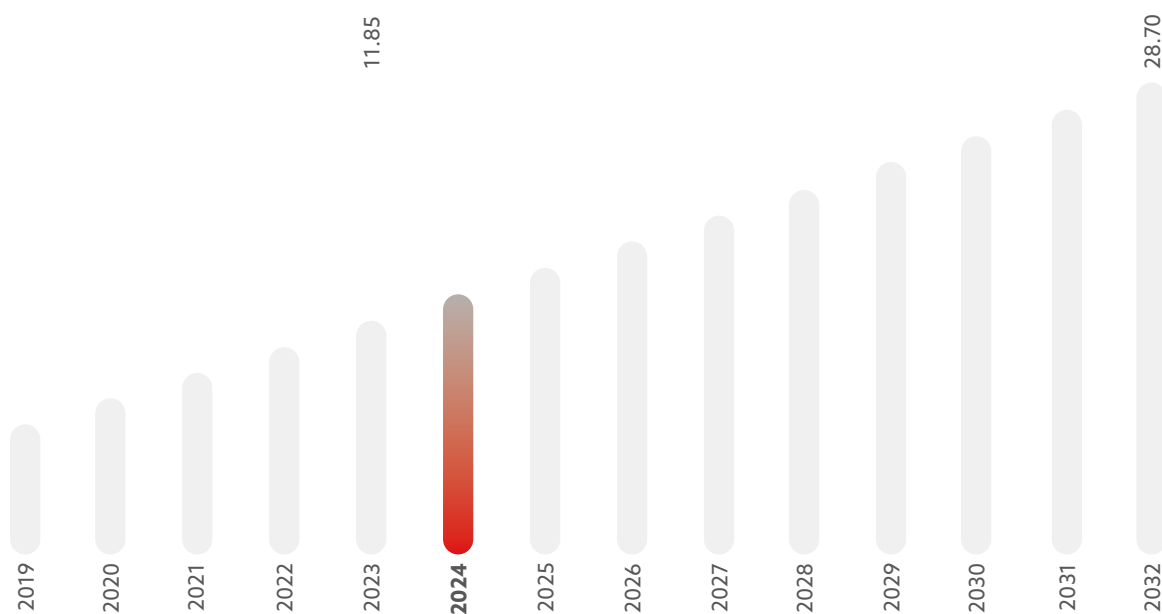
The burgeoning middle class, representing over 300 million people, is also a vital contributor to this trend. Increasing disposable incomes coupled with rapid urbanisation are bolstering the growth of the nutritional supplements market. Currently, urban area account for nearly 70% of the total sales in the supplements market.

### Trend: A Paradigm Shift towards Personalised Nutrition

The Indian nutritional supplements market is observing personalised nutrition as a significant trend. Personalised nutrition involves tailoring dietary supplements to meet individual health needs, lifestyle choices and genetic profiles.

As consumers are becoming aware about the unique nutritional requirements based on their profiles, followed by the advent of digital health technologies, the demand of personalised nutrition is gradually surging. These technologies, used by approximately 45% of India's urban population, provide real-time health and dietary data. Consequently, the market for technologically integrated nutritional solution is expanding with an estimated growth rate of 25% annually.

India Nutritional Supplements Market Size, 2019-2032 (USD Billion)



www.astuteanalytica.com

## Company overview

### About the Company

Established in 1989, Sigachi Industries Limited (Sigachi) has been is one of the leading manufacturers of Microcrystalline Cellulose (MCC) worldwide. The Company has established its strong presence in the production of Excipients, Co-Processed Excipients and Preformulated Excipients spread across more than 60 different grades. While adhering to stringent international quality benchmarks, these cellulose-based excipients cater predominantly to the

pharmaceutical, supplement and nutrition food sectors. The Company has a robust supply chain, with facilities and operations spread across 3 states. Sigachi maintains five state-of-the-art manufacturing facilities in Gujarat, Telangana and Karnataka to facilitate seamless delivery across India and worldwide. The Company's expansive sales and distribution network enables it to export its products to over 60 countries spanning the Middle East, Europe, Asia, Australia and the Americas. Sigachi's commitment to continuous innovation

<sup>18</sup><https://www.astuteanalytica.com/industry-report/india-nutritional-supplements-market#:~:text=India%20Nutritional%20Supplements%20Market%20was,the%20forecast%20period%202024%E2%80%932032.>

and strengthening of its research and development (R&D) capabilities ensures that the Company can meet ever evolving customer requirements. The O&M part of business continues to grow ahead of the market growth. As part of O&M growth strategy, we continue to focus on Speciality Chemicals, Petrochemicals, Water Treatment, and Pharma Plants. As Sigachi continues to grow, the purpose driving this growth which is to make this place a "Healthier, Happier and Joyful place" continues to grow deeper.

### Joint Venture<sup>19</sup>

Sigachi Industries has announced the incorporation of a joint venture (JV) with iMass Investments to facilitate global expansion. The joint venture between Sigachi MENA FZCO, a wholly owned subsidiary of Sigachi Industries Limited and iConsult Trading Consultancy LLC, a wholly owned subsidiary of iMass Investments will forge the path for the Company to enter into the food and pharma market of the UAE.

Furthermore, Sigachi MENA FZCO, a wholly owned subsidiary of Sigachi Industries Limited and Saudi National Projects Investment Ltd (SNP), an advisory investment firm, have also formally announced the establishment of Sigachi Arabia<sup>20</sup>. This strategic partnership will facilitate the rapidly growing Saudi Arabian market entry.

Sigachi Arabia will operate as a holding company, overseeing distinct entities dedicated to managing Sigachi's core verticals. The JV also plans to establish a manufacturing facility in Riyadh within a span of three years. While it will initially cater to the local market's needs, the facility will subsequently serve the Gulf Cooperation Council (GCC) countries.

The ownership structure of both JV depicts Sigachi MENA FZCO holding a majority stake of 75% and the other partner holding the remaining 25% stake in the joint venture.

### Acquisition<sup>21</sup>

The Board of Sigachi has formally approved the acquisition of 2.88 crore equity shares of face value of ₹ 10 each. This resulted in Sigachi industries acquiring 80% stake in Trimax Bio Sciences Private Ltd for INR 100 crore. There is also future proposal for the subsequent acquisition of the remaining 20% after a period of three years, for a sum of ₹ 25 crore or 8.5 times the EBITDA multiples. Better price and purchasers' call option will determine the acquiring method in the upcoming years.

Trimax Bio Sciences Private Ltd's API unit has state-of-the-art technology and complies with rigorous international quality standards set by USFDA, EMEA and WHO. It has also received approval from USFDA for advanced and critical intermediates.

## Business overview

### Microcrystalline Cellulose (MCC)

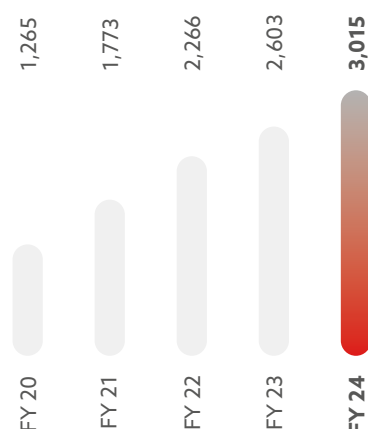
The Company manufactures MCC in 60 distinct grades ranging from 15 microns to 250 microns. Sigachi caters its products to various industries, including pharmaceutical, food, nutraceutical and cosmetic sectors.

The Company sells its cellulose-based products under the following brands.

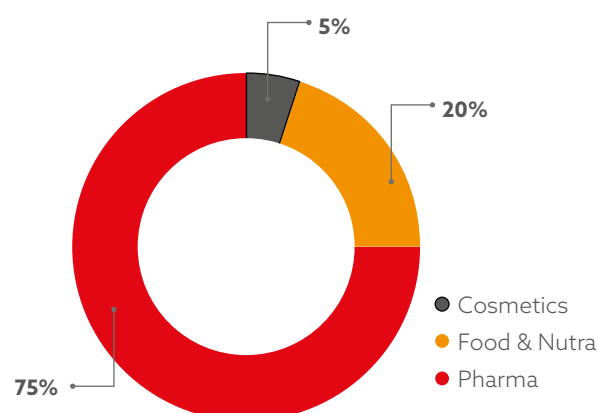


The products are differentiated using various drying procedures. The Company also manufactures several grades of the product in conjunction with diverse chemicals such as colloidal silicon dioxide, carboxy cellulose sodium and mannitol, etc.

### MCC revenue trends (Rs. in Mn)



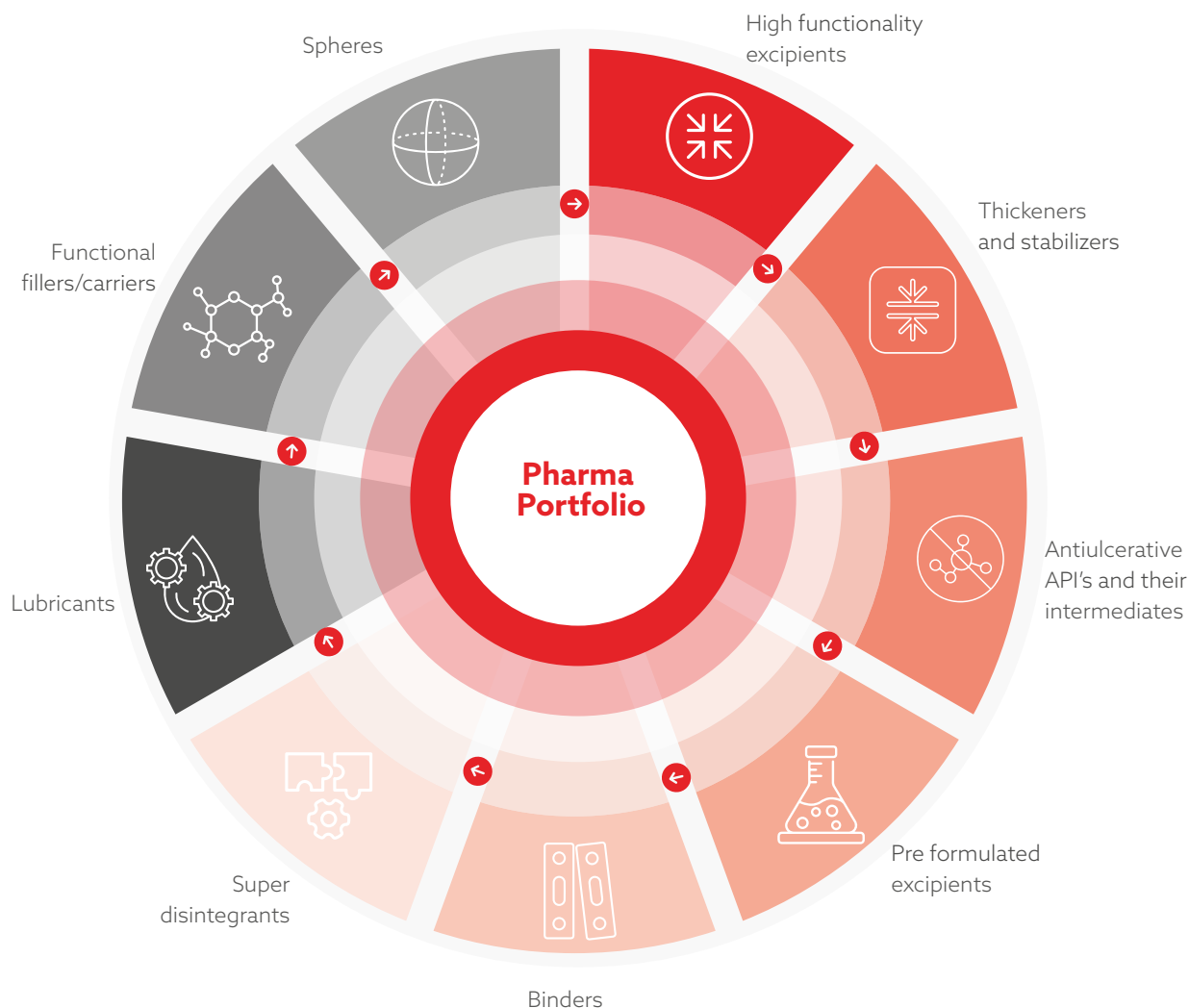
### Revenue break up (FY24)



<sup>19</sup><https://www.zeebiz.com/companies/news-pharma-major-sigachi-industries-forms-jv-projects-investment-260531>

<sup>20</sup><https://sigachi.com/R/JV%20Press%20Release.pdf>

<sup>21</sup><https://www.thehindubusinessline.com/companies/sigachi-industries-buys-80-stake-in-trimax-biosciences-for-100-cr/article67180444.ece>



### The road ahead

With the commissioning of the added capacities, the total cellulose capacity of Sigachi is touching 22K Tons /A. With new capacities, Sigachi is looking at penetrating deeper into current customer base and wider to other markets/regions.

Looking forward, Sigachi has strategically aimed to diversify its operations into the realm of human nutrition, primarily focusing on business-to-business (B2B) markets in India and export markets. It also aspires to expand its operations in 60 countries where it already engages in exports of excipients. Sigachi's comprehensive product line, encompassing micronutrient premixes and spray-dried ingredients, caters to varied nutritional requirements.

### Operations and management

The O&M industry continues to grow well, within India and abroad. Sigachi would continue to focus its efforts on Speciality Chemicals, Petrochemicals, Water Treatment, and Pharma Plants. The Operations & Maintenance (O&M) industry in manufacturing is experiencing steady growth due to several key factors:

#### 1. Increasing Complexity of Manufacturing Processes:

Modern manufacturing facilities rely on sophisticated equipment and automation systems. Maintaining these

complex systems requires specialized skills and expertise, driving demand for O&M services.

#### 2. Rising Focus on Efficiency and Productivity:

Manufacturers are constantly seeking ways to optimize production processes and minimize downtime. O&M providers offer preventative maintenance programs and data-driven insights to ensure smooth operations and maximize output.

#### 3. Growing Emphasis on Asset Lifecycle Management:

Extending the lifespan of production equipment is crucial for cost-effectiveness. O&M services help manufacturers implement proactive maintenance strategies, minimizing the risk of unexpected breakdowns and extending equipment life.

#### 4. Shifting Landscape of Talent:

The manufacturing workforce is aging, and there's a growing skills gap. O&M providers can bridge this gap by offering skilled personnel for maintenance tasks, allowing manufacturers to focus on core competencies.

#### 5. Evolving Regulatory Landscape:

Environmental and safety regulations are becoming increasingly stringent. O&M providers stay updated on



compliance requirements and ensure manufacturing facilities operate within regulations.

## 6. Adoption of Advanced Technologies:

Industry 4.0 is transforming manufacturing with technologies like IoT and AI. O&M providers are integrating these technologies into maintenance practices, enabling predictive maintenance and remote monitoring.

## 7. Cost Optimization:

Utilizing external O&M services can be more cost-effective than maintaining an in-house team, especially for specialized tasks. O&M providers offer economies of scale and expertise, leading to cost savings.

## 8. Focus on Sustainability:

Manufacturers are prioritizing sustainable practices. O&M providers can help optimize energy usage, minimize waste, and implement environmentally responsible maintenance procedures.

## 9. Growth of Emerging Economies:

Manufacturing is expanding in developing countries, creating a demand for O&M services to support these new production facilities.

## 10. Rise of Subscription-Based O&M Models:

Subscription-based O&M models are gaining traction, offering predictable costs and ensuring access to the latest expertise for manufacturers. These factors combined create a strong growth trajectory for the O&M industry within the manufacturing sector. Further, accelerated availability of total team at short notice is an added advantage in O&M model.

## Research and Development

The Company's focus on continuous innovation has been the primary growth driver for establishing a rich legacy over three decades. A state-of-the-art research and development facility, approved by the Government of India under the Ministry of Science and Technology and the Department of Science and Industrial Research, coupled with the expertise of Formulation scientists, Sigachi has been at the forefront of innovation to adapt to the market dynamics. The Company has steadily established itself as a market leader in the excipient domain.

The Company's in-house research and development laboratory has top-tier amenities that facilitates comprehensive formulation tests and trials. From initial conceptualisation to

laboratory experimentation and eventual commercialization, the department also conducts rigorous final formulation application tests to understand the true characteristics of the final drug forms. These measures guarantee the delivery of high-quality products to clientele. Furthermore, its team also extends support to customers through an interactive web portal. The "Ask an Expert" portal enhances accessibility and facilitates seamless engagement.

Leveraging a proven history of excellence in research, development and manufacturing, the recently acquired API unit will seamlessly integrate with Sigachi's established portfolio of excipients. This acquisition offers a comprehensive solution that caters to both API and non-API requirements of customers. The Company is committed to enhancing its research and development capabilities and refining cost-effective manufacturing processes. While upholding the highest standards of quality, the Company aims to establish its position as the preferred manufacturer for national and international consumers alike. Sigachi has been granted about 7 patents in the field of cellulose and excipients.

## Quality

Sigachi Industries Limited prioritises on delivering value to its consumers. It operates five state-of-the-art facilities with a combined production capacity exceeding 22,000+ Metric Tons Per Annum (MTPA). Additionally, the Company also maintains two dedicated research and development (R&D) hubs focused on adhering to quality assurance standards.

Sigachi has Approved Certificate of Suitability (CEP) for Microcrystalline Cellulose from European Directorate of Quality and Medicine for all its three facilities. Further, more than 20 Drug Master Files, Type 4 are filed with USFDA for our various grades of Excipients.

## Financial performance

'Focus on high margin yielding product mix and cost-effective manufacturing processes, effective management of inventory would result in increase of EBITDA and Profitability in coming quarters.'

Sale of products increased to ₹ 3,631.7 Mn from previous corresponding FY 23 of ₹ 2,755.1 Mn. The revenue from exports demonstrated a notable YoY growth of 18.52%, increasing from ₹ 2,022.6 Mn to ₹ 2,397.3 Mn in FY 24 compared to FY 23.

## Financial highlights

Particulars	(Rs. in Mn.)				
	FY 24	FY 23	FY 22	FY 21	FY 20
Revenue from operations	3,989	3,020	2,503	1,928	1,391
Gross Profit	1,727.20	1,391.80	1,118.40	738.40	508.50
EBITDA	766	587	531	388	248
EBITDA margin	19.20	19.43	21.21	20.12	17.83
PAT	572	436	400	303	203
PAT Margin	14.34	14.43	15.98	15.72	14.59
Cash flow from operations	128.91	290.16	58.50	295.51	121.38
ROCE	16	19	22	39	40

## Key ratios

Particulars	FY 2023-24	FY 2022-23	% change
Debtors Turnover (no. of days)	137.27	96.88	41.69
Inventory Turnover (no. of days)	58.95	23.30	253
Interest Coverage ratio (in times)	9.82	13.68	(28.21)%
Current Ratio (in times)	1.67	2.38	(29.83)
Debt Equity Ratio (in times)	0.29	0.15	93.33
Operating Profit Margin (in %)	21.51	19.43	10.70
Net Profit Margin (in %)	14.34	14.43	(0.62)
Return on Net Worth (in %)	16.41	17.55	(6.49)

### Debtors Turnover

This ratio serves as a quantitative measure of a company's proficiency in collecting receivables or outstanding payments from customers. It illuminates the company's adeptness in managing the credit it extends to customers and the expeditiousness with which short-term debts are retrieved. Computed by dividing the total sales of goods and services by trade receivables, the debtors turnover ratio indicates the efficiency of the company's credit management practices. The observed increase in the debtors turnover ratio can be attributed to a notable surge in sales experienced during the last quarter.

### Inventory Turnover

The inventory turnover ratio quantifies the frequency with which a company sells and replenishes its inventory over a designated period. This metric is derived by dividing the revenue generated from the sale of goods by the average inventory held during the same period.

### Interest Coverage Ratio

The interest coverage ratio serves as a vital indicator of a company's ability to meet its interest obligations on outstanding debts. This metric is computed by dividing the earnings before interest and tax (EBIT) by the interest expense. The observed decrease in the interest coverage ratio can be attributed to a reduction in gross profits coupled with an increase in interest expenses.

### Current Ratio

The Current Ratio, a liquidity metric, evaluates a company's capacity to settle short-term obligations or those maturing within a year. This ratio is derived by dividing the current assets by the current liabilities. The observed decrease in the Current Ratio can be attributed to a rise in borrowings and trade payables.

### Debt Equity Ratio

This ratio serves as a tool for assessing a company's financial leverage, providing insight into the extent to which the company finances its operations through debt relative to its internally owned funds. It is computed by dividing a company's net borrowings by its shareholder's equity.

### Operating Profit Margin

The Operating Profit Margin is a key profitability metric utilized to gauge the percentage of profit generated by a

company from its operational activities. It is computed by dividing the Operating Profit (also known as PBDIT - Profit Before Depreciation, Interest, and Tax) by the Revenue from Operations.

### Net Profit Margin

The net profit margin signifies the proportion of net income or profit generated in relation to total revenue, expressed as a percentage. This metric is computed by dividing the profit after tax for the year by the total revenue for the same period.

### Return on Net Worth

The Return on Net Worth/(Equity) serves as a metric to gauge the profitability accruing to equity holders. This measure is computed by dividing the net profit after tax for the fiscal year by the average shareholder's equity over the same period. The decline in Return on Net Worth can be attributed to a reduction in net profits, primarily stemming from an increase in expenses related to finance costs and Depreciation and Amortisation Expenses.

## Human resources

The Company acknowledges the value of its workforce in driving continued growth and success. Therefore, Sigachi invests in its human resources to ensure that it continues to play a pivotal role in further sustaining the Company's operations. Furthermore, employees are encouraged to pursue innovative and engaging project to facilitate both personal and professional development. The Company aims to foster a workplace environment wherein all employees are uniformly valued and provided due respect.

## 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.

## Awards and Accolades



The Company has received several accolades due to their expertise in building world-class products and delivering excellent services to consumers worldwide. Furthermore, Sigachi's facilities are EXCiPACT GMP, SGMP, HACCP, EDQM CEP and ISO 9001:2015 certified.

## 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 macro

environmental changes, Russian-Ukraine war, Red Sea Crisis 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, 2024**

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 31<sup>st</sup> March, 2024, 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 31<sup>st</sup> March, 2024 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 2023-24: -

- i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **Complied with all applicable provisions.**
- 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 all applicable provisions.**
- v. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable.**
- vi. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable.**
- 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. 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.**
- ix. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable.**
- 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 provisions of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- 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:

- During the year the Company has conducted 10 meetings of the Board of Directors, 7 meetings of the Audit committee, 2 Meetings of Risk Management Committee, 1 Meeting of Stakeholder Relationship Committee, 1 meeting of Nomination Remuneration Committee and 1 meeting of Independent Directors.
- 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 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.
  - 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:

- The company has made a one day delay in submission of audio recordings of the investor meet on 20.01.2024 and Related party transactions for the Quarter ended 30.09.2023 under SEBI LODR Regulations to the Stock Exchanges and the Company remitted the penalty levied by the Exchanges.
- Mr. Subbarami Oruganti Reddy is the Chief Financial Officer. Ms. Shreya Mitra was resigned as Company Secretary & Compliance Officer w.e.f 06.04.2024 and Mr. Vivek Kumar was appointed as Company Secretary & Compliance Officer w.e.f 27.05.2024.
- The Company has internal auditors and cost auditors namely M/s. PSRV & Co. LLP and M/s. MPR & Associates, Cost Accountants respectively.
- 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.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review
- 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 for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were made by majority and no dissenting views have been recorded.
- We further report that based on the review of the compliance/ certificates of the Company Secretary which were taken on record by the Board of Directors, 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.
- 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.
- We further report that during the audit period the company has the following events/actions having a

major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc:

- ✓ The Memorandum of Association of the Company has been altered to increase the authorised share capital to Rs. 43,00,00,000 divided into 4,30,00,000 Equity shares of Rs. 10/- by passing Special Resolution at the Extra Ordinary General Meeting of the Shareholders of the Company held on 26.07.2023.
- ✓ The Company has raised funds of Rs. 71,61,18,750/- (25% of the upfront amount) by issuing 1,09,75,000 convertible warrants of Rs. 261/- each per share by passing Special Resolution at the Extra Ordinary General Meeting of the Shareholders of the Company held on 26.07.2023.
- ✓ 1 (One) equity share of Rs. 10/- each of the Company has been sub-divided into 10 (Ten) equity shares of Re.1/- each by passing Special Resolution at the Annual General Meeting of the Shareholders of the Company held on 07.09.2023.
- ✓ The Company has raised funds of Rs. 31421594.5/- by conversion of 1,60,51,900 convertible warrants into equity shares at an issue price of Rs. 26.1/- (Rs. 261/- pre-split) each per share by passing resolution in the Board Meeting held on 09.10.2023.
- ✓ The Company has raised funds of Rs. 9,23,56,416/- by conversion of 47,18,080 convertible warrants into equity shares at an issue price of Rs. 26.1/- (Rs. 261/- pre-split) each per share by passing resolution in the Board Meeting held on 06.03.2024.

- ✓ M/s. T Adinarayana & Co has resigned as Statutory Auditors of the Company w.e.f. 10.08.2023. M/s. M S K A & Associates, Chartered Accountants, was appointed as the Statutory Auditors of the Company w.e.f 09.09.2023. However, the shareholders in the EGM held 11.11.2023 has not approved the proposal. Further, M/s. Rakesh S Jain & Associates, Chartered Accountants, was appointed as the Statutory Auditors of the Company w.e.f 11.11.2023 by passing Ordinary Resolution at the Extra Ordinary General Meeting of the Shareholders of the Company held on February 05, 2024
- ✓ The shareholders in the EGM held on 07.09.2023 has approved the variation of the Objects of the IPO by passing a Special resolution 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. Further, the shareholders in the EGM held on 05.02.2024 has approved for extension of the estimated timeline upto 31.03.2026 for utilization of the funds for the manufacture of Croscarmellose Sodium (CCS) at Dahej, Gujarat State, while there is no change in the proposed project of manufacturing Croscarmellose Sodium and in the amount earmarked for setting up of the same.

**Aakanksha**

Practicing Company Secretary

C.P. No. 20064

UDIN: A049041F000905292

Peer Review Cer. No. 3363/2023

Place: Hyderabad

Date: 06.08.2024

# 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

Place: Hyderabad  
Date: 06.08.2024

**Aakanksha**  
Practicing Company Secretary  
C.P. No. 20064  
UDIN: A049041F000905292  
Peer Review Cer. No. 3363/2023

## Annexure VI

### Annexure to the Director's 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 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: **NIL**
- b. Impact of measures at a & b above for reduction of energy consumption and consequent impact on cost of production of goods: **NIL**
- c. Total energy consumption and energy consumption per unit as per form A:

Particulars	For the year ended March 31,	
	2024	2023
a. Power and Fuel Consumption		
i. Electricity		
Purchased units	81,72,730	69,16,489
Total Amount (Rupees)	6,78,36,615	4,98,61,112
Rate/Unit (Rupees)	8.30	7.21
ii. Own Generation (Through Diesel Generator)		
Units Generated	36,828	50,172
Total Amount (Rupees)	11,58,171	13,10,184
Units per litre	3.63	3.77
Cost per Unit (Rupees)	31.45	26.11
b. Consumption per unit of production		
Production (MTs)	13,602	12,711
Power Consumption in Rupees/MT	5,072.40	4,025.74

#### 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"> <li>Coating premix for tablet coating applications.</li> <li>DC grade Mannitol for direct compression application.</li> <li>Effervescent granules for Pharma and Nutra applications.</li> <li>Antacid DC premix for pharmaceutical applications.</li> <li>CCS development for DC formulation.</li> <li>Gum Arabic SD grade for its use as carrier for Food &amp; Nutrition application.</li> <li>Vitamin - Mineral Premix for Nutraceutical application.</li> <li>Food fortification for Bakery, Dairy and protein beverages for micronutrient enrichment.</li> <li>Stabilizer premix for dairy and non-dairy products.</li> </ol>



S. No.	Event
2. Benefits derived as a result of the above R & D	<ol style="list-style-type: none"> <li>1. Develop superior and customized products to solve customer problems and improve productivity.</li> <li>2. Diversified portfolio of products catering to Pharma, Nutra, Food and cosmetic industries.</li> <li>3. Application data generated during R &amp; D trials benefits the customers and overall Pharma community for better development.</li> <li>4. R&amp;D lab and pilot data help in Optimization of process parameters, utilities requirement during scaling the product for commercial scale.</li> </ol>
3. Future/further Plan of Action	<ol style="list-style-type: none"> <li>1. Different Cellulose and Starch derivatives for DC formulations.</li> <li>2. DC grade minerals for nutraceutical applications.</li> <li>3. Encapsulated Vitamins for Pharma, Food and Nutrition applications.</li> <li>4. Ready to use premix for modified release formulations.</li> <li>5. Premix for Filling, Savory and Sauces applications.</li> <li>6. Natural polymer development for cosmetics applications.</li> </ol>
4. Expenditure on R & D	Rs.496.58 Lakhs
5. Technology imported and absorbed	No technology has been imported.

**Form-C**

## Particulars of Foreign Exchange Earning and Outgo

Particulars	For the year ended March 31, (in Rs)	
	2024	2023
i. Foreign Exchange earned		
Export of Goods	205,92,41,426	190,54,32,904
ii. Foreign Exchange Outgo		
a. Import of Raw Material	100,27,72,327	115,40,79,718
b. Travel Expenses	1,34,51,975	1,18,17,462
c. Others	NIL	NIL

For on Behalf of the Board of Directors  
**Sigachi Industries Limited**

Place: Hyderabad  
Date: 06.08.2024

**Amit Raj Sinha**  
Managing Director  
& CEO  
DIN: 01263448

**Rabindra Prasad Sinha**  
Whole-Time Director& Chairman  
DIN: 00413448

## Annexure VII

# Business Responsibility & Sustainability Report



Sigachi Industries demonstrates a comprehensive commitment to sustainable and responsible business practices across various domains. The Company's approach encompasses environmental stewardship, social responsibility, and robust governance, aligning its operations with global sustainability standards and stakeholder expectations.

In environmental management, Sigachi focuses on energy efficiency, emissions reduction, and responsible resource utilization. The company is taking bold steps towards sustainability. By 2030, the company aims to cut energy usage intensity by 20%. The company also aims to decrease coal usage intensity by 30% by 2032. To achieve this, the company is adopting energy-saving technologies to minimise its carbon footprint. The company's dedication also encompasses water conservation, with a goal to lower freshwater usage intensity by 30% by 2032, at the same time boost water recycling by 10% by 2028. Sigachi, has implemented several initiatives to enhance its sustainability and efficiency. These include the installation of ETP and STP in every manufacturing unit for water treatment and reuse, leading to reduced water consumption and environmental protection. Sigachi also uses Mechanical Vapour Recompression installations for energy efficiency and waste management. The company ensures the circular use of packaging materials by monitoring the life cycle of pallets, improving supply chain transparency. In transportation, Sigachi prioritises sea and rail, reducing emissions and enhancing operational efficiency. Biomass optimization is used for sustainable waste management, and solar power installations generate renewable energy, aligning with Sigachi's broader sustainability objectives. These initiatives demonstrate Sigachi's commitment to environmental responsibility and operational efficiency.

On the social front, Sigachi prioritizes employee well-being, health, and safety. The company is certified as a Great Place to Work and adheres to ISO 45001 standards in its manufacturing facilities. Sigachi's commitment to diversity, equity, and inclusion is evident in its efforts to enhance gender diversity and create opportunities for persons with disabilities. The Company also maintains strong community relations and upholds human rights principles throughout its operations and supply chain.

Governance at Sigachi is characterized by a strong ethical framework and commitment to transparency. The Company's Code of Business Conduct and Ethics guides decision-making and promote stakeholder trust. Sigachi has made significant strides in sustainable governance, including the release of its first Business Responsibility and Sustainability Report (BRSR) in FY 2023, achieving EcoVadis Silver certification, and aligning with Global Reporting Initiative (GRI) Standards and Sustainable Development Goals (SDGs). The Company's risk management strategy encompasses both financial and operational risks, with a proactive approach to leveraging opportunities such as currency fluctuations for strategic growth.

Through these multifaceted initiatives, Sigachi Industries demonstrates its dedication to creating long-term value for all stakeholders while minimizing its environmental footprint and positively impacting society. The company's holistic approach to sustainability positions it as a responsible corporate citizen committed to driving positive change in the industry and beyond.

**SECTION A: GENERAL DISCLOSURES****I. Details of listed entity**

1.	Corporate Identity Number (CIN) of the Company	L24110TG1989PLC009497
2.	Name of the Company	Sigachi Industries Limited
3.	Year of Incorporation	11-01-1989
4.	Registered Office Address	229/1 & 90, 4 <sup>th</sup> floor, Kalyan Tulasiram Chambers,
5.	Corporate Address	Madeenaguda, Hyderabad - 500049
6.	Email Address	<a href="mailto:cs@sigachi.com">cs@sigachi.com</a>
7.	Telephone	040-4011-4874/ 75/ 76
8.	Website	<a href="http://www.sigachi.com/">http://www.sigachi.com/</a>
9.	Financial Year Reported	FY'2023-24
10.	Name of the Stock Exchanges where shares are listed	1. BSE Limited 2. National Stock Exchange (NSE) of India Limited
11.	Paid-up Capital	328194980 Equity Shares
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: Vivek Kumar Tel: +919100013047 Email: <a href="mailto:cs@sigachi.com">cs@sigachi.com</a>
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
14.	Whether the company has undertaken reasonable assurance of the BRSR Core?	Not Applicable
15.	Name of assurance provider	Not Applicable
16.	Type of assurance obtained	

**II. Pwroducts/Services****17. Details of business activities (accounting for 90% of the turnover)**

Sl. No.	Description of Main Activity	Description of Business Activity	% of turnover of the Company
1	Manufacturing	Pharmaceutical products, Active and inactive ingredients, Nutritional and food ingredients	84.31%
2	Operations and Management	Operations Management & Maintenance of chemical process plant facilities and allied sectors	11.05%

**18. Products/Services sold by the Company (accounting for 90% of the turnover)**

Sl. No.	Product/Service	NIC Code	% of total turnover contributed
1	Microcrystalline Cellulose (MCC) and other excipients	21001	84.31%
2	Operations and Management	99831	11.05%
3	Food & Nutrition	1079	1.01%

**III. Operations****19. Number of locations where plants and/or operations/offices of the Company are situated:**

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

**20. Markets served by the Company**

- a. Number of locations

Location	Number
National (No. of States)	22
International (No. of Countries)	65+

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

60.09%

- c. Types of customers

Catering to a broad spectrum of customers in the pharmaceutical, food, healthcare, nutraceuticals, and cosmetics sectors is a key aspect of the company's operations. This includes end-users, merchants, distributors, and exporters from over 65+ countries, demonstrating the global reach of the company's services.

**IV. Employees****21. Details as at the end of Financial Year**

- a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	991	947	96%	44	4%
2.	Other than Permanent (E)	8	8	100%	0	0
3.	Total employees (D+E)	999	955	95.60%	44	4.40%
WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	429	414	97%	15	3%
6.	Total workers (F+G)	429	414	96%	16	4%

- b. Differently abled Employees and workers:

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

**22. Participation/Inclusion/Representation of Women**

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	2	33%
Key Management Personnel	2	0	0%

**23. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)**

Particulars	FY 2024			FY 2023			FY 2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	39.58%	56.81%	40.35%	37%	42.50%	37.50%	23%	38%	24.50%
Permanent Workers	46.61%	33.33%	46.15%	56%	13%	53.10%	69%	23%	66.80%

Note: This includes employees/workmen who have retired during the year.



**V. Holding, Subsidiary and Associate Companies (including joint ventures)****24. Name of holding/subsidiary/associate companies/joint ventures**

Sl. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether Holding/Subsidiary/Associate/Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1	Sigachi US INC	Subsidiary	100%	No
2	Sigachi MENA FZCO	Subsidiary	100%	No
3	Trimax Bio Sciences Pvt. Ltd.	Subsidiary	80%	No

**VI. CSR Details****25.** (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover (in Rs.): 3,17,49,96,736

(iii) Net worth (in Rs.): 4,10,26,46,654

**VII. Transparency and Disclosure Compliances****26. Complaints/Grievances on any of the principles (Principle 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 2024			FY 2023		
		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, The company has a robust grievance redressal mechanism in place, guided by the Companies Act 2013. It encourages all the stakeholders to report genuine concerns about the company's conduct. The policy safeguards employees from victimisation for raising genuine complaints. It covers a wide range of issues, including misuse of authority, fraud, violation of company rules, and employee misconduct. This mechanism ensures a fair, transparent, and ethical work environment.  Web-link: <a href="#">Vigil mechanism Policy</a>	0	0	–	0	0	–
Investors		0	0	–	0	0	–
(other than shareholders)							
Shareholders		0	0	–	0	0	–
Employees and workers		42	0	–	33	0	–
Customers		27	0	–	33	0	–
Value Chain Partners		0	0	–	0	0	–
Other (please specify)		0	0	–	0	0	–

**27. Overview of the Company's material responsible business conduct and sustainability issues pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same approach to adapt or mitigate the risk along with its financial implications, as per the following format:**

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)
1	Energy and Emissions Management	Risk	The Company faces risks from inefficient energy use and high emissions. These risks include increased operational costs, potential regulatory fines, and reputational damage due to environmental impact. The escalation of energy prices and the introduction of stricter emission regulations further intensify these risks.	<p><b>Approach:</b> The company is in the process of implementing energy-efficient technologies and emission reduction strategies. These initiatives are expected to significantly reduce the company's greenhouse gas (GHG) emissions originating from manufacturing, operations, and facilities.</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• <b>Energy Consumption:</b> 20% Reduction in Energy Consumption Intensity considering baseline year as 2021 by 2032.</li> <li>• <b>Carbon Sequestration:</b> The Company plans to sequester CO2 by planting 50,000 trees by 2026 - Achieved in FY 2024.</li> <li>• <b>Coal Consumption:</b> The Company intends to reduce its coal consumption intensity by 20% by 2028 and further to 30% by 2032. considering baseline year as 2021.</li> </ul>	Negative
		Opportunity	The Company's implementation of energy-efficient technologies and emission reduction strategies can decrease operational costs, enhance regulatory compliance, and improve its brand image. Additionally, these sustainable practices may qualify the company for incentives and grants.		Positive

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)
2	Water Management	Opportunity	The Company sees an opportunity in implementing water conservation and treatment measures. These initiatives can ensure a reliable water supply, reduce costs, and minimize environmental impact. By adopting sustainable water practices, the company can enhance its resilience to water-related risks and improve its standing with stakeholders.	<p>1) The company is committed to reduce environmental impact through strategic water management.</p> <p>2) The Company maintains Effluent Treatment Plants (ETP), Sewage Treatment Plants (STP), and Mechanical Vapour Recompression (MVRE) within its facilities. These are complemented by a RO Recovery System, which treats the effluents generated, thereby minimizing environmental impact and facilitating resource reuse.</p> <p><b>Goals:</b></p> <ul style="list-style-type: none"> <li>• Reduce Freshwater Consumption Intensity: The Company aims to reduce its freshwater consumption intensity by 30% by 2032, considering baseline year as 2021.</li> <li>• Increase Water Recycling: The Company is working towards increasing its water recycling by 10% by 2028, considering baseline year as 2021.</li> </ul>	Positive
3	Waste Management	Risk	Inadequate waste management within the company can lead to detrimental consequences such as environmental pollution, legal repercussions, and a deterioration of trust within the community. Furthermore, it can result in operational inefficiencies and escalate the expenses associated with waste disposal.	<p>1. In the company's commitment to environmentally responsible manufacturing, all solid wastes generated from its facilities are responsibly directed to certified vendors.</p> <p>2. The company ensures that hazardous and non-hazardous wastes are meticulously segregated at their source and securely stored in dedicated zones within its premises.</p> <p>3. Hazardous wastes are systematically categorized and appropriately stored in specially designated hazardous waste storage areas. These wastes are then disposed of at facilities approved by the Pollution Control Board, strictly adhering to regulatory guidelines.</p> <p>4. Non-hazardous wastes are responsibly dispatched to authorized recycling entities, thereby contributing to a robust and sustainable waste management system.</p>	Negative

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)
				<p>5. The company's factory units proactively enhance waste management strategies by transforming waste into valuable biomass resources, further strengthening its commitment to environmental sustainability.</p> <p><b>Goals:</b></p> <ol style="list-style-type: none"> <li>1) 20% reduction in solid waste (going to landfilling) intensity by 2028, considering baseline year as 2021</li> <li>2) Recycle 50% of our raw material packaging material by allying with authorized vendors by 2030.</li> <li>3) 30% reduction in solid waste (going to landfilling) intensity by 2032, considering baseline year as 2021</li> </ol>	
		Opportunity	The implementation of effective waste management strategies can offer substantial benefits. It can not only diminish disposal costs but also extract value from waste materials, thereby enhancing the company's environmental standing. Moreover, it opens up avenues for innovative approaches in recycling and waste-to-energy initiatives, playing a pivotal role in promoting a circular economy.		Positive
4	Business ethics / Anti-bribery and corruption	Opportunity	Upholding strong business ethics and implementing robust anti-bribery and anti-corruption policies can enhance a company's reputation and trustworthiness.	The Company's Code of Business Conduct and Ethics (COBEC) is applicable to all its Directors and employees, spanning the entire organization, its subsidiaries, and facilities. This code embodies guiding principles that augment decision-making processes, cultivate trust	Positive



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)
			<p>The company insists that all its suppliers, contractors, and partners follow strict ethical guidelines, which are further strengthened by specific codes of conduct. Thanks to the company's thorough procedures, there have been no reported breaches concerning business ethics or issues of bribery and corruption.</p>	<p>among stakeholders, and ensure the protection of the company's business interests. In alignment with the Companies Act, 2013, and the Sarbanes Oxley Act of 2002, COBEC underscores the importance of adhering to anti-bribery and anti-corruption policies, along with other legal mandates. The company's contracts with suppliers, contractors, and partners necessitate ethical compliance, further bolstered by distinct codes of conduct for suppliers and service providers. This approach underscores the company's commitment to maintaining the highest standards of ethical conduct in all its business dealings. The company requires its suppliers, contractors, and partners to adhere to ethical standards, reinforced by distinct codes of conduct. The company's rigorous measures have resulted in no recorded instances of violations related to business ethics or anti-bribery and anti-corruption issues.</p>	
5	Employee Engagement and well being	Opportunity	<p>Engaged and healthy employees are more focused, energised, and connected to the company's purpose, which benefits organizational performance.</p> <p>Proactive measures to prevent workplace injuries and promote wellness can contribute to employee well-being and engagement. Overall, Employee well-being and engagement is a company's priority</p>	<p>Sigachi, a certified Great Place to Work, recognises the role of its people in the company's growth. It has designed practices to foster a workplace where employees feel valued. These include beneficial policies for leaves, rewards, career advancement, and more.</p> <p>Regularly, Sigachi encourages employees to join group activities such as sports, community service, and high-impact projects.</p> <p>Employee satisfaction is measured annually through internal surveys and the external Great Place to Work certification. In both, the satisfaction rate has consistently been over 88%.</p> <p>Additionally, The company's organisational goals resonate with the employees, inspiring them to continually strive for superior performance.</p>	Positive

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)
6	Employee Health and Safety	Risk	Failure to prioritize employee health and safety can lead to workplace accidents, injuries, and illnesses, resulting in lost productivity, increased costs, and potential legal liabilities.	The Company maintains stringent standards in Environment, Health, and Safety (EHS) throughout its organization and facilities, guided by a comprehensive EHS policy. This policy applies to all personnel, encompassing permanent staff and contractors, and ensures they receive training on occupational health, safety protocols, specific hazards, and potential hazardous situations. The company's manufacturing facilities comply with ISO 45001 standards, bolstered by robust Environment Health and Safety (EH&S) systems. To continually enhance safety performance, the company conducts regular safety assessments, benchmarked against international standards.	Negative
7	Data Security and Privacy	Risk	Lack of a strong data integrity and security mechanism may lead to increase in number of data breaches and loss of valuable data.	<p>Mitigation Measures Undertaken by the Company:</p> <ol style="list-style-type: none"> <li>1) The company has successfully completed the preparation and revision of Standard Operating Procedures (SOPs), including the IT Policy and Information Security Backup.</li> <li>2) Currently, the company is diligently working towards enhancing its data security mechanism by upgrading its processes.</li> <li>3) The company has successfully upgraded all servers and firewall devices, reviewed licenses, and enhanced storage capacity.</li> <li>4) The company is actively engaged in both automated and manual backup activities to ensure data safety.</li> <li>5) The company is in the process of establishing a Disaster Recovery Site for critical applications to further strengthen its data security infrastructure.</li> </ol>	Negative

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)
8	Human Capital Management	Opportunity	Effective human capital management, including talent attraction, development, and retention, can enhance employee engagement, productivity, and organizational performance. Talent Acquisition and Retention and Skill Development	<p>Sigachi is committed to providing a consistent experience for its employees throughout their employment lifecycle. The company utilises comprehensive job descriptions to source the right talent from various channels within the prescribed business timeframe. Sigachi recognises the importance of maintaining a robust candidate pipeline to address any potential shortfalls due to offer declines.</p> <p>Throughout an employee's journey, Sigachi ensures a positive experience through a comprehensive HRMS, people-centric practices, and a performance management system. Employees are encouraged to set SMART goals aligned with the company's strategic objectives. Regular feedback, mentoring, and coaching are provided by their reporting managers.</p> <p>Sigachi also places significant emphasis on leadership competencies and core values when assessing an individual's performance. Middle managers and above are evaluated using a performance-potential grid, known as the 9-box mapping. This aids in aligning individuals with their career paths and collaborating with them to enhance performance.</p>	Positive
9	Human Rights and community relations	Risk	Neglecting to uphold human rights and sustain favourable community interactions could result in harm to the company's reputation, legal conflicts, and operational interruptions.	The Company stands firm on human rights and fair treatment, following natural justice in all dealings. It aims to create an inclusive workspace and world, valuing everyone. Every year, it engages with the community through the Blood Donation Camp, Environment Day, and 'Daanutsav'. Here, employees help the less fortunate, identified with the help of NGOs. The company's CSR strategy and actions have made a notable difference to the community.	Negative

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)
10	Sustainable Governance	Opportunity	Adopting sustainable governance practices, such as effective risk management, business continuity planning, and transparent reporting, can improve organizational resilience and stakeholder confidence. Integrating sustainability considerations into decision-making can unlock new business opportunities and drive long-term value creation.	<p>The Company has been proactive in its commitment to sustainability and transparency:</p> <ol style="list-style-type: none"> <li>1) The company released its first Business Responsibility and Sustainability Report (BRSR) in FY 2023.</li> <li>2) It was awarded the EcoVadis Silver rating in FY 2024, a testament to its sustainable practices.</li> <li>3) The company implemented the Global Reporting Initiative (GRI) Standards in FY 2024, further strengthening its commitment to transparency.</li> <li>4) It aligned its operations with the Sustainable Development Goals (SDGs) in FY 2024.</li> <li>5) The company is set to release its inaugural sustainability report in FY 2025.</li> <li>6) It has been setting targets and baselines since FY 2021, demonstrating its forward-thinking approach.</li> <li>7) The company conducted its first external vendor audit in FY 2023, ensuring that its partners also adhere to high standards.</li> <li>8) It has been complying with BRSR reporting from FY 2023.</li> <li>9) The company achieved the EcoVadis Silver certification in FY 2024, further validating its commitment to sustainability.</li> </ol>	Positive
11	Diversity Equity & Inclusion	Opportunity	Fostering a diverse, equitable, and inclusive workforce can enhance innovation, creativity, and problem-solving capabilities. Promoting equal opportunities and inclusive practices can improve employee satisfaction, retention, and brand reputation.	<ol style="list-style-type: none"> <li>1) The company has concentrated its efforts on enhancing gender diversity through strategic hiring practices, sensitization programs, and effective communication strategies.</li> <li>2) It is in the process of overhauling its policies to increase representation of women and persons with disabilities (PWDs).</li> <li>3) In addition, the company is striving to enhance diversity across various</li> <li>4) In addition, the company is striving to enhance diversity across various roles and teams by exploring new entry-level routes such as apprentice hiring and actively recruiting for various positions.</li> </ol>	Positive

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)
12	Risk management and business continuity	Risk	In managing risks, the company must proactively prevent operational disruptions and legal issues, thus mitigating production risks. It should also circumvent disruptions and safety concerns, addressing operations and management risks. Ensuring regulatory alignment to prevent penalties is crucial for compliance risks. Lastly, the company needs to tackle infrastructure and quality challenges to secure long-term growth, thereby managing strategic risks.	<p>a. Maintain Inventories for Regular Price fluctuations shocks</p> <p>b. Dynamic Pricing Strategy: Adjust pricing based on currency trends to maintain competitiveness and protect margins.</p> <p><b>Production:</b> Implement automated systems, enhance safety protocols and manage labour effectively.</p> <p><b>Operations:</b> Invest in safety measures, develop contingency plans and strengthen risk management.</p> <p><b>Compliance:</b> Regularly update procedures, plan facility upgrades.</p> <p><b>Strategic:</b> Build robust infrastructure and enforce quality management.</p>	Negative
		Opportunity	Effective risk management and business continuity planning can help organizations anticipate, prepare for, and respond to various threats, including operational, financial, and reputational risks. Effective planning can improve response to threats and identify areas for improvement.	<p><b>Opportunity:</b> Use favourable currency conditions to invest in strategic international markets and diversify operations for long-term growth and resilience</p> <p><b>Production:</b> Enhance sustainability through compliance and ETP optimization.</p> <p><b>Operations:</b> Improve resilience and productivity via better safety and labour relations.</p> <p><b>Compliance:</b> Strengthen reputation and efficiency with updated regulations and facility upgrades.</p> <p><b>Strategic:</b> Support growth with robust infrastructure and high-quality standards.</p>	Positive



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>										
1.	a. Whether the Company'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. Weblink of the policies, if available	Code of Conduct for Board of Directors and Senior Management Dividend Distribution Policy Fair Disclosure of Unpublished Price Sensitive Information Familiarization Program for Independent Directors Nomination & Remuneration Policy Policy for Leak Of Unpublished Price Sensitive Information Policy for Prevention of Sexual Harassment Policy on Disclosure of Material Events or Information Policy on Preservation of Documents CSR Policy Vigil Mechanism Policy Risk Management Plan Succession Policy Content Archiving Policy Policy on Board Diversity Policy on Related Party Transactions & its Materiality Prevention of Insider Trading Policy on Energy and Emission Policy on Code of Business Conduct and Ethics Policy on Responsible Consumption, Production and Disposal Policy on Supplier Code of Conduct Policy on Water Management Policy on Responsible Consumption Production and Disposal Policy for Determining Material Subsidiary Policy for Determining Materiality for Disclosures For a comprehensive understanding of the company's policies, kindly follow this link. <a href="#">Sigachi Corporate Policies</a>								
2.	Whether the Company has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to the Company's value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
4.	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle.	<p>P1: ISO 9001:2015, KOSHER certified, Halal</p> <p>P2: HACCP, ISO 14001, ISO 9001:2015, GMP (Good Manufacturing Practice), FSSC 22000, COSMOS, USFDA, KOSHER certified, HALAL, FSSAI</p> <p>P3: Great Place to work, ISO 45001</p> <p>P5: EXCiPACT GMP</p> <p>P6: EXCiPACT GMP, SGMP, ISO 14001</p> <p>P7: HACCP, IPEC guidelines</p> <p>P8: CEP 2014-097</p> <p>P9: ISO 9001:2015, CEP 2014-097, FSSAI, GMP</p>								
5.	Specific commitments, goals and targets set by the Company with defined timelines, if any.	<p>The company is dedicated to long-term sustainability and is currently developing a robust ESG framework. They have established specific goals and initiatives to guide their efforts. Over time, these ambitions will become integrated targets. The company's first sustainability report in FY 25 outlines these objectives. Future reports and communications will provide updates on their progress, ensuring transparency and accountability.</p> <p>Energy and Emissions:</p> <ol style="list-style-type: none"> <li>1) 20% Reduction in Energy Consumption Intensity considering baseline year as 2021 Target year 2032.</li> <li>2) Sequestration of CO2 by planting 50,000 trees. Target year 2026 – achieved in FY 2024.</li> <li>3) 20% Reduction in Coal Consumption Intensity considering baseline year as 2021 by 2028.</li> <li>4) 30% Reduction in Coal Consumption Intensity considering baseline year as 2021 by 2032.</li> </ol> <p>Water:</p> <ol style="list-style-type: none"> <li>1) 30% Reduction in Freshwater Consumption Intensity considering baseline year as 2021 by 2032.</li> <li>2) 10% Increase in Amount of Water Recycled considering baseline year as 2021. By 2028.</li> </ol> <p>Material:</p> <ol style="list-style-type: none"> <li>1) Recycle 50% of our raw material packaging material by allying with authorized vendors by 2030.</li> </ol> <p>Waste:</p> <ol style="list-style-type: none"> <li>1) 20% Reduction in Solid Waste (going to landfilling) Intensity considering baseline year as 2021 by 2028.</li> <li>2) 30% Reduction in Solid Waste Intensity considering baseline year as 2021 by 2032.</li> </ol>								
6.	Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met.	<p>FY25 represents as a benchmark year for us as we unveil our first sustainability report, outlining our key commitments, goals, and targets. While this inaugural report will set the foundation, detailed performance against each commitment will be more comprehensively addressed in subsequent reports. These future reports and external communications will ensure that we maintain transparency and accountability, providing clear explanations and updates on our progress.</p>								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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**Governance, leadership and oversight**

7.	Statement by Director, responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements <i>(listed entity has flexibility regarding the placement of this disclosure)</i> 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 Company have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, The Audit Committee is responsible for ESG targets, strategies and reporting.							

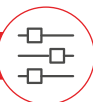
10. Details of review of NGRBCs by the Company:

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)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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								

11.	<b>Disclosure Questions</b>	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	No, The entity has not conducted any independent assessment or evaluation of its policies by an external agency.								

12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principle 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)	Not Applicable								

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE****1****Principle****Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.****Essential Indicator:****1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

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	5	P1,P2,P4,P6,P8	100%
Key Managerial Personnel	5	P1,P2,P3,P4,P5,P6,P7,P8,P9	100%
Employees other than Board of Directors and KMPs	276*	P1,P2,P6,P9	89%
Workers		P1,P2,P5,P6	87%

\*The BOD's and KMP's are briefed on the Sustainability initiatives of the company from time to time. To enable them to make well informed decision making, they are provided with the updates / developments at the global level and industry scenario including the necessary legislation

**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:**

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) 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			Nil		
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)
Imprisonment				
Punishment			Nil	

**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 Company 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 operates under a code of business conduct. This code outlines the ethical standards that are integral to the company's operations. Each employee, irrespective of their position, is expected to adhere to these standards, reinforcing the company's commitment to ethical practices.

Web-Link: [COBCE Policy](#)

**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 2024	FY 2023
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY 2024		FY 2023	
	Number	Remarks	Number	Remarks
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 conflict of interest.**

Not Applicable

**8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

	FY 2024	FY 2023
Number of days of accounts payables	69	48

**9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY 2024	FY 2023
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	19.09%	9.12%
	b. Number of trading houses where purchases are made from	44	14
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	18.19%	8.01%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	55.65%	62.75%
	b. Number of dealers / distributors to whom sales are made	47	60
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	44.27%	13.26%



Parameter	Metrics	FY 2024	FY 2023
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	NIL	NIL
	b. Sales (Sales to related parties / Total Sales)	15.82%	13.26%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	NIL	NIL
	d. Investments (Investments in related parties / Total Investments made)	98.19%	84.84%

**Leadership Indicators-****1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
57	Environmental Impact, Social Responsibility, Governance	51%
72	Supplier Code of conduct	72%
57	Ethics	51%

**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 Code of Conduct at Sigachi anticipates that all Personnel, including Members of the Board, will avoid any activity or personal interest that could lead to a conflict of interest. Furthermore, it is explicitly stated that Personnel should not use any information obtained through their position at Sigachi for personal benefit. This underlines the company's commitment to maintaining a high standard of ethical conduct.

**2****Principle****Business should provide goods and services in a manner that is sustainable and safe****Essential Indicator:****1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.**

Segment	FY 2024	FY 2023	Details of improvements in environmental and social impacts
R & D	4.47%	4.50%	Cellulose fibre and powdered cellulose reconfiguration for usage in food which would result in lesser oil consumption better gut and overall healthier society.
Capex	3.39%	3.33%	MVRE, ATFD, ETP-RO, HAG, STP installation at all units.

**2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Sigachi ensures sustainable and socially responsible sourcing by using FSC-certified wood pulp for MCC production. This certification supports responsible forest management and benefits communities. When sourcing is required, the relevant department initiates a tender request with details for budgeting and technical specs. The procurement team then manages sourcing and commercial negotiations, while technical evaluations are handled by the requesting department. At least three quotations are solicited, and the selected vendor must sign the code of conduct and complete the ESG questionnaire before the purchase order is issued. Violations require corrective action within a set timeline.

The company's Code of Conduct for External Stakeholders mirrors their vision and anticipations for business partners, manufacturers, suppliers, service providers, traders, consultants, contractors, and so on.

Crucial aspects of their Supplier Code encompass:

- Operating business ethically and with integrity, honouring human rights and dignity.
- Adhering to environmental regulations and keeping all necessary permits and licenses.
- Providing a safe work environment with health and safety policies that align with local and national regulations.
- Establishing management systems for legal compliance, risk reduction, and ongoing improvement. As part of their dedication to ESG, sustainability, and responsible business practices, they have introduced an ESG Assessment process for their suppliers to assess and enhance their joint impact. Suppliers are required to supply precise and verifiable data on their ESG performance, which includes Environmental Impact, Social Responsibility, and Governance.

**b. If yes, what percentage of inputs were sourced sustainably?**

100% of the company's Key Starting Materials (KSMs) suppliers strictly follow sustainable methods and meet the standards of Good Manufacturing Practices (GMP). The company regularly conducts audits to ensure the quality and sustainability of their operations.

**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.**

(a) Plastics (including packaging)	Plastics recycling and disposal, including packaging, adhere strictly to the Central Government rules and the provisions of the Plastic Waste Management Rules. Additionally, waste is sent to authorised vendors approved by the government for recycling and disposal.
(b) E-waste	E-waste is disposed of through a registered recycler, with a preference for buy-back options, resulting in circular use.
(c) Hazardous Waste	Hazardous waste is disposed of at authorized sustainable disposal sites through authorized SPCB vendors or sent to cement industries.
(d) Other Waste.	Other Non-hazardous waste is directed to authorised recyclers, supporting recycling efforts and promoting sustainable waste management practices.

**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.**

No. At present, the company has not made any submissions in accordance with the EPR guidelines to the state pollution control boards. Waste collection and disposal is managed through vendors who have received authorization from the 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?**

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.
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Throughout the fiscal year, the company has not conducted any life cycle assessments.

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.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2024	FY 2023

In the context of the pharmaceutical industry, the company maintains stringent standards to prevent contamination. The nature of its products necessitates the use of fresh input materials in the manufacturing process, making the use of recycled or reused materials not applicable. Additionally, the company is following good manufacturing practices (GMP) in the operations, enabling it to optimise resources to the greatest extent possible.

4. 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 2024			FY 2023		
	Re-used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging) E-waste Hazardous waste Other waste	Not Applicable, The Company does not reclaim any of the products and packaging material at end of life of products					

5. 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 % of total products sold in respective category
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Not Applicable, The Company does not reclaim any of the products and packaging material at end of life of products.

3

Principle

Business should respect and promote the wellbeing of all employees, including those in their value chains

Essential Indicator:



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

Category	Total (A)	% of employees covered by									
		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 employees											
Male	947	947	100%	947	100%	0	0	0	0	0	0
Female	44	44	100%	44	100%	44	100%	0	0	0	0
Total	991	991	100%	991	100%	44	100%	0	0	0	0
Other than Permanent employees											
Male	8	0	0	8	100%	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	8	0	0	8	100%	0	0	0	0	0	0

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

Category	Total (A)	% of employees covered by									
		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											
Female											
Total											
Other than Permanent Workers											
Male	414	0	0	414	100%	0	0	0	0	0	0
Female	15	0	0	15	100%	15	100%	0	0	0	0
Total	429	0	0	429	100%	15	100%	0	0	0	0

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -**

	<b>FY 2024</b>	<b>FY 2023</b>
Cost incurred on well- being measures as a % of total revenue of the company	0.60%	0.68%

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

Benefits	FY 2023-24			FY 2022-23		
	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%	100%	Yes	100%	100%	Yes
Others- please specify	-	-	-	-	-	-

**3. Accessibility of workplaces**

**Are the premises/offices of the Company 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 Company in this regard.**

Yes, The Company's location is equipped with facilities for differently-abled employees and workers. Provisions such as ramps and guard rails for easy access, and toilets designed for handicapped employees, are among the many accommodations being made.

**4. Does the Company 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, In the Equal Opportunity Policy, the company outlines a commitment to non-discrimination. This commitment ensures equal opportunities for all employees, irrespective of race, color, religion, sex, national origin, ancestry, age, marital status, sexual orientation, or disability.

Web-Link: [Equal Opportunity Policy](#)

**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%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**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)
Permanent workers	Yes, Upholding the principles of natural justice, the company ensures that minor grievances are settled internally. For complex grievances, an independent investigation is conducted with the assistance of an external legal counsel, aiming for an amiable resolution of the grievance.
Other than permanent workers	
Permanent employees	
Other than permanent employees	

**7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

Category	FY 2024			FY 2023		
	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)
<b>Total</b>	0	0	0	0	0	0
<b>Permanent Employees</b>						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
<b>Total</b>	0	0	0	0	0	0
<b>Permanent Workers</b>						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0

**8. Details of training given to employees and workers:**

Category	2023-24					2022-23				
	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	955	888	93%	945	99%	787	661	84%	645	82%
Female	44	38	86%	40	91%	41	37	90%	38	93%
Total	999	926	93%	985	99%	828	698	84%	683	82%
Workers										
Male	414	393	95%	385	93%	504	448	89%	483	96%
Female	15	11	70%	12	81%	16	15	95%	15	95%
Total	429	404	94%	397	93%	520	463	89%	498	96%



**9. Details of performance and career development reviews of employees and workers:**

Category	FY 2024			FY 2023		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
<b>Employees</b>						
Male	955	955	100%	787	787	100%
Female	44	44	100%	41	41	100%
<b>Total</b>	<b>999</b>	<b>999</b>	<b>100%</b>	<b>828</b>	<b>828</b>	<b>100%</b>
<b>Workers</b>						
Male	414	414	100%	504	504	100%
Female	15	15	100%	16	16	100%
<b>Total</b>	<b>429</b>	<b>429</b>	<b>100%</b>	<b>520</b>	<b>520</b>	<b>100%</b>

**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. The Company has implemented an occupational health and safety management system on all production plants and project sites. The coverage is 100% of entity, and it includes both regular employees and contractors.

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

The work-related hazards are identified, assessed, and controlled through "Hazard Identification & Risk Assessment (HIRA)" process. Standard trainings are followed and qualitative risk assessment techniques are employed for individual activities within the unit.

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

Yes, Regular safety trainings and toolbox talks are conducted within the unit. This ensures that all personnel are well-informed about the necessary measures to prevent, avoid, and respond to any work-related hazards or accidents. The company adheres to a strict reporting protocol, with all incidents documented as per Form-4.

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

Yes, every individual working within the company is covered by health insurance. This coverage is comprehensive and not limited to injuries sustained during occupational activities. The company ensures this as part of its commitment to the well-being of its personnel.

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

Safety Incident /Number	Category	FY 2024	FY 2023
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 workplace.**

The company is dedicated to maintaining standards for Environment, Health & Safety (EHS) and Sustainability. Failing to meet these standards could lead to regulatory issues, harm the company's reputation, and disrupt business continuity, negatively affecting sustainability. The company's occupational health and safety management system has received ISO 45001:2018 certification. Multiple teams work together to promote safety across all factory units, aligning with the company's occupational health and safety objectives. The Company prioritizes the safety, health, and well-being of all individuals associated with its operations and the surrounding community. Key initiatives include proactive risk assessment, effective communication, consultation, and participation. Safety officers are dedicated to maintaining safe practices at manufacturing plants and project sites. Regular safety training sessions and toolbox talks are conducted, and personal

protective equipment (PPE) is provided to employees and workers. The company's internal EHS policy guarantees a safe workspace for all employees and suppliers. Regular internal and external audits are conducted by the company to assess safety practices and procedures, ensuring adherence to the EHS management system and ISO 45001:2018 guidelines.

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

Category	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

### 14. Assessments for the year:

Safety Incident /Number	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	98%
Working Conditions	100%

### 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.

The company has implemented 'Safety Observations' to spot unsafe practices and conditions at the workplace, urging employees to voice any safety worries. The company scrutinises incident investigations to implement corrective actions and avert future incidents. All production sites keep track of incident reports and safety adherence. The company carries out risk evaluations and regular reviews, with Corrective and Preventive Actions (CAPAs) implemented across teams based on the results of investigations.

### Leadership Indicators-



#### 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Employees: Yes

Workers: Yes

#### 2. Provide the measures undertaken by the entity to ensure payment of statutory dues by the value chain partners.

In compliance with statutory regulations, the company diligently ensures the deduction and deposit of dues, which include EPF, ESI, PT, Gratuity, and Labour Welfare Fund. Furthermore, on a monthly basis, confirmations are obtained from both customers and suppliers using Form-26A and GSTR.

#### 3. Provide the number of employees/workers having suffered grave consequences due to work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who 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	
	FY2024	FY2023	FY2024	FY2023
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) -**

From reaching the age of 60 years, employees enter into superannuation. As and when required, the company provides transition assistance programs. A select group of superannuated employees, recognized as Critical Subject Matter Experts, are retained as consultants. In the event of employment termination due to business exigencies, the affected employees receive compensation in accordance with the terms and conditions of their employment.

**5. Details on assessment of value chain partners:**

Safety Incident /Number	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	50%
Working Conditions	50%

**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.**

In response to substantial risks and concerns identified from health and safety evaluations of their value chain partners, the company has put into action numerous corrective measures. These encompass improved training schemes, amplified health and safety checks, and continuous cooperation with partners to evaluate and boost safety norms and working conditions throughout the value chain.

**4**

Principle

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

**Essential Indicator:**



**1. Describe the processes for identifying key stakeholder groups of the Company.**

The company recognises all entities that contribute to or are affected by its operations as stakeholders. This includes various groups such as employees, customers, suppliers and investors. The company's actions and decisions take into account this extensive stakeholder network. To address key stakeholder groups, the company maps out all significant stakeholders to comprehend the sustainability aspects that matter to them and to the company. Their stakeholders encompass employees, customers, suppliers, investors, regulatory authorities, business partners, and the wider community. By recognising all entities that contribute to or are impacted by their operations, the company ensures their decisions take into account this diverse network, thereby supporting inclusive and sustainable growth.

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

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	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	Need basis	Employee experience and satisfaction on monthly basis
Customers	No	Email, Customers Visits and Survey Feedbacks	Quarterly or As per requirement	Customer input is valuable for understanding their needs, enhancing product portfolio, and improving service delivery.  Key areas of focus include: better pricing, Market reach, Premium quality, on time in full (OTIF)

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly /others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders / investors	No	Investor and analyst meetings, Presentations at industry forums, Publishing and Circulating the Annual Report and Sustainability Report, Communicating Financial, Results to shareholders via quarterly meetings, AGM	Annually/ Half yearly/ Quarterly/ Need-based	<p>Investors and shareholders are pivotal in providing financial resources that support operations and sustainable growth. Transparent communication with them is essential for cultivating mutual trust and strengthening our relationship.</p> <p>Key areas of focus include: economic performance, transparency in operations, and alignment with our strategic goals for sustainable development.</p>
Suppliers	No	Supplier Meets, Visits, Supplier audit, Facility visits	Event based and need-based	<p>Suppliers are crucial stakeholders for the company as they play significant role in providing high-quality raw material - essential for producing top quality MCC. This ensures continuity and promotes sustainable business practices.</p> <p>Key areas of interest include:</p> <p>Business ethics and transparency, Compliance, Vendor /supplier training and development, Environmental impact of operations</p>
Communities and non-governmental organizations	Yes	Interaction with communities through CSR Initiatives or engagements	Continuous and need based	<p>Engaging with local communities helps us understand their immediate needs and allows us to contribute meaningfully to sustainable community development. Our partnerships with the Aga Khan Rural Support Programme India (AKRSPI), Mauna Dhwani Foundation (MDF), and other organizations enhance our efforts to create shared value.</p> <p><b>Key Topics of Interest:</b></p> <ol style="list-style-type: none"> <li>1. Integrated development</li> <li>2. Skill Development</li> <li>3. Sustainable Livelihoods</li> <li>4. Community Strengthening</li> </ol>

## 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.**

The Company engages in consultations and feedback sessions with stakeholder groups. Subsequently, business and functional heads analysed material topics related to the economy, environment, and social aspects. The company identifies material issues through stakeholder engagement exercises. These issues are then presented to the highest governing member and the Board to guide strategy and decision-making. The company periodically reviews stakeholder engagement efforts to identify important material issues affecting internal and external stakeholders.

**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.**

The process of identifying and prioritizing material issues pertinent to environmental, social, economic, and governance topics is conducted in collaboration with stakeholders. Once these issues are identified, they are mapped to relevant risks. As part of the risk management plan, strategies and mitigation action plans are developed for the identified risks.

These material issues serve as a guiding framework for the non-financial disclosures through the Corporate Overview, Statutory Reports, and Financial Statements in the Annual Report 2023-24. The Sustainability Report adheres to relevant national and international guidelines and standards, disclosing the management approach, targets/goals, and non-financial performance in the reporting year for each identified material topic.

Moreover, the identification of material issues allows the focus to be placed on key areas of improvement. This enables the development of future action plans, such as policy development and implementation of initiatives. This approach ensures a proactive stance towards continuous improvement and sustainable growth.

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

Community members are recognized as a vulnerable/marginalized stakeholder group. As part of the Corporate Social Responsibility (CSR) initiatives, a need assessment is undertaken to identify and prioritize focus areas for community development. Various CSR initiatives have been implemented to address these needs. For further details, one can refer to the Annual Report and the Annual CSR report.

Sigachi identifies communities and non-governmental organizations as vulnerable and marginalized groups.

Partnership with Aga Khan Rural Support Programme India (AKRSPI): Sigachi has partnered with AKRSPI to support villagers in need through initiatives under integrated development programme that comprises of :

1. Irrigation and Water Conservation
2. Agricultural and Environmental Practices
3. Renewable Energy Solutions
4. Community Support and Empowerment
5. Educational and Health Initiatives

Collaboration with Mauna Dhwani Foundation (MDF): Sigachi, in collaboration with MDF, empowers tribal women by providing sustainable livelihood opportunities through a world-class stitching unit and comprehensive training program focused on:

1. Skill Development
2. Sustainable Livelihoods
3. Community Strengthening



5

Principle

Business should respect and promote human rights

Essential Indicator:



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 2024			FY 2023		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	991	991	100%	823	816	99%
Other than Permanent	8	8	100%	5	5	100%
<b>Total Employees</b>	<b>999</b>	<b>999</b>	<b>100%</b>	<b>828</b>	<b>821</b>	<b>99.00%</b>
<b>Workers</b>						
Permanent	0	0	0%	266	266	100%
Other than Permanent	429	429	100%	254	254	100%
<b>Total Workers</b>	<b>429</b>	<b>429</b>	<b>100%</b>	<b>520</b>	<b>520</b>	<b>100%</b>

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

Category	2023-24					2022-23				
	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										
Permanent	991	—	—	991	100%	782	—	—	782	100%
Male	947	—	—	947	100%	782	—	—	782	100%
Female	44	—	—	44	100%	41	—	—	41	100%
Other than Permanent	8	—	—	8	100%	5	—	—	5	100%
Male	8	—	—	8	—	5	—	—	5	100%
Female	0	—	—	0	—	0	—	—	—	—
Workers										
Permanent	Nil					266	3	—	263	—
Male						250	2	0.80%	248	99.20%
Female						16	1	6.25%	15	93.75%
Other than Permanent	429	301	71%	128	29%	254	—	—	254	100%
Male	414	286	69%	128	31%	254	—	—	254	100%
Female	15	15	100%	0	0%	0	—	—	—	—

**3. Details of remuneration/salary/wages, in the following format:****a. The details are provided below:**

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	4	1,58,80,700	2	9,25,000
Key Managerial Personnel (KMP)	1	1,06,54,224	1	12,72,000
Employees other than BoD and KMP	1061	3,83,586	61	6,74,346
Workers	413	1,27,008	16	1,34,400

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY24 Current Financial Year	FY23 Previous Financial Year
Gross wages paid to females as % of total wages	4.64%	3.20%

**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, Sigachi has zero tolerance for non-compliant behavior and is committed to addressing any concerns related to Code of Conduct violations. Typically, such concerns should be reported to your manager. If uncomfortable, stakeholders can escalate the issue to the Head of Department, Unit HR Manager, or Compliance Officer.

The Head of Human Resources is responsible for addressing human rights impacts and issues. The Human Rights Policy mandates that all stakeholders adhere to its principles and comply with applicable laws across all operational territories.

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

The Company follows a structured process for addressing grievances. When a complainant reaches out to their reporting manager, any unsettled grievances are escalated to the HR and Management. After detailed discussions with the complainant, the HR and Management work toward a win-win resolution.

**Addressing Concerns:** The Company encourages employees to share their concerns with their immediate manager as a standard procedure. If an employee feels uneasy about reporting a potential breach to their supervisor, the company allows for the issue to be escalated to the Head of Department, the HR Manager of the unit, or the Compliance Officer.

**Reporting Violations and Ensuring Compliance:** The Company insists on the immediate reporting of any potential or actual breaches of laws, company policies, or the Code. Reports can be made to an employee's Manager/Supervisor, the Unit HR, the CFO, or the Compliance Officer.

**Investigation Process:** The Company follows a structured method for addressing each concern or violation report. This ensures a comprehensive investigation in line with the procedures of our Code of Business Conduct Committee and legal protocols.

Disciplinary Actions and Remedial Measures Based on the specifics and nature of the violation, the investigation committee recommends suitable remedial and preventive actions. These may include disciplinary measures.

**Safeguard Against Retaliation:** The Company is dedicated to protecting individuals who report alleged violations in good faith or cooperate in investigations. The company ensures these individuals are safeguarded from any form of retaliation.

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

The details are provided below:

	FY2024			FY2023		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA

	FY2024			FY2023		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	118*	0	NA	5	0	NA
Other Human rights related issues	0	0	NA	0	0	NA

\* It Includes all transactional complaints/clarifications & queries pertaining to wages, hence total is 118 complaints

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY24	FY23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

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

The Company prioritises confidentiality for complainants. When a complaint is received, the accused is informed of potential severe disciplinary consequences if they harass the complainant. In cases where there is a reporting relationship, the complainant is promptly aligned with an alternate manager. If necessary, the accused may be temporarily suspended pending completion of the inquiry. The Company ensures reasonable security for the complainant, including a security guard and office vehicle for transportation. Efforts are made to reach a conciliatory settlement that benefits both parties.

**Harassment Reporting and Non-Retaliation**

The company upholds a strict policy of zero tolerance towards any form of harassment, including sexual harassment. It strongly advocates for immediate reporting of such incidents. The company's standing orders and Code of Conduct provide clear procedures for dealing with misconduct, ensuring prompt resolution.

**Reporting Guidelines**

The company appreciates reports made in good faith, irrespective of the accuracy of interpretation. However, it considers false reports or reports made with malicious intent as a violation of its standards.

**Anonymous Reporting**

The company provides an anonymous channel for its employees to report violations confidentially. This ensures utmost confidentiality and minimal disclosure.

**Protection Against Retaliation**

The company strictly forbids any form of retaliation against individuals who, in good faith, report violations or cooperate in investigations. This approach fosters a safe and supportive work environment.

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

Yes, The Company incorporates compliance with human rights into its standard agreements, contracts, and Code of Conduct for all stakeholders. It mandates that suppliers and vendors comply with relevant laws, uphold labour standards, meet environmental regulations, and exhibit ethics and integrity in their operations. The company's Code of Conduct underscores the significance of human rights, obliging suppliers to align with ethical principles and maintain a steadfast commitment to integrity throughout their business practices.

**10. Assessment for the year:**

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Other- please specify	Nil

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

At present no concerns have been raised. The company maintains strict regulations against child labour or forced labour on-site. Robust policies are in place to discourage discrimination and harassment. To date, there have been no instances of policy or legal violations related to these topics.

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

The Company has maintained a clean record without any recorded human rights violations to date. Consequently, no special amendments have been made to existing processes or policies.

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

The company commits to conducting human rights due diligence to identify adverse impacts on relevant stakeholders. Subsequently, it takes corrective actions to address, prevent, and mitigate these impacts. Nonetheless, the company remains dedicated to swiftly implementing corrective measures to address, prevent, and lessen any potential impacts, thereby ensuring its ongoing commitment to human rights principles.

**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?**

Yes. The corporate office premises is enabled with handrails, ramps and accessible toilets that have been specially designed to better accommodate 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.**

At present, the company has not encountered any issues. If any, the company is prepared to swiftly carry out necessary enhancements and corrective measures, ensuring a robust system of checks and balances is maintained.

6

Principle

Business should respect and make efforts to protect and restore the environment

Essential Indicator:



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

Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	0	0
<b>From non-renewable sources</b>		
Total electricity consumption (D)	29,039.39 GJ	24,639
Total fuel consumption (E)	283,174.62 GJ	3,27,558
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	312,214.01 GJ	3,52,197
<b>Total energy consumed (A+B+C+D+E+F)</b>	312,214.01 GJ	3,52,197
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations) - GJ/₹ mn	98.34	121.31
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP) - GJ/ Revenue adjusted to PPP	2250.11	2775.86
<b>Energy intensity in terms of physical Output - (GJ/Tonne of Product)</b>	22.95	26.68
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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, an independent assessment/ evaluation/assurance has been carried out by 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 does not have any sites or facilities identified as designated consumers (DCs) 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	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	38,924
(ii) Groundwater	0	0
(iii) Third party water	55,426.00	54,496
(iv) Seawater / desalinated water	0	0
(v) Others	0	231
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	55,426.00	93651
<b>Total volume of water consumption (in kilolitres)</b>	55,426.00	93651



Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)- KL/ ₹ mn on fresh water withdrawal	17.46	32.26
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)- KL/ Revenue adjusted to PPP	399.45	738.12
<b>Water intensity in terms of physical Output - KL/Tonne of Product</b>	4.07	7.09
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-

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, an independent assessment has been carried out by Subodh Energy Services

#### 4. Provide the following details related to water discharged:

Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>(ii) To Groundwater</b>		
- No treatment	NA	NA
- With treatment – please specify level of Treatment*	NA	NA
(iii) To Seawater		5,454
- No treatment	NA	NA
- With treatment – please specify level of Treatment*		5,454
(iv) Sent to third-parties	4,541.00	480
- No treatment	NA	0
- With treatment – please specify level of Treatment*	Tertiary treatment	Tertiary Treatment
(v) Others	0	0
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kilolitres)</b>	<b>4,541.00</b>	<b>5,934.00</b>

\*Tertiary treatment

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, an independent assessment has been carried out by Lawn Enviro Associates

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

The Company is dedicated to environmental sustainability, demonstrated by its advanced Zero Liquid Discharge (ZLD) System and state-of-the-art Effluent Treatment Plants with RO Recovery Systems. Two of our facilities are crucial in comprehensively treating all effluents, significantly reducing contaminants through ZLD processes. By recycling high-quality treated water back into our utility systems, we ensure minimal environmental impact and efficient resource utilization across our operations.

**6. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:**

Parameter	Unit	FY2024	FY2023
NO <sub>x</sub>	PPM	113.860	185.77
SO <sub>x</sub>	PPM	94.413	422.08
Particulate matter (PM)	PPM	492.060	315.35
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)	–	Not Measured	Not Measured
Others – please specify Mercury, Cadmium, Cadmium, Chromium etc.			

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, an independent assessment has been carried out by Re Sustainability Limited.

**Provide details of greenhouse gas emissions (Scope1 and Scope 2 emissions) & its intensity, in the following format:**

The details are provided below:

Parameter	Unit	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	24,776.82	28,635
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	7,421.17	6,228
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MT/ ₹ mn	10.14	12.01
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	MT/Revenue adjusted to PPP	232.05	274.78
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	MT/Tonne of Product	2.37	2.64
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	–	–	–

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, an independent assessment/ evaluation/assurance hasn't been carried out.

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

Sigachi is actively implementing a range of initiatives to reduce greenhouse gas emissions:

**Energy Efficiency:** We're committed to responsible manufacturing, exploring ways to reduce our environmental footprint through energy-efficient technologies, building retrofits, and strategic HVAC use. Our air compressors with auto-off at 6-9 bar further optimize energy use.

**Carbon Sequestration:** Sigachi actively participates in reforestation and afforestation projects. One of our environmental targets was to plant 50,000 trees by 2026 to sequester atmospheric CO<sub>2</sub>. We are proud to announce that we have already achieved this goal in FY 2024.

**Sustainable Transportation:** Sigachi champions clean commutes by promoting electric vehicles, enhancing public transport infrastructure, and offering employee carpooling programs. We encourage employees to use our bus service, which significantly reduces emissions from inefficient commuting habits. Additionally, 98% of our logistics shipments are dispatched by sea, greatly cutting emissions and our carbon footprint.

**Green Supply Chain:** We actively collaborate with suppliers to set emission reduction targets and promote sustainable practices throughout our supply chain. We screen our vendors for ESG initiatives and engage them in taking responsibility by providing Supplier ESG training.

**Investing in Innovation:** Sigachi is committed to investing significantly in research and development to drive innovative solutions that optimize our raw material consumption. Our focus extends to advancements in renewable energy, carbon capture, and energy storage. By integrating strategies to optimize resource consumption and waste generation, we align our practices with Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) objectives, promoting responsible production and disposal practices.

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

The required details are provided below:

Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	Not measured	Not measured
E-waste (B)	Not measured	
Bio-medical waste (C)	NA	
Construction and demolition waste (D)	NA	
Battery waste (E)	Not Measured	
Radioactive waste (F)	NA	
Other Hazardous waste. Please specify, if any. (G)	16.37	28.47
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	70.93	
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>87.30</b>	<b>28.47</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations)	0.027	0.010
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	0.63	0.22
<b>Waste intensity in terms of physical output</b>	0.006	0.0022
<b>Waste intensity</b> (optional) – the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	66.26	Not measured
(ii) Re-used	0.13	
(iii) Other recovery operations	No other Recovery options	
<b>Total</b>	66.39	
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	0	0
(ii) Landfilling	13.49	28.47
(iii) Other disposal operations	0	0
<b>Total</b>	<b>13.49</b>	<b>28.47</b>

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 establishment. 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.**

Sigachi is deeply committed to clean manufacturing practices and efficient waste management. The company meticulously manages all solid wastes, both hazardous and non-hazardous. These wastes are segregated at their source and stored in dedicated areas within Sigachi's facilities.

Sigachi's approach involves categorizing hazardous wastes and storing them in designated hazardous waste storage areas. These wastes are then disposed of at facilities approved by the Pollution Control Board, ensuring strict compliance with regulatory requirements across all factory locations.

In a bid to enhance environmental stewardship, Sigachi directs nearly 100% of its non-hazardous waste to authorized recyclers. This initiative supports recycling efforts and contributes to sustainable waste management practices.

Moreover, Sigachi is actively implementing strategies to minimize the use of hazardous and toxic chemicals in its products and manufacturing processes. Through continuous process optimization, the company aims to reduce the generation of solvents and hazardous waste. Sigachi's practices include adopting safer alternatives, improving production efficiencies, and implementing stringent waste management protocols.

By converting waste into valuable biomass resources, Sigachi is not only mitigating environmental impact but also fostering a circular economy within its operations. This holistic approach underscores Sigachi's commitment to sustainable practices and regulatory compliance, ensuring responsible stewardship of resources and environmental protection.

**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:**

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.
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The Company does not operate in ecologically sensitive areas

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

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
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Not Applicable

**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:

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
	None	NA	NA	NA

**Leadership Indicators-**



**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

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

- (i) Name of the area - The Company does not have operations in areas of water stress.
- (ii) Nature of operations - NA

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	
(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)	Not Applicable	
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	Not Applicable	
- 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.

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

Parameter	Unit	FY2024	FY2023
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Sigachi is making consistent annual progress in monitoring emissions. The company has undertaken internal engagements to validate its monitoring methodology within the year. Looking ahead, Sigachi's objective is to expand its tracking capabilities to include Scope 3 emission calculations.		
<b>Total Scope 3 emissions per rupee of turnover</b>			
<b>Total Scope 3 emission intensity</b>			

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

Not Applicable

**3. With respect to the ecologically sensitive areas reported in 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, as the company does not operate in ecologically sensitive areas.



**4. If the entity provided below taken 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:**

Sr. 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	Every manufacturing unit within Sigachi is equipped with ETP and STP installations. These installations are utilized to treat water prior to its reuse for process applications, in-house utilities, or discharge through government-authorized third-party facilities.	<b>1. Reduced Water Usage:</b> Sigachi has achieved a substantial reduction in water consumption. <b>2. Environmental Protection:</b> Sigachi's efforts have minimized pollution, contributing to a healthier environment. <b>3. Regulatory Compliance:</b> Sigachi consistently meets government standards, demonstrating its commitment to responsible operations. <b>4. Sustainability:</b> Sigachi has enhanced its recycling practices and resource conservation, underscoring its dedication to sustainability. <b>5. Resource Conservation:</b> Sigachi efficiently reuses treated water, furthering its resource conservation efforts.
2	Mechanical Vapor Recompression (MVR) installation	Sigachi's manufacturing units are equipped with MVRE installations. These installations compress the vapor produced from boiling the liquid, which elevates its pressure and temperature. The compressed vapor is then utilized to supply the heat required for additional evaporation, rendering the process exceptionally energy-efficient.	1) Higher Energy Efficiency 2) Cost Savings 3) Improved Waste Management 4) Enhanced Sustainability
3	End-of-Life Processes for Recycled Pallets	Sigachi ensures the circular utilization of packaging materials by actively monitoring the life cycle of the pallets. From the point of production to delivery, Sigachi has implemented a comprehensive system to trace their journey within the supply chain. Furthermore, Sigachi actively engages with customers to comprehend and record the management of these pallets at the end of their life cycle.	1) Enhanced sustainability through circular packaging practices. 2) Improved supply chain transparency and accountability. 3) Stronger customer engagement and collaboration. 4) Continuous process improvement for efficient resource management. 5) Compliance with environmental regulations and optimized operations.
4	Sustainable Transportation Solutions in Supply Chain Management	<b>1. Sea Transportation:</b> Sigachi Industries capitalizes on sea transportation, which accounts for 98% of its logistics shipments. This strategy substantially reduces emissions and the company's carbon footprint. <b>2. Railway Utilization:</b> Sigachi Industries gives precedence to railways for international logistics from production sites to shipyards. This approach curtails greenhouse gas emissions and bolsters operational energy efficiency.	<b>1) Environmental Responsibility:</b> Reduced environmental impact. <b>2) Operational Efficiency:</b> Improved efficiency and cost savings.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
5	Biomass Optimization for Sustainable Waste Management	Facilities optimize waste management through: 1) Regular dosing of supplements to enhance bacterial activity. 2) Maintaining biomass levels below 70% to convert waste into valuable resources. 3) Continuous COD monitoring for efficient waste management.	1) Successful conversion of waste into valuable biomass resources. 2) Enhanced system efficiency and stability. 3) Demonstrates Sigachi's commitment to sustainability and innovation in waste management practices.
6	Solar Power Installation	A subsidiary of Sigachi Industries, has implemented a green energy initiative: 1) <b>Solar Lights Installation:</b> Nine solar lights installed, each with a capacity of 28 watts. 2) <b>Energy Generation:</b> Collectively generating 252 watts of clean, renewable energy. 3) <b>Daily Output:</b> Produces 3024 watt-hours (WH) of energy per day, equivalent to 3.024 kilowatt-hours (KWH). 3) <b>Monthly Output:</b> Generates 90 kilowatt-hours (KWH) of energy per month.	<b>Environmental Impact:</b> Reduction in carbon footprint and environmental impact. <b>Sustainability Goals:</b> Aligns with Sigachi Industries' broader sustainability objectives. <b>Expansion Plans:</b> Commitment to expanding green energy initiatives for a more environmentally responsible future.
7	HVAC Systems with Dampers	At Sigachi, our HVAC systems are designed for optimal heating, ventilation, and air conditioning with reduced energy consumption. They feature variable speed drives, smart thermostats, and advanced control systems. Dampers, adjustable plates or valves within the ductwork, regulate airflow and temperature by controlling the distribution of cooled or heated air to different areas of the building.	1) Energy Reduction 2) Cost Savings 3) Improved comfort
8	Variable Refrigerant Flow (VRF) Systems	At Sigachi, we have implemented VRF cooling systems to eliminate water use for cooling. VRF systems are advanced air conditioning systems that use refrigerant as the cooling and heating medium. They precisely control refrigerant flow to multiple indoor units based on demand in different zones, ensuring high efficiency and consistent, comfortable indoor environments. By adjusting refrigerant flow to meet exact requirements, VRF systems reduce energy consumption and increase efficiency.	<ul style="list-style-type: none"> <li>Optimal efficiency with inverter-driven compressors and advanced control systems.</li> <li>Lower energy consumption, reduced operational costs, and a smaller carbon footprint.</li> <li>Elimination of water use and reduced energy consumption.</li> </ul>

#### 5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Sigachi Industries has implemented a comprehensive strategy to ensure resilience across all facilities, adeptly managing natural disasters and unforeseen events with continuous improvements based on past disruptions. The company emphasizes risk management, assessing potential disruptions, and implementing actions to mitigate risks and minimize losses.

Its business continuity and disaster management strategy focus on maintaining acceptable service levels during interruptions, covering manufacturing facilities, IT, supply chain, and more. In pursuit of operational excellence, Sigachi has initiated change management efforts in manufacturing, R&D, supply chain, and IT automation, while continuously strengthening data resiliency.

#### 6. 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 significant adverse impact has been observed during value chain assessments.

**7. % of Value chain partners (by value of business done with such partners) that were assessed for Environmental Impacts?**

Sigachi Industries conducted its first external vendor audit in the fiscal year 2023. The company now carries out regular supplier risk assessments via a third party to gain a deeper understanding of its value chain risk exposure. Sigachi Industries evaluated the environmental impact of 20% of its partners through consistent audits in FY 2023 - 2024. Additionally, the company continuously educates its suppliers on environmental considerations, demonstrating its commitment to environmental responsibility.

**7****Principle**

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

**Essential Indicator:****1. a. Number of affiliations with trade and industry chambers/associations.**

Sigachi Industries has 6 affiliations with trade and industry chambers/associations during the FY 2023-2024.

**b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company 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 Company, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

**Leadership Indicators-****1. Details of public policy positions advocated by the Company:**

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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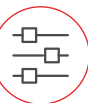
Not Applicable

8

Principle

Businesses should promote inclusive growth and equitable development.

Essential Indicator:



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

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Sigachi Industries has not conducted any Social Impact Assessments in the current year.

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

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount sent on R&R activities during FY 2023-24 (In INR)
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None of the Company's operations or units have resulted in community displacement. As a result, no project required Rehabilitation and Resettlement (R&R) in the reporting year.

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

Our operations are conducted in close collaboration and consensus with community members and partner NGOs. In the event of any grievances, community leaders or our NGO partners can easily reach out to the designated Company point of contact (POC) at each facility. The POC is readily available to address concerns, and depending on the nature of the issue, we engage relevant stakeholders to ensure a swift resolution. Additionally, we have established a comprehensive Grievance Redressal Policy to manage all issues efficiently and transparently.

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

Parameter	FY2024	FY 2023
Directly sourced from MSMEs/small producers	88.46	5.50%
Directly from Within India	11.54	Data not available

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	88.30%	87.20%
Semi-urban	3.10%	3.20%
Urban	8.10%	9.60%
Metropolitan	-	-

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

## 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):

Details of negative social impact identified	Corrective action taken
Not available. Did not undertake any Social Impact Assessments	

2. Provide the following information on CSR projects undertaken by the Company in the designated aspirational districts as identified by government bodies:

S. No	State	Aspirational District	Amount spent (In INR)
1	Gujarat	Narmada District	Nil

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No) – No, the Company does not have any preferential procurement policy focusing on suppliers from marginalised/ vulnerable groups. However, we check specifications and internal procedure in this regard.
- (b) From which marginalized/vulnerable groups do you procure? – Not Applicable
- (c) What percentage of total procurement (by value) does it constitute? – Not Applicable
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the Company (in the current financial year), based on traditional knowledge:

S. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

S. No	Name of authority	Brief of the Case	Corrective action taken
Not Applicable			

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Integrated development project	2506	100% of our CSR projects aim to support vulnerable, marginalized communities, and underprivileged socio-economic backgrounds.
	Tribal Skill Development Programme	500	
2			



## 9 Principle

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

### Essential Indicator:



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

At Sigachi Industries, customers have the option to submit complaints either in writing or via email directed to the head of the Marketing Department. Upon receipt, a dedicated member from the Quality Assurance (QA) team is responsible for classifying and recording the complaint in the official registry. A thorough review of the complaint is then conducted, following which the customer is duly notified of any corrective or preventive measures that have been implemented

#### 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	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

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

Number of consumer complaints in respect of the following:	FY24 (Current Financial Year)			FY23 (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	0	0
Advertising	0	0	0	0	0	0
Cyber-security	0	0	0	0	0	0
Delivery of essential services	0	0	0	0	0	0
Restrictive Trade Practices	0	0	0	0	0	0
Unfair Trade Practices	0	0	0	0	0	0
Other	0	0	0	0	0	0

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

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

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

Yes the company has internal policy/procedures related to information security management systems.

#### 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.

In FY 2023-2024, there were no complaints filed related to advertising, provision of critical services, cyber security, consumer data privacy.

**7. Provide the following information relating to data breaches:**

	<b>Provide the following information relating to data breaches:</b>
a. Number of instances of data breaches along-with impact	0
b. Percentage of data breaches involving personally identifiable information of customer	0
c. Impact, if any, of the data breaches	0

**Leadership Indicators-****1. Channels/platforms where information on products and services of the Company can be accessed (provide web-link, if available).**

The information on products and services is available on the company website under,

<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.**

Sigachi Industries maintains thorough interactions with its customers to collect the unique needs respect to its products. In the spirit of transparency, the company also ensures that customers are promptly informed about any potential risks linked to these products. The Company educate consumers on healthy lifestyles. The Company works with government bodies like FSSAI to create awareness about hygiene, nutrition, product safety and regulations. The company holds the view that the opinions, preferences, concerns, and inquiries of consumers are valuable information sources. These insights are crucial for sparking innovation and enhancing the company's product range. The company provides information on essential product attributes, methods of use, functional advantages of ingredients, and safety and efficacy claims for the awareness of consumers.

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

Throughout the year, Sigachi Industries experienced no significant disruptions. The company's sales and marketing teams maintain continuous communication with clients, ensuring potential service disruptions are communicated proactively. Additionally, Sales and marketing team communicates directly with the consumers if felt necessary.

**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 whole? (Yes/No)**

The company complies with all relevant regulations for product labelling and presents necessary information on it. The Company adheres to a comprehensive Standard Operating Procedure (SOP) for all products, ensuring proper identification and traceability in alignment with customer or market requirements. Product labels include essential details such as storage conditions, cautions, and specifications. Additionally, regular customer satisfaction surveys inform areas for improvement, enabling proactive actions to maintain ongoing customer satisfaction. The company also strives to showcase essential product information on the product packaging and pertinent marketing channels.

## 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](http://www.sigachi.com).

#### B. DATE OF REPORT

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

March, 2024. 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: 25.05.2023, 29.06.2023, 10.08.2023, 09.09.2023, 09.10.2023, 19.10.2023, 11.11.2023, 14.11.2023, 19.01.2024 and 06.03.2024.

Name of the Director	Category	Attendance at the AGM held on 07.09.2023	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
Mr. Rabindra Prasad Sinha	Promoter and Whole-Time Director	Yes	10	10	-	3	-	-
Mr. Shanmuganathan Chidambaranathan	Promoter and Whole-Time Director	Yes	10	10	-	4	-	-

Name of the Director	Category	Attendance at the AGM held on 07.09.2023	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
Mr. Amit Raj Sinha	Promoter, CEO and Managing Director	Yes	10	10	-	2	-	-
Mr. Sarveswar Reddy Sanivarapu	Non-Executive - Independent Director	Yes	10	10	-	3	1	1
Ms. Dhanalakshmi Guntaka	Non-Executive - Independent Director	Yes	10	10	-	2	2	2
Ms. Bindu Vinodhan	Non-Executive-Independent Director	Yes	10	10	-	4	-	-

**D. THE NAME OF OTHER LISTED ENTITIES WHERE DIRECTORS OF THE COMPANY ARE DIRECTORS AND THE CATEGORY OF DIRECTORSHIP**

Name of Director	Other Listed Entities in which concern Director is Director	Category of Directorship
Mr. Rabindra Prasad Sinha	--	--
Mr. Shanmuganathan Chidambaranathan	--	--
Mr. Amit Raj Sinha	--	--
Mr. Sarveswar Reddy Sanivarapu	1.Bondada Engineering Limited	Independent Director
Ms. Dhanalakshmi Guntaka	1.Arunjyoti Bio Ventures Limited	Independent Director
Ms. Bindu Vinodhan	--	--

**E. 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.

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

Mr. Sarveswar Reddy Sanivarapu, Independent Director holds 50000 equity shares of the Company.

**G. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:**

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business were made at the meetings of the Directors held during the year.

During the financial year 2023-24, there has been no change in the Independent directors of the Company. The details of familiarisation programmes imparted to independent directors is available on our company website at [www.sigachi.com](http://www.sigachi.com).

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

Sl. 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

**I. DECLARATION BY INDEPENDENT DIRECTORS:**

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Section 149(6) of the Companies Act, 2013.

**J. 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.

**K. RESIGNATION OF INDEPENDENT DIRECTOR**

During the Financial Year 2023-2024 there was no resignation of Independent Director in the Company.

**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:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) 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 Seven (7) Audit Committee Meetings held during the year on 25.05.2023, 28.06.2023, 10.08.2023, 09.09.2023, 11.11.2023, 14.11.2023 and 19.01.2024.

Name	Designation	Category	Number of meetings during the year 2023-24	
			Held	Present
Mr. Sarveswar Reddy Sanivarapu	Chairman	Independent and Non-Executive	7	7
Mr. Amit Raj Sinha	Member	Managing Director & CEO	7	7
Ms. Dhanalakshmi Guntaka	Member	Independent and Non-Executive	7	7

- D.** Previous Annual General Meeting of the Company was held on 07.09.2023, 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 one (1) Nomination and Remuneration Committee Meeting held during the financial year on 09.09.2023.

Name	Designation	Category	Number of meetings during the year 2023-24	
			Held	Present
Mr. Sarveswar Reddy Sanivarapu	Member	Independent, Non-Executive	1	1
Ms. Dhanalakshmi Guntaka	Member	Independent, Non-Executive	1	1
Ms. Bindu Vinodhan	Chairperson	Independent, Non-Executive	1	1

## 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 Nomination & Remuneration 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

a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

b. (i) 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;

(ii) who is not related to promoters or Directors of the Company its holding, subsidiary or associate Company

c. 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;

d. none of whose relative

(A) 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;

(B) 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;

(C) 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

(D) 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 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.

**PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND DIRECTORS**

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2023-24 on 19<sup>th</sup> January, 2024, involving the following:

- i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and
  - ii. Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman. An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on 19<sup>th</sup> January 2024, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole.
- i) Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.

- ii) **Executive Directors:** Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.
- iii) **Independent Directors:** Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.
- iv) **Chairman:** Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.
- v) **Committees:** Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Disclosures as prescribed under SEBI circular dated 10<sup>th</sup> May 2018 are given below:

Observations of Board evaluation carried out for the year	No observations.
Previous year's observations and actions taken	Since no observations were received, no actions were taken.
Proposed actions based on current year observations	Since no observations were received, no actions were taken.

### C. 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.

### E. 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:

- 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;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 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;
- Such other matter as may be specified by the Board from time to time.

- 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 2023 to March 2024, one (1) Stakeholders Relationship Committee Meeting was held on 19.01.2024.

Name	Designation	Category	Number of meetings during the year 2023-24	
			Held	Present
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



**DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2023-24****INVESTOR COMPLAINTS**

Particulars	Year ended 31.03.2024
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

**C. NAME AND DESIGNATION OF COMPLIANCE OFFICER**

Mr. Vivek Kumar, Company Secretary of the Company is the Compliance Officer of the Company.

**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 undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;
- 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 2023 to March 2024, Two (2) Corporate Social Responsibility Committee Meeting was held on 27.06.2023 and 14.11.2023.

Name	Designation	Category	Number of meetings during the year 2023-24	
			Held	Present
Mr. Rabindra Prasad Sinha	Chairman	Whole-Time Director	2	2
Mr. Chidambaranathan Shanmuganathan	Member	Whole-Time Director	2	2
Mr. Amit Raj Sinha	Member	Managing Director & CEO	2	2
Mr. Sarveswar Reddy Sanivarappu	Member	Independent & Non-Executive Director	2	2

**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
- 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;
- Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;
- Approving suitable policies, including on insider trading, whistle blower/vigil mechanism, risk management and other corporate governance requirement that may be considered necessary

and final international wrap and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;

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 GoI, 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 2023 to March 2024, No IPO Committee Meeting was held.

Name	Designation	Category	Number of meetings during the year 2023-24	
			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 2023 to March 2024, Two (2) risk management Committee Meetings were held on 03.07.2023 and 28.12.2023.

## B. COMPOSITION AND ATTENDANCE FOR MEETINGS:

Name	Designation	Category	Number of meetings during the year 2023-24	
			Held	Present
Mr. Amit Raj Sinha	Chairman	Managing Director & CEO	2	2
Mr. O. Subbarami Reddy	Member	Chief Financial Officer	2	2
Mr. Sarveswar Reddy Sanivarapu	Member	Independent & Non-Executive Director	2	2

## 7. PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

Sl.no	Name of the Senior Management	Designation	Appointment/Resignation	Date of appointment /Date of Resignation (if any)
1.	Mr. Oruganti Subbarami Reddy	Chief Financial Officer	Appointment	30-03-2019
2.	Mr. Bijay Kumar Sahu	Senior Vice President- Supply Chain Management	Appointment	08-11-2018
3.	Mr. M E Elanghovan	Vice President-Operations	Appointment	01-10-2020
4.	Mr. Subramanian Ananthanarayan	Senior Vice President-HR	Appointment	02-08-2021
5.	Mr. Rajendra Chaudhari	Senior Vice President -Operations	Appointment	27-10-2015
6.	Mr. Bikkumalla Srinivasa Rao	Chief Technical Officer	Appointment	10-04-2023
7.	Mr. Bobby Agarwal	Vice President & Business head	Appointment	05-02-2024
8.	Ms. Shreya Mitra	Company Secretary & Compliance Officer	Resignation	06-04-2024
9.	Mr. Vivek Kumar	Company Secretary & Compliance Officer	Appointment	27-05-2024

## 8. REMUNERATION OF DIRECTORS

### a) PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE LISTED COMPANY:

None of the Non-Executive Directors have any pecuniary relationship or transaction with the company other than the Directors sitting fees and commission, if any.

### b) WEB LINK FOR CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

[www.sigachi.com](http://www.sigachi.com)

### c) DETAILS OF REMUNERATION

Name of the Director	Remuneration (₹ in Lakhs)	Sitting Fee (₹ in Lakhs)	stock options	Bonus	Pension	fixed component	performance linked incentives	Total (₹ in Lakhs)	No. of Shares held
Mr. Rabindra Prasad Sinha	158.81	-	-	-	-	-	-	158.81	1,52,58,400
Mr. Chidambaranathan Shanmuganathan	158.81	-	-	-	-	-	-	158.81	1,94,08,350
Mr. Amit Raj Sinha	240.41	-	-	-	-	-	-	240.41	1,29,53,100
Mr. Sarveswar Reddy Sanivarapu	-	11.80	-	-	-	-	-	11.80	50,000
Ms. Dhanalakshmi Guntaka	-	11.00	-	-	-	-	-	11.00	-
Ms. Bindu Vinodhan	-	7.50	-	-	-	-	-	7.50	-

- c. Except for the remuneration details mentioned above, there is 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.

## 9. 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 Passed
2020-21	AGM 20.09.2021	11:30 AM	229 / 1 & 90, 4 <sup>th</sup> 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
2022-23	AGM 07.09.2023	11.00 AM	through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	Yes

### B. DETAILS OF THE EXTRAORDINARY GENERAL MEETINGS HELD DURING THE YEAR

During the financial year 2023-24 following Extra-Ordinary General Meetings of the Members was held through VC/OAVM:

- (i) On 26<sup>th</sup> July, 2023 (a) to consider and approve Increase in the Authorised Share Capital and consequent alteration of the capital clause in the Memorandum of Association of the Company (b) To issue convertible warrants on preferential basis to certain identified promoters and non-promoter persons/entities.
- (ii) On 11<sup>th</sup> November, 2023 to consider Appointment of M/s M S K A & Associates, Chartered Accountants as Statutory Auditor of the Company to fill the Casual Vacancy.
- (iii) On 05<sup>th</sup> February, 2024 (a) to consider Appointment of M/s Rakesh S Jain & Associates, Chartered Accountants as Statutory Auditor of the Company to fill the Casual Vacancy and (b) Deviation/Variation in the Objects of the Initial Public Issue as stated in the Prospectus of the Company Dated 22.10.2021

### C. PASSING OF RESOLUTIONS BY POSTAL BALLOT

There were no resolutions passed by the Company through Postal Ballot during the Financial Year 2023-24.

## 10. MEANS OF COMMUNICATION:

The Company promptly discloses information on material corporate developments and other events as required under the Listing Regulations. Such timely disclosures indicate the good corporate governance practices of the Company. For this purpose, it provides multiple channels of communications through dissemination of information on the online portal of the Stock Exchanges, Press Releases, Annual Reports and by placing relevant information on its website.

- i. **Publication of financial results:** Quarterly, half-yearly and annual financial results of the Company are published in leading English and Telugu language newspaper, viz., all India editions of Financial Express and Nava Telangana in Telugu language, Hyderabad edition.

- ii. **Website and News Releases:** In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' i.e. 'Disclosure under Regulation 46 of SEBI (LODR) Regulations' on the Company's website gives information on various announcements made by the Company, Annual Reports, financial results along with the applicable policies of the Company.

The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website at <https://sigachi.com/investors/disclosures/#1628690199741-2a497c6c-bb87>

Quarterly Compliance Reports on Corporate Governance and other relevant information of interest to the Investors are also placed under the Investors section on the Company's website.

- iii. **Analysts presentations:** In compliance with Regulation 46 of the Listing Regulations, the presentations, audio recordings, video recordings and transcripts of investors conference call on business and financial performance of the Company are placed on the Company's website for the benefit of the institutional investors, analysts and other shareholders. The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director, CFO & Company Secretary. The Company also uploaded

transcript and audio recordings of the said meet on its website.

**iv. Stock Exchange:** The Company has a Policy for determination of Materiality of Events/Information for the purpose of making disclosure to the Stock Exchanges. The Managing Director and CFO are severally authorised to decide on the materiality of information for the purpose of making disclosures to the Stock Exchanges. The Company makes timely disclosures of necessary information to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where shares of the Company are listed, in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI. The Policy for determination of Materiality of Events/Information is available on the Company's website at

<https://sigachi.com/Policies/POLICY%20FOR%20DETERMINING%20MATERIALITY%20FOR%20DISCLOSURES.pdf>

**v. Exclusive email ID for investors:** The Company has a designated email id i.e. [investors@sigachi.com](mailto:investors@sigachi.com) exclusively for investor services, and the same is prominently displayed on the Company's website.

**vi. NEAPS (NSE Electronic Application Processing System) and BSE Listing Centre:** NEAPS and BSE Listing are web-based application designed by NSE and BSE, respectively, for corporates to make submissions. All periodical compliance filings, inter alia, shareholding pattern, compliance report on corporate governance, corporate announcements, amongst others, are filed electronically in accordance with the Listing Regulations. Further, in

compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are in a format that allows users to find relevant information easily through a searching tool.

Company Registration Details

## 11. GENERAL SHAREHOLDERS INFORMATION:

Date	04 <sup>th</sup> September, 2024
Time	11.00 a.m.
Venue of AGM	Through video conference
Financial Year	2023-24
Dividend payment date	on or before 25 <sup>th</sup> September, 2024
Name and address of each stock exchange(s) at which the Company's securities are listed	<b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400023 <b>National Stock Exchange of India Limited</b> 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
Registrars to an issue and share transfer agents	Bigshare Services Private Limited Address: Office No. S6-2, 6 <sup>th</sup> Floor, Pinnacle Business Park, Mahakali Caves Road, Andheri (East), Mumbai-400093 Ph No. 022-62638200 Email: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
Tentative Schedule for considering Financial Results:	
For the Quarter ending June, 2024	August/6 <sup>th</sup> August, 2024
For the Quarter ending September, 2024	October/ 14 <sup>th</sup> November, 2024
For the Quarter ending December, 2024	January/ 14 <sup>th</sup> February, 2025
For the Quarter/year ending March, 2025	April/ 30 <sup>th</sup> May, 2025
Date of Book Closure	29 <sup>th</sup> August, 2024 to 04 <sup>th</sup> September, 2024
commodity price risk or foreign exchange risk and hedging activities	NIL Charges for Monitoring Foreign Investment Limit
ISIN Number for NSDL & CDSL	INE0D0K01022



## Branch Offices /Plant Locations

Unit I: Plot No 20and 21, phase-I, IDA, Pashammallaram, Isanpur, Sangareddy, Hyderabad-502307, Telanagana, 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-393110, Gujarat, India

Unit IV: Plot Number G.57/2, I/P Sultanpur, Ameenpur (M) Sangareddy District, Telangana-502032, Hyderabad, India

Unit V: Plot No. 27, Raichur Growth Center, Wadloor Road, Chiksugar, Raichur-584134, Karnataka

## Address for correspondence:

229 / 1 & 90, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049

Website: [www.sigachi.com](http://www.sigachi.com)

## Investor Correspondence / Query on Annual Report, etc.

Vivek Kumar

Company Secretary and Compliance Officer

229 / 1 & 90, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049

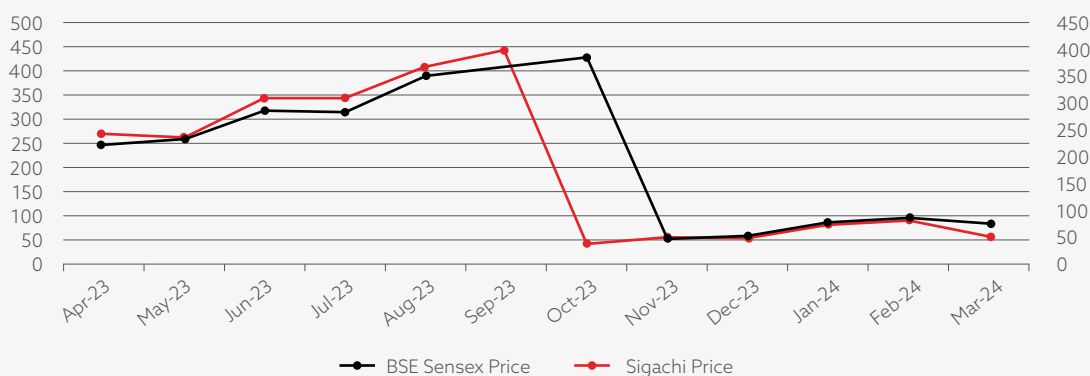
Ph. 040-40114874

Website: [www.sigachi.com](http://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.**

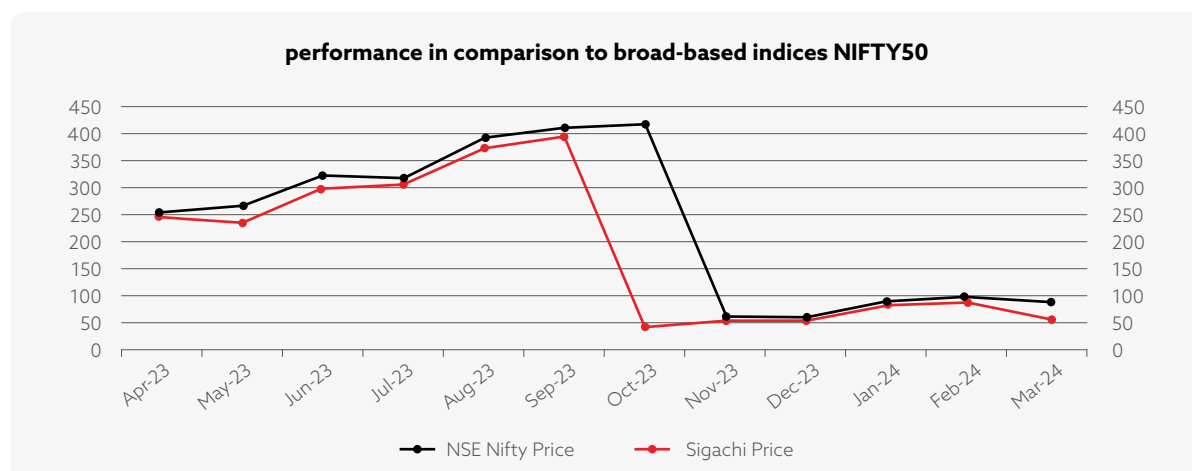
BSE Limited:

S. N	Month	Open Price	High Price	Low Price	Close Price
1	Apr-23	222.05	252.00	222.05	245.30
2	May-23	245.35	264.80	231.60	239.15
3	Jun-23	239.60	319.65	239.40	309.75
4	Jul-23	309.75	316.40	282.10	313.85
5	Aug-23	313.05	390.00	293.20	368.20
6	Sep-23	369.30	410.00	350.30	400.05
7	Oct-23	403.00	429.90	36.40	40.15
8	Nov-23	41.00	57.50	41.00	52.39
9	Dec-23	52.40	55.59	48.71	51.33
10	Jan-24	51.34	86.69	51.34	77.23
11	Feb-24	77.54	95.94	68.00	83.39
12	Mar-24	84.00	87.34	54.00	55.82

**performance in comparison to broad-based indices such as BSE sensdex, CRISIL Index etc;**

National Stock Exchange of India Limited:

S. N	Month	Open Price	High Price	Low Price	Close Price
1	Apr-23	223.00	252.00	223.00	244.40
2	May-23	246.80	264.90	230.05	237.05
3	Jun-23	238.70	319.80	238.70	297.65
4	Jul-23	315.00	316.80	283.50	305.20
5	Aug-23	315.55	391.00	292.00	372.30
6	Sep-23	365.95	409.90	350.50	393.30
7	Oct-23	402.00	419.40	36.40	38.90
8	Nov-23	41.05	57.70	41.05	51.95
9	Dec-23	52.70	55.65	48.55	51.80
10	Jan-24	51.50	85.95	51.45	79.50
11	Feb-24	77.70	95.90	68.00	84.15
12	Mar-24	83.90	87.50	54.00	56.35



Note: The difference in share price between October, 2023 and November 2023 was due to Sub-division (Stock Split) of 1 equity share of face value of Rs 10 each into 10 equity share of face value of Re 1 each.

#### 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 31.03.2024

Distribution Schedule - Consolidated As on 31-03-2024				
Category (Amount)	No. of Shareholders	% of Total	Share Amount	% of Amount
1-5000	137620	98.3190	52138427	16.1181
5001- 10000	1345	0.9609	10161287	3.1413
10001- 20000	532	0.3801	7770346	2.4021
20001- 30000	170	0.1215	4289121	1.3259
30001- 40000	66	0.0472	2357941	0.7289
40001- 50000	62	0.0443	2843643	0.8791
50001- 100000	77	0.0550	5508945	1.7030
100001&Above	101	0.0722	238407190	73.7015
<b>Total</b>	<b>139973</b>	<b>100.00</b>	<b>323476900</b>	<b>100</b>

**DEMATERIALIZATION & LIQUIDITY OF SHARES:**

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE0D0K01022. 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	196678322	98.56
NDSL	126798578	59.93
Physical	-	-
<b>TOTAL</b>	<b>323476900</b>	<b>99.00</b>

As on the date of report, the paid up capital is ₹ 32,81,94,980. The reason for difference of 47,18,080 equity shares is as below:

The Board of Directors of the Company in its meeting held on 06.03.2024 has allotted 47,18,080 equity shares of Re. 1/- at an issue price of ₹ 26.1/- per share. The Company has received the trading and listing approval for the same.

**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:**

The Company has not issued any debt instruments and did not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31<sup>st</sup> March 2024.

The ratings given by Care Ratings Limited for short-term borrowings and long-term borrowings of the Company are A- and A-, respectively. There was no revision in the said ratings during the year under review.

**SHAREHOLDING PATTERN AS ON 31ST MARCH, 2024:****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	1,52,58,400	4.65	-	-	1,52,58,400
	Chidambaranathan Shanmuganathan	1,94,08,350	5.91	-	-	1,94,08,350
	Amit Raj Sinha	1,29,53,100	3.95	-	-	1,29,53,100
	Nitin Raj Sinha	63,74,250	1.94	-	-	63,74,250
	Dharani Devi Chidambaranathan	74,36,250	2.27	-	-	74,36,250
	Karthika Thavamani Chidambaranathan	1,68,750	0.05	-	-	1,68,750
	Bhavani Shanmugam Chidambaranathan	1,68,750	0.05	-	-	1,68,750
	Smita Sinha	31,06,250	0.95	-	-	31,06,250
	Sudha Sinha	8,54,400	0.26	-	-	8,54,400
	Bimla Sharma	4,61,250	0.14	-	-	4,61,250
(b)	Central Government/ State Government(s)					
(c)	Financial Institutions/Banks					

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
(d)	Any Other					
	RPS Projects & Developers Private Limited	7,53,17,250	22.95	-	-	7,53,17,250
	RPS Family Trust	46,25,400	1.41	-	-	46,25,400
	Amit Raj Sinha Family Trust	29,62,500	0.90	-	-	29,62,500
	<b>Sub-Total (A)(1)</b>	<b>14,90,94,900</b>	<b>45.43</b>	<b>-</b>	<b>-</b>	<b>14,90,94,900</b>
(2)	Foreign	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/Foreign Individuals	-	-	-	-	-
(b)	Government	-	-	-	-	-
(c)	Institutions	-	-	-	-	-
		-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-
(e)	Any Other	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>14,90,94,900</b>	<b>45.43</b>	<b>-</b>	<b>-</b>	<b>14,90,94,900</b>

#### 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	998	0.00	-	-	998
(b)	Venture Capital Funds	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-
(e)	Foreign Portfolio Investors	67,68,231	2.06	-	-	67,68,231
(f)	Financial Institutions/Banks	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-
(h)	Provident Funds/Pension Funds	-	-	-	-	-
(i)	Any Other	-	-	-	-	-
	Qualified Foreign Investor	-	-	-	-	-
	<b>Sub Total (B)(1)</b>	<b>67,69,229</b>				<b>67,69,229</b>
(2)	Central Government/State Government(s)/President of India	-	-	-	-	-
	<b>Sub Total (B)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(3)	Non-Institutions	-	-	-	-	-
	Directors and their relatives (excluding independent directors and nominee directors)	-	-	-	-	-
	Key Managerial Personnel	750100	0.23	NA	NA	750100

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
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	8,16,44,461	24.88	NA	NA	8,16,44,461
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	5,39,49,078	16.44	NA	NA	5,09,80,998
	Shobha Nigam	42,85,000	1.31	NA	NA	42,85,000
	Beg Raj Yadav	2,14,20,000	6.53	NA	NA	2,14,20,000
	Dharm Prakash Tripathi	63,00,409	1.93	NA	NA	63,00,409
(b)	NBFCs Registered with RBI	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-
(d)	Overseas Depositories (Holding DRs) (Balancing figure)	-	-	-	-	-
(e)	Any Other					
	NON-RESIDENT INDIANS	11581221	3.53	N.A.	N.A.	10581221
	TRIBHUVAN RAVJI THACKER	3291000	1.00	-	-	3291000
	CLEARING MEMBERS	384639	0.12	N.A.	N.A.	384639
	NON-RESIDENT INDIAN NON REPATRIABLE	-	-	-	-	-
	BODIES CORPORATES	11857155	3.61	N.A.	N.A.	11107155
	HUF	12120847	3.69	N.A.	N.A.	12120847
	VIJAY AMRUTLAL BHAVSAR H.U.F.	81,89,960	2.50	N.A.	N.A.	81,89,960
	TRUSTS	43,350	0.01	N.A.	N.A.	43,350
	<b>Sub Total (B)(3)</b>	<b>1,72,330,851</b>	<b>52.51</b>	<b>N.A.</b>	<b>N.A.</b>	<b>16,76,12,771</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>	<b>17,91,00,080</b>	<b>54.57</b>	<b>N.A.</b>	<b>N.A.</b>	<b>17,43,82,000</b>

Category	Category & Name of the 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	17	14,90,94,900	45.43	N.A.	N.A.	14,90,94,900
(B)	Public	137489	17,91,00,080	54.57	N.A.	N.A.	17,43,82,000
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-
	Shares held by Employees Trusts	-	-	-	-	-	-
	<b>Total:</b>	<b>1,37,506</b>	<b>32,81,94,980</b>	<b>100.00</b>	<b>N.A.</b>	<b>N.A.</b>	<b>32,34,76,900</b>

## 12. 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](http://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:

Sl. No	Exchange	FY	Reg.no	Details of Violation	Penalty Details	Complied/not
1.	BSE and NSE	2021-22	17(1A) of SEBI LODR	Non-compliance with the requirements pertaining to appointment or continuation of Mr. Swami Das Nigam, Non-executive director who has attained the age of seventy-five years	₹ 1,10,920/-	The Company has passed the Special Resolution in the Extra Ordinary General Meeting held on 04.04.2022 and also paid the fine for the same to BSE and NSE.
2.	BSE and NSE	2022-23	17(1A) of SEBI LODR	Non-compliance with the requirements pertaining to appointment or continuation of Mr. Swami Das Nigam, Non-executive director who has attained the age of seventy-five years	₹ 7,080/-	The Company has passed the Special Resolution in the Extra Ordinary General Meeting held on 04.04.2022 and also paid the fine for the same to BSE and NSE.
3.	BSE and NSE	2023-24	Reg. 23(9) of SEBI LODR Regulations, 2015	Delay in filing RPT for the quarter ended September 2023	₹ 5000 plus GST	The Company has filed the same with a delay of One day

### 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](http://www.sigachi.com).

### F. WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS;

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's Website [www.sigachi.com](http://www.sigachi.com). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on yearly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by the statutory auditor



to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. There are No Material Related Party Transactions, Accordingly, the disclosure of Related

Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-1 annexed as **Annexure I**.

#### **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 THOROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT.**

The Company has till now raised ₹ 112.27 Crores through preferential allotment. Following are the details of utilisation:

Sr. No	Item Head \$	Provide source of information/ certifications substantiating the utilisation	Amount as proposed in the Offer Document (₹ in Crores)	Amount utilized (₹ In Crores)
1	Acquisition / Expansion of Active Pharmaceutical Ingredients (API) manufacturing facility	Through preferential Allotment	160.00	92.91
2	Upgradation/Expansion of existing Manufacturing facilities at Dahej and Jhagadia	Through preferential Allotment	50.00	-
3	Upgradation/Expansion of existing Manufacturing facility at yderabad	Through preferential Allotment	21.45	-
4	Working Capital	Through preferential Allotment	30.00	2.60
5	General Corporate Purposes	Through preferential Allotment	25.00	-

The balance of ₹ 16.75 Cr was made towards deposits.

#### **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.

- 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**

Neither the listed company nor the subsidiary company has advanced any loan to firm/ companies in which directors are interested except loans and advances between holding company and its subsidiaries where there are common directors.

#### **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 ₹ 12,00,000 /- per annum.

#### **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.

#### **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

#### **13. 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.

#### 14. 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.

#### 15. 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:

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	Yes
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

#### 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 2023-24.

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, 2024 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

#### 17. RECONCILIATION OF SHARE CAPITAL:

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.

#### 18. 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 2023-2024 is provided elsewhere in this Annual Report.

#### 19. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES: NIL

#### 20. 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**

**Rabindra Prasad Sinha**  
Whole-Time Director & Chairman  
DIN: 00413448

**Amit Raj Sinha**  
Managing Director & CEO  
DIN: 01263292

Place: Hyderabad  
Date : 06.08.2024

## 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 company for the financial year.

(Amount in INR)

Director	Total Remuneration	Ratio to median remuneration
Rabindra Prasad Sinha	1,58,80,700	1:0.021
S. Chidambaranathan	1,58,80,700	1:0.021
Amit Raj Sinha	2,40,40,700	1:0.013

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year.

Name	Designation	Remuneration		Increase/ (Decrease) %
		FY 2023-24	FY 2022-23	
Rabindra Prasad Sinha	Whole-Time Director	1,58,80,700	1,49,72,448	6.06%
S. Chidambaranathan	Whole-Time Director	1,58,80,700	1,49,72,448	6.06%
Amit Raj Sinha	Managing Director & CEO	2,40,40,700	2,20,52,448	9.01%
O. Subbarami Reddy	Chief Financial Officer	1,06,54,224	93,40,319	14.06%
Shreya Mitra*	Company Secretary	12,66,384	12,00,000	5.5%

\*Shreya Mitra has resigned as Company Secretary from the Company w.e.f 06.04.2024.

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

Name	Remuneration		Increase/ (Decrease) %
	FY 2023-24	FY 2022-23	
Median Remuneration of all the employees per annum*	3,34,803	2,65,110	26.28%

\*Employees who have served for whole of the respective financial years have been considered.

4. **Particulars**
- |  |      |
|--|------|
| The number of employees on the rolls of the company as on March 31, 2024 | 1420 |
|--|------|

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

Particulars	Increase/(Decrease) %
Average percentage increase in the remuneration of all Employees* (Other than Key Managerial Personnel)	8.56
Average Percentage increase in the Remuneration of Key Managerial Personnel	8.13%

\*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.

### 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

S No.	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	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	Mr. Bikkumalla Srinivasa Rao	Chief Technical Officer	9595608	Permanent	MBA	10-Apr-2023	58	Natco Pharma	Nil	No
2	Mr. Bobby Agrawal	Vice President & Business Head	7070700	Permanent	MBA	5-Feb-2024	54	Indian Peroxide	Nil	No
3	Mr. M E Elanghovan	Vice President-Operations	4650012	Permanent	M.Tech	1-Oct-2020	52	Sreepathi Lab Private Limited	Nil	No
4	Mr. Subramanian Ananthanarayan	Senior Vice President	4636836	Permanent	MBA	2-Aug-2021	54	The Next Milestone Technologies Pvt Ltd	Nil	No
5	Mr. S Senthil Kumar	Deputy General Manager	3841944	Permanent	MBA	19-Sep-2022	50	Hexagon Nutrition Exports Pvt Ltd	Nil	No
6	Mr. V Sri Harsha	Assistant Vice President	3400020	Permanent	M.Pharm	10-Oct-2022	44	Extrovis Private Limited	Nil	No
7	Mr. Kanwar Pradeep Singh Mankotia	Deputy General Manager	3250008	Permanent	MBA	15-Apr-2024	44	DSM Sinochem Pharmaceuticals Pvt Limited	Nil	No
8	Mr. J Gani Raju	General Manager	3218172	Permanent	MBA	29-Dec-2021	46	Suven Nishtaa Pharma Pvt Ltd	Nil	No
9	Mr. Rajendra Chaudhari	Senior Vice President-Operations	3040104	Permanent	M.Tech	27-Oct-2015	58	GASL	Nil	No
10	Mr. Bijay Kumar Sahoo	Senior Vice President -Supply Chain Management	2993760	Permanent	MBA	08-11-2018	66	Euro Life Healthcare Private Limited	Nil	No

# 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, 2024, 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, 2024.

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.

Place: Hyderabad  
Date: 06.08.2024

**Aakanksha**  
Practicing Company Secretary  
C.P. No. 20064  
UDIN: A049041F000905391  
Peer Review Cer. 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 31<sup>st</sup> March 2024 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.

Sd/-

Place: Hyderabad  
Date: 27.05.2024

**Amit Raj Sinha**  
Managing Director & CEO  
DIN: 01263292

Sd/-

**O. Subbarami Reddy**  
Chief Financial Officer



## 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 2023-2024.

**For and On Behalf of the Board of Directors**

Place: Hyderabad  
Date : 06.08.2024

**Amit Raj Sinha**  
Managing Director & CEO  
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'sTulsiram Chambers, Madinaguda, Hyderabad - 500049 (herein after 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](http://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 31<sup>st</sup> March, 2024 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.	Ms. Dhanalakshmi Guntaka	09363100	18/10/2021
6.	Ms. Bindu Vinodhan	02882210	27/10/2022

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.

Place: Hyderabad  
Date: 06.08.2024

**Aakanksha**  
Practicing Company Secretary  
C.P. No. 20064  
UDIN: A049041F000905358  
Peer Review Cer. No. 3363/2023

# 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, 2024, 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 material 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, 2024, 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, 2024. 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.

Sr. No	Key Audit Matter	How our audit addressed the key audit matter
1	<p><b>Appropriateness of capitalization of costs included in Property Plant and Equipment/ Capital work in progress as per Ind AS 16 Property, Plant and Equipment.</b></p> <p><b><i>Refer to Note - 2.06 (Material Accounting Policies on Property, Plant and equipment), Note - 3 (Property, plant and equipment and Capital work-in progress) of the enclosed standalone financial statements.</i></b></p> <p>During the year, the Company has incurred significant capital expenditure towards setting up of additional production plants at Dahej and Jhagadia.</p> <p>Opening Balance of CWIP as on 1<sup>st</sup> April 2023 was Rs.3490.37 lakhs. During the year there was addition of Rs. 6613.96 lakhs to CWIP (including borrowing cost of Rs.140.92 lakhs) and capitalization of assets worth Rs.1047.88lakhs.</p>	<p>Our Audit procedures included the following:</p> <ol style="list-style-type: none"><li>We understood from the management details of the projects in process.</li><li>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.</li><li>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.</li><li>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.</li></ol>

Sr. No	Key Audit Matter	How our audit addressed the key audit matter
	<p>The CWIP balance majorly includes below projects undertaken by the Company:</p> <p>a) The Company is Expanding additional production plant unit Dahej &amp; Jhagadia situated at Bharuch, Gujarat-393110, which will be used for production of Micro Crystalline Cellulose.</p> <p>b) The Company is expanding its capacity of Dahej Sez From 4800 MTPA to 6600 MTPA in Dahej and from 2750 MTPA To 6350 MTPA in Jhagadia</p> <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>Since the amounts involved in the development of the above project was significant and material, the audit of the above area was considered to be a key audit matter for reporting purpose</p>	<p>v. Reviewed the management's procedure to review the periodic progress of the projects based on certification by the project management consultants and correspondent running bills submitted by the contractors.</p> <p>vi. As it is a Qualifying Asset at the management discretion and the period of completion involves Substantial period of time the related Borrowing costs have been appropriately capitalized to the Capital work in progress according to the compliances mentioned in the Ind AS-23 (i.e., Borrowing Cost).</p> <p>vii. Discussion of audit observations with the management/ accounts and finance team for clarification as and when required</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><b>Share Capital:</b></p> <p>Preferential Allotment of shares:</p> <p>The Company made an allotment of Convertible Equity share warrants which were in compliance of Sec 42(7) of the Companies Act, 2013(read with the respective rules) and in accordance with Chapter-V of SEBI(ICDR) Regulations 2018, on a preferential allotment basis consisting of 1,09,75,000 warrants of ` Rs.10 each at a premium of ` 251 per share amounting to` 28,644.75 lakhs which was then spilt into the ratio of 10:1.</p> <p>The warrants were converted into equity shares in the two allotments as stated below:</p> <p>On 09<sup>th</sup> October 2023 the company made an allotment 1,60,51,900 equity shares of Rs.1/- each to non -promoters Group on conversion of 16,05,190 warrants at an issue price of Rs.261/- per share of Rs.10/- each.</p> <p>On 06<sup>th</sup> March 2024 the company made an allotment 47,18,080 equity shares of Rs.1/- each to non -promoters Group on conversion of 4,71,808 warrants at an issue price of Rs.261/- per share of Rs.10/- each.</p> <p>Since the amount involved is material and significant, audit of above area was considered to be key audit matter for reporting purpose</p>	<p>Our Audit procedures included the following:</p> <p>i. Enquiry with those charged with the governance and the key managerial personnel about the procedure followed for issue of the Convertible Warrants</p> <p>ii. review of the minute books of</p> <ul style="list-style-type: none"> <li>• the board of directors and</li> <li>• shareholders;</li> </ul> <p>iii. Referred the relevant provisions of the Companies Act 2013 read with the Companies (Share Capital and Debenture Rules) 2014, as applicable to ascertain whether the same have been complied with;</p> <p>iv. Review of compliance with respect to applicable guidelines of SEBI regulations</p> <p>v. review of various e-forms submitted to the Ministry of Corporate Affairs (MCA) in compliance with the provisions of the Companies Act 2013 and the relevant rules;</p> <p>vi. review of valuation report issued by the registered valuer in accordance with the provisions of the Companies (Registered Valuers and Valuation) Rules 2017 for fair value for issue of the shares at the price at which theses equity shares were issued during the year</p> <p>vii. appropriate disclosure in the financial statements in accordance with the IND AS, and the requirements of schedule III</p>
3	<p><b>Timing of Revenue recognition in the proper period as per Ind AS 115.</b></p> <p>Refer to Note-2.14 (Material Accounting Policies on Revenue Recognition) and Note-24 (Revenue from operations) of the consolidated financial statements.</p>	<p>Our audit procedures included the following:</p> <p>i. 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>

Sr. No	Key Audit Matter	How our audit addressed the key audit matter
	<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>ii. We assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers";</p> <p>iii. 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>iv. We tested a sample of manual journal entries posted to revenue and assessed their appropriateness;</p> <p>v. 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. Based on the above stated procedures, no significant exceptions were noted in revenue recognition.</p>
4	<p><b>Fair Valuation of Investments In accordance With IND AS-103(i.e., Business Combinations) Read with IND AS-32/109(Financial Instruments)</b></p> <p>As at March 31, 2024, the Company has made investments of Rs.100 crores as 2,88,00,000 Equity shares of Rs.10/- each of Trimax Bio Sciences Private Limited constituting 80% of paid up- Equity share Capital in Trimax Bio Sciences Private Limited which are measured at fair value as per Ind AS 109 read with Ind AS 113.</p> <p>These investments are Level 3 investments as per the fair value hierarchy in Ind AS 113 (i.e., Fair value Measurement) and accordingly determination of fair value is based on a high degree of judgement and input from data that is not directly observable in the market. Further, the fair value is significantly influenced by the expected pattern of future benefits of the tangible assets of Trimax Bio Sciences Private Limited. Refer Note No: 04 of the Standalone financial statements.</p> <p>Since the amount involved is material and significant, audit of above area was considered to be key audit matter for reporting purpose.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>Reviewed the fair valuation reports provided by the management by involvement of internal specialist / external valuation experts.</li> <li>Review of Resolution passed in the board Meeting</li> <li>Obtaining A Due Diligence report from the management.</li> <li>Ascertained the Valuation in the books of accounts on account of Goodwill/Capital reserve.</li> <li>Had a Briefing of the Share purchase Agreement entered between the parties.</li> <li>Assessed the objectivity and competence of our internal expert and Company's internal/external specialists involved in the process. Reviewed the disclosures made by the Company in the financial statements.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management & 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. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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 & Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management & 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 & Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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, to the extent applicable.
2. A. 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 of account
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Changes in Equity and the Standalone 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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:
    - a) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
    - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - c) 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.
    - d)
      - i. 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;
      - ii. 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;

- iii. 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.
- e) The dividend paid by the Company during the year, in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- f) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Further, we did not come across any instance of the audit trail feature being tampered with.

3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **Rakesh S Jain & Associates**

Chartered Accountants

Firm Reg No :010129S

**CA Pankaj Chandak**

Partner

Membership No:229355

Date: 27/05/2024

Place: Hyderabad

UDIN: 24229355BKAQFY5301

## Annexure-A

### to the Independent Auditor's Report on the Standalone Financial Statements of Sigachi Industries Limited for the year ended 31 March 2024.

(Referred to in paragraph 1 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) (A.) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(B.) The Company has maintained proper records showing full particulars of intangible assets.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements are held in the name of the Company
  - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year
  - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii.
  - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company. The Company has not been sanctioned any working capital limit from the financial institutions
- iii. According to the information and explanations given to us and on the basis of our examination of the records, the Company has made investments and has granted advances in the nature of loans, unsecured, to Companies during the year, in respect of which the requisite information is as below.
  - a.
    - A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not given any loans or advances in the nature of loans or stood guarantee or provided security to subsidiaries. The Company does not hold any investment in any joint ventures or associates.
    - B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not given any unsecured loans and unsecured advances in the nature of loans to parties other than subsidiaries as listed below. The Company has not stood guarantee or provided security to parties other than subsidiaries.
  - b. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of interest free loans and advances in the nature of loans given, the repayment of principal has been stipulated and the repayments or receipts have been regular. In case of interest -bearing loans given, the schedule of repayment of principal and payment of interest has been stipulated, and the repayments or receipts have been regular.
  - d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given and advances in the nature of loans given.
  - e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.

- f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, 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. However, the company has appointed separate cost auditor for the purpose of Cost Audit.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- 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.
  - 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, 2024 for a period of more than six months from the date they became payable. Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 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 Rs Crores (Including Penalty)
Service Tax Act	Service Tax & Penalty	Service Tax & Penalty	August 2014 to June 2017	5.59 Cr (Penalty -2.50 cr)

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company have not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix.
  - 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.
  - According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
  - According to the information and explanations given to us by the management, the Company has applied the money raised by way of term loans for the purpose which they were meant to be applied during the year.
  - According to the information and explanations given to us by the management, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
  - 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 subsidiaries as defined under the companies Act 2013.
  - 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 subsidiaries as defined under the companies Act 2013.
- x.
  - 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.
  - As per the information and explanations given to us, the company has made Preferential allotment of shares during the year and complied with the requirements of section 42 and section 62 of the Companies Act, 2013. The funds raised have been used for the purposes for which the funds were raised.
- xi.
  - 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.
  - 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. During the year there was resignation of the statutory auditor and the outgoing auditor has not raised any issues, objections and concerns and No Objection Certificate to that effect has been obtained.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, 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 that the 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.
- Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Company's annual report is expected to be made available to us after the date of this auditor's report.
- xx. a) According to the information and explanations given to us and as per our examination that the company has spent an amount of Rs.93,65,457/-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 financial statements of the subsidiary companies i.e., Sigachi US Inc. & Sigachi Mena Fezco are unaudited and the same are certified by the management. The financial statements of another subsidiary company i.e., Trimax Bio Sciences Private Limited are audited. As per the certification provided by the management as referred above & as per the audit report provided by the statutory auditor of Trimax Bio Sciences Private Limited, no qualifications or adverse remarks have been noted and hence clause 3(XXI) of the Order is not applicable to the Company.

For **Rakesh S Jain & Associates**  
Chartered Accountants  
Firm Reg No :010129S

**CA Pankaj Chandak**  
Partner  
Membership No:229355  
Date: 27/05/2024  
Place: Hyderabad  
UDIN: 24229355BKAQFY5301

## Annexure-B

**to the Independent Auditor's Report on the Standalone Financial Statements of Sigachi Industries Limited for the year ended 31 March 2024**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of SIGACHI INDUSTRIES LIMITED (the "Company") as of March 31, 2024 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, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31<sup>st</sup> March 2024, 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 **Rakesh S Jain & Associates**

Chartered Accountants

Firm Reg No :010129S

**CA Pankaj Chandak**

Partner

Membership No:229355

Date: 27/05/2024

Place: Hyderabad

UDIN: 24229355BKAQFY5301

# Standalone Balance Sheet

as at 31<sup>st</sup> March, 2024

(All amounts in Lakhs, except share data and where otherwise stated)

Particulars	Note No.	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.a	11,069.21	9,536.57
Other Intangible assets	3.a	78.38	68.64
Capital work-in-progress	3.b	9,056.46	3,490.37
Intangible Assets under Development	3.c	61.80	-
Right of Use Assets	3.d	2,769.33	2,567.16
Financial assets			
Investments	4	10,184.65	184.65
Other financial assets	5	1,950.44	2,252.51
Other non-current assets	6	921.80	1,644.29
<b>Total non-current assets</b>		<b>36,092.07</b>	<b>19,744.20</b>
<b>Current assets</b>			
Inventories	7	3,092.58	3,298.66
Financial assets			
Trade receivables	8	10,960.70	9,115.30
Cash and cash equivalents	9	964.14	1,076.97
Other bank balances	10	3,964.03	1,900.26
Other financial assets	11	4,182.14	691.78
Other current assets	12	1,605.14	1,064.97
<b>Total current assets</b>		<b>24,768.73</b>	<b>17,147.95</b>
<b>TOTAL ASSETS</b>		<b>60,860.80</b>	<b>36,892.15</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	3,281.95	3,074.25
Other equity		37,744.52	23,482.66
<b>Total Equity</b>		<b>41,026.47</b>	<b>26,556.91</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	14	2,657.98	101.03
Lease Liabilities	15	2,045.63	2,306.10
Provisions	16	176.37	149.15
Deferred tax liabilities (net)	17	845.15	519.76
<b>Total non-current liabilities</b>		<b>5,725.13</b>	<b>3,076.04</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	7,678.10	3,940.03
Lease liabilities	19	357.28	404.82
Trade payables			
i) Total outstanding dues of micro and small enterprises	20	55.83	-
ii) Total outstanding dues of creditors other than micro and small enterprises		2,694.77	1,996.23
Other financial liabilities	21	738.15	87.61
Other current liabilities	22	2,385.64	830.50
Current tax liabilities(Net)	23	199.43	-
<b>Total current liabilities</b>		<b>14,109.20</b>	<b>7,259.20</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>60,860.80</b>	<b>36,892.15</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on Behalf of the Board of Directors

For **Rakesh S Jain & Associates**

Chartered Accountants

Firm Regn No.010129S

**Rabindra Prasad sinha**  
Whole-time Director & Chairman  
DIN:00413448

**S Chidambaranathan**  
Whole-time Director & Vice Chairman  
DIN:00485497

**Pankaj Chandak,(FCA)**  
Partner  
Membership No. 229355

**Amit Raj Sinha**  
Managing Director and CEO  
DIN:01263292

**O.Subbarami Reddy**  
Chief Financial Officer

Place: Hyderabad  
Date: 27.05.2024

**Vivek Kumar**  
Company Secretary

# Standalone Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Lakhs, except share data and where otherwise stated)

Particulars	Note	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
<b>Income</b>			
Revenue from operations	24	31,749.97	29,032.37
Other income	25	1,157.32	667.17
<b>Total income</b>		<b>32,907.29</b>	<b>29,699.54</b>
<b>Expenses</b>			
Cost of materials consumed	26	14,191.88	13,771.73
Purchases of Stock in Trade	27	461.11	137.18
Changes in inventories of finished goods, work in progress and stock in trade	28	(31.75)	(428.03)
Employee benefit expenses	29	4,916.25	3,600.27
Finance costs	30	701.98	428.71
Depreciation and amortization expense	3	870.86	662.10
Other expenses	31	6,283.27	6,369.82
<b>Total expenses</b>		<b>27,393.59</b>	<b>24,541.77</b>
<b>Profit/(loss) before tax</b>		<b>5,513.69</b>	<b>5,157.77</b>
<b>Tax expense</b>			
(i) Current tax	32	1,091.46	1,022.40
(ii) Deferred tax	32	320.80	(20.65)
<b>Profit/(loss) for the period</b>		<b>4,101.43</b>	<b>4,156.02</b>
<b>Other comprehensive income</b>			
A. i) Items that will not be reclassified to profit and loss	33	15.76	(13.64)
ii) Income tax relating to items that will not be reclassified to profit or loss	33	(4.59)	3.97
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		-	-
<b>Total other comprehensive income</b>		<b>11.17</b>	<b>(9.67)</b>
<b>Total Comprehensive income for the period (Comprising profit(Loss) and other comprehensive Income for the period)</b>		<b>4,112.60</b>	<b>4,146.35</b>
<b>Earnings per equity share</b>			
1) Basic	34	1.30	1.35
2) Diluted	34	1.10	1.35

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on Behalf of the Board of Directors

For **Rakesh S Jain & Associates**

Chartered Accountants

Firm Regn No.010129S

**Rabindra Prasad sinha**  
Whole-time Director & Chairman  
DIN:00413448

**S Chidambaranathan**  
Whole-time Director & Vice Chairman  
DIN:00485497

**Pankaj Chandak,(FCA)**  
Partner  
Membership No. 229355

**Amit Raj Sinha**  
Managing Director and CEO  
DIN:01263292

**O.Subbarami Reddy**  
Chief Financial Officer

Place: Hyderabad  
Date: 27.05.2024

**Vivek Kumar**  
Company Secretary

# Standalone Statement of Changes in Equity and Other Equity

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Lakhs, except share data and where otherwise stated)

## A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	3,074.25	3,074.25	3,074.25	3,074.25
Issued during the year(Warrants Issue)	207.70	207.70	-	-
<b>Outstanding at the end of the year</b>	<b>3,281.95</b>	<b>3,281.95</b>	<b>3,074.25</b>	<b>3,074.25</b>

## B) OTHER EQUITY

### 1) 2023-2024 (Current Reporting Period)

Particulars	Reserves & surplus					Share Application Money	Other comprehensive income	Total other equity
	Securities premium	General reserve	Amalgamation reserve	Special Economic Zone Re-Investment Allowance Reserve	Retained Earnings			
<b>Balance as at 1<sup>st</sup> April 23</b>	<b>8,879.48</b>	<b>560.13</b>	<b>390.57</b>	<b>1,547.80</b>	<b>12,088.32</b>	<b>-</b>	<b>16.36</b>	<b>23,483</b>
<b>Current year :</b>								
Profit/(Loss)	-	-	-	-	4,101.43	-	-	4,101.43
Convertible Share warrants	4,629.34	-	-	-	-	5,805.96	-	10,435.30
Prior Period items	-	-	-	-	21.38	-	-	21.38
<b>Appropriations</b>								
General Reserve	-	102.54	-	-	(102.54)	-	-	-
Transfer to Special Economic Zone Re Investment Reserve	-	-	-	1,208.50	(1,208.50)	-	-	-
Dividend paid	-	-	-	-	(307.43)	-	-	(307.43)
Other comprehensive Income for the year	-	-	-	-	-	-	11.17	11.17
<b>Balance as at 31<sup>st</sup> Mar 24</b>	<b>13,508.83</b>	<b>662.66</b>	<b>390.57</b>	<b>2,756.30</b>	<b>14,592.67</b>	<b>5,805.96</b>	<b>27.53</b>	<b>37,744.52</b>

# Standalone Statement of Changes in Equity and Other Equity

for the year ended 31<sup>st</sup> March, 2024  
(All amounts in Lakhs, except share data and where otherwise stated)

## 2) 2022-2023 (Previous Reporting Period)

Particulars	Reserves & surplus					Other comprehensive income	Total other equity
	Securities premium	General reserve	Amalgamation reserve	Special Economic Zone Re-Investment Allowance Reserve	Retained Earnings		
<b>Balance as at 1<sup>st</sup> April 22</b>	<b>8,879.48</b>	<b>456.23</b>	<b>390.57</b>	<b>-</b>	<b>9,891.43</b>	<b>26.03</b>	<b>19,643.73</b>
<b>Current year :</b>							
Profit/(Loss)	-	-	-	-	4,156.02	-	4,156.02
<b>Appropriations</b>							-
General Reserve	-	103.90	-	-	(103.90)	-	-
Transfer to Special Economic Zone	-	-	-	1,547.80	(1,547.80)	-	-
Dividend paid	-	-	-	-	(307.43)	-	(307.43)
Other comprehensive Income for the year	-	-	-	-	-	(9.67)	(9.67)
<b>Balance as at 31<sup>st</sup> Mar 23</b>	<b>8,879.48</b>	<b>560.13</b>	<b>390.57</b>	<b>1,547.80</b>	<b>12,088.32</b>	<b>16.36</b>	<b>23,482.66</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **Rakesh S Jain & Associates**

Chartered Accountants

Firm Regn No.0101295

For and on Behalf of the Board of Directors

**Rabindra Prasad sinha**  
Executive Chairman  
DIN:00413448

**S Chidambaranathan**  
Whole-time Director & Vice Chairman  
DIN:00485497

**Pankaj Chandak, (FCA)**  
Partner  
Membership No. 229355

**Amit Raj Sinha**  
Managing Director and CEO  
DIN:01263292

**O.Subbarami Reddy**  
Chief Financial Officer

Place: Hyderabad  
Date: 27.05.2024

**Vivek Kumar**  
Company Secretary

# Standalone Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Lakhs, except share data and where otherwise stated)

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	5,513.69	5,157.77
<b>Adjustments to reconcile net loss to net cash provided by operating activities</b>		
Depreciation and amortization	870.86	662.10
Gratuity and compensated absence	15.76	(13.64)
Finance costs	701.98	428.71
PLI Incentive Income	(515.00)	-
Interest income	(382.95)	(324.01)
<b>Changes in current assets and current liabilities</b>		
Inventories	206.09	(1,645.13)
Trade receivables	(1,845.40)	(1,892.30)
Trade payables	754.37	1,039.49
Other assets	(3,224.88)	171.87
Other liabilities	271.84	302.50
<b>Cash generated from operations</b>	<b>2,366.37</b>	<b>3,887.36</b>
Income taxes paid	(861.26)	(1,119.06)
<b>Net cash flow from operating activities (A)</b>	<b>1,505.11</b>	<b>2,768.30</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(8,243.29)	(10,012.30)
PLI Incentive Income	515.00	-
Interest income	382.95	324.01
Investments	(8,691.25)	(156.66)
Other assets	210.69	562.34
<b>Net cash flow used in investing activities (B)</b>	<b>(15,825.89)</b>	<b>(9,282.61)</b>
<b>Cash flow from financing activities</b>		
Net Proceeds from issue of Share Warrants	10,643.00	-
Proceeds/(Repayment) of long-term borrowings (net)	3,207.48	10.29
Proceeds/(Repayment) of short-term borrowings (net)	3,738.07	643.23
Finance costs	(703.06)	(428.71)
Dividend	(307.43)	(307.43)
Lease Liabilities	(308.00)	2,710.92
Other liabilities	1.67	-
<b>Net cash flow (used in)/from financing activities (C)</b>	<b>16,271.73</b>	<b>2,628.30</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,950.95</b>	<b>(3,886.00)</b>
Cash and cash equivalents at the beginning of the year	2,977.23	6,863.23
<b>Cash and cash equivalents and other Bank balances at the end of the year (Refer Note 9&amp;10)</b>	<b>4,928.18</b>	<b>2,977.23</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached For and on Behalf of the Board of Directors

For **Rakesh S Jain & Associates**

Chartered Accountants

Firm Regn No.010129S

**Rabindra Prasad sinha**Whole-time Director & Chairman  
DIN:00413448**S Chidambaranathan**Whole-time Director & Chairman  
DIN:00485497**Pankaj Chandak,(FCA)**Partner  
Membership No. 229355**Amit Raj Sinha**Managing Director and CEO  
DIN:01263292**O.Subbarami Reddy**

Chief Financial Officer

Place: Hyderabad

Date: 27.05.2024

**Vivek Kumar**

Company Secretary



# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## I Corporate information

Sigachi Industries Limited was incorporated on 11<sup>th</sup> January, 1989 in Hyderabad. The Company has its registered office at 229/1 & 90, Kalyan Tulsiram Chambers, Madinaguda, Hyderabad-500049, Telangana. It was originally incorporated as Private Limited company and limited by shares. The Company has become a public limited company w.e.f 09<sup>th</sup> December, 2019. The Company listed its shares in both NSE and BSE on 15<sup>th</sup> November, 2021. It has got four production facilities spread across India. The company is engaged in manufacturing of Micro Crystalline cellulose powder (MCCP). The material accounting policies applied in the preparation of the financial statements are set out below.

## II Material Accounting Policies

### 1 Basis of Preparation and Presentation of Financial Statements

The financial statements of Sigachi Industries Limited ("the Company") for the year ended 31<sup>st</sup> March, 2024 have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and and relevant amendment rules issued there after and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The financial statements for the year ended 31 March 2024 were authorized and approved for issue by the Board of Directors on 27<sup>th</sup> May 2024.

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 IND AS is initially adopted or revision to existing IND AS requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised IND AS on an on-going basis.

The material accounting policy information related to preparation of the standalone financial statements have been discussed in the respective notes.

### 2 Summary of Material Accounting Policies.

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 realization/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.

### 2.01 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.

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 are revised if the revision effects only that period or in the period of the revision and future periods if the revision effects both current and future periods.

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 2.02 Fair value Measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 re-assessing 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.

The Management of the Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

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.

## 2.03 Provisions, contingent liabilities and contingent assets

### Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

### Contingent liability is disclosed in the notes in case of:

There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company.

A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation.

A present obligation arises from the past event, when no reliable estimate is possible.

A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## Onerous Contracts

A provision for onerous contracts is measured at the present value of the lower expected cost of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes the impairment on the assets with the contract.

## Contingent assets

Contingent assets are not recognized in the Standalone financial statements.

## 2.04 Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2024 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.

## 2.05 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All the financial information presented in Indian rupees has been rounded to the nearest Lakhs as per the requirement of Schedule III to the Act, unless stated otherwise.

## Foreign Currencies :

In preparing the financial statements of the company transactions in currencies other than the entity's functional currency (foreign currencies) are recognized 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.

## 2.06 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 amortization and accumulated impairment losses.

### Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight line basis over their estimated useful lives. The estimated useful life and amortization 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 on Property, Plant and Equipment (PPE) and Intangible assets is calculated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013.

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 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 recognized 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss statement.

## 2.07 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. 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 determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the

inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 2.08 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 financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the



# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

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 recognized 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 recognized in the Statement of Profit and Loss.

### iii. De-recognition of Financial Liabilities

Financial liabilities are de-recognized 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.

## 2.09 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.

## 2.10 Employee Benefits

### Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized 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.



# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

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 recognized 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.

## 2.11 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.

## 2.12 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.

## 2.13 Estimates and assumptions

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that effect 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.

## 2.14 Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can

be reliably measured, regardless of when the payment is being made. When a performance obligation is satisfied, the revenue is measured at the transaction price which is consideration received or receivable, net of returns and allowances, trade discounts and volume rebates after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company derives revenues primarily from manufacture of Microcrystalline Cellulose and Contracts in the nature of Operation and Management.

The following is summary of material accounting policies relating to revenue recognition. Further, refer note no. 24 for disaggregate revenues from contracts with customers

## Sale of products

The Company recognizes revenue for supply of goods to customers against orders received. The majority of contracts that company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products as per Ind AS 115. Product revenue is recognized when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement. Revenue is not recognized until it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Amount representing the profit share component is recognized as revenue only to the extent that it is highly probable that a significant reversal will not occur.

The Company also recognizes revenue where goods are ready as per customer request and pending dispatch at the instance of the customer. In such cases, the products are separately identified as belonging to the customer and the Company does not hold the right to redirect the product to another customer. On satisfaction of all performance obligations, invoice is raised on the customer in accordance with customer request at regular payment terms.

## Sale of services

Revenue from services rendered, which primarily relate to contract research, is recognized in the statement of profit and loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognized as revenue over the expected period over which the related services are expected to be performed.

## Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from the

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

## Interest income

For all debt financial instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in finance income in the Statement of Profit and Loss.

## Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## 2.15 Income Tax

### Current Tax

Current income tax is recognized 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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects 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 realize the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognized 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.

## 2.16 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.

## 2.17 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 realizable 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 realizable value of work -in-progress is determined with reference to the selling prices of related finished products.

## 2.18 Trade Receivables

A receivable is recognized if an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due.)

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

The Management has established a credit policy under which each new customer is analyzed individually for credit worthiness before the company's standard payment terms offered up to 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.

## 2.19 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.

## 2.20 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.

## 2.21 Investments in subsidiaries

In respect of equity investments, the entity prepares separate financial statements and account for its investments in subsidiaries at cost, net of impairment if any.

## 2.22 Research and Development

Revenue expenditure on research and development is charged to revenue in the period in which it is incurred. Capital expenditure on research and development is added to property, plant and equipment and depreciated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013.

## 2.23 Measurement of EBITDA

The Company presents EBITDA in the statement of profit or loss, which is neither specifically required by Ind AS 1 nor defined under Ind AS. Ind AS complaint Schedule III allows companies to present line items, sub-line items and sub totals shall be presented as an addition

or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

## 2.24 New standards and interpretations not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## 2.25 Segment accounting and reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the standalone financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Standalone Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers. Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company's intermediate and final products and estimated realizable value in case of by-products
- Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable"

## Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 2.26 Assets (or disposal group) held for sale and discontinued operation

Assets (or disposal group) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

- Represent as separate major line of business or geographical area of operations,
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before/ after tax from discontinued operations in the statement of profit and loss.

## 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	Software	Total
<b>Gross carrying value (at cost)</b>									
Closing gross carrying value as at 31 <sup>st</sup> March, 2022	317.97	1,892.74	4,064.08	103.46	180.31	240.16	26.70	83.56	83.56
Additions	2,470.53	578.73	1,186.30	85.06	149.51	154.19	-	5.13	5.13
Disposals	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying value as at 31<sup>st</sup> March, 2023</b>	<b>2,788.51</b>	<b>2,471.46</b>	<b>5,250.38</b>	<b>188.53</b>	<b>329.81</b>	<b>394.35</b>	<b>26.70</b>	<b>88.69</b>	<b>88.69</b>
<b>Accumulated Depreciation</b>									
Opening accumulated depreciation	-	307.65	948.23	48.86	91.82	135.19	23.32	12.51	12.51
Depreciation charged during the year	-	62.94	222.15	9.10	37.85	25.32	0.74	7.54	7.54
Disposals	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>370.60</b>	<b>1,170.38</b>	<b>57.97</b>	<b>129.67</b>	<b>160.51</b>	<b>24.06</b>	<b>20.05</b>	<b>20.05</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>2,788.51</b>	<b>2,100.86</b>	<b>4,080.00</b>	<b>130.56</b>	<b>200.15</b>	<b>233.84</b>	<b>2.64</b>	<b>68.64</b>	<b>68.64</b>
<b>Gross carrying value (at cost)</b>									
Closing gross carrying value as at 31 <sup>st</sup> March, 2023	2,788.51	2,471.46	5,250.38	188.53	329.81	394.35	26.70	88.69	88.69
Additions	24.74	403.94	1,258.46	76.94	263.59	0.26	-	18.37	18.37
Disposals	-	-	-	-	-	21.31	-	-	-
<b>Closing gross carrying value as at 31<sup>st</sup> March, 2024</b>	<b>2,813.25</b>	<b>2,875.40</b>	<b>6,508.84</b>	<b>265.46</b>	<b>593.40</b>	<b>373.29</b>	<b>26.70</b>	<b>107.06</b>	<b>107.06</b>
<b>Accumulated Depreciation</b>									
Opening accumulated depreciation	-	370.60	1,170.38	57.97	129.67	160.51	24.06	20.05	20.05
Depreciation charged during the year	-	80.66	270.40	19.15	89.59	34.12	0.31	8.63	8.63
Disposals	-	-	-	-	-	20.25	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>451.26</b>	<b>1,440.78</b>	<b>77.11</b>	<b>219.26</b>	<b>174.37</b>	<b>24.36</b>	<b>28.68</b>	<b>28.68</b>
<b>Net carrying amount as at 31.03.2024</b>	<b>2,813.25</b>	<b>2,424.14</b>	<b>5,068.06</b>	<b>188.35</b>	<b>374.14</b>	<b>198.92</b>	<b>2.34</b>	<b>78.38</b>	<b>78.38</b>

#### 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 equipment's 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
<b>Balance as at April 01,2022</b>	<b>971.15</b>
Additions	3,513.89
Capitalized during the year	994.67
<b>Balance as at March 31,2023</b>	<b>3,490.37</b>
Balance as at April 01,2023	3,490.37
Additions	6,613.96
Capitalized during the year	1,047.88
<b>Balance as at March 31,2024</b>	<b>9,056.46</b>

Capital Assets under the work in progress are under hypothecation for the term loan availed by the company.

CWIP aging schedule:	FY 23-24		FY 22-23	
CWIP	Projects in Progress	Projects temporarily suspended	Projects in Progress	Projects temporarily suspended
Less than 1 Year	6,613.98	-	3,213.09	-
1-2 Years	2,442.48	-	173.80	-
2-3 years	-	-	103.48	-
More than 3 Years	-	-	-	-
<b>Total</b>	<b>9,056.46</b>	<b>-</b>	<b>3,490.37</b>	<b>-</b>

### c.) Intangible Assets Under Development:

Particulars	Amount
Balance as at April 01,2023	-
Additions	61.80
Capitalized during the year	-
<b>Balance as at March 31,2024</b>	<b>61.80</b>

#### Intangible Assets Under Development:

CWIP	FY 23-24	
	Projects in Progress	Projects temporarily suspended
Less than 1 Year	61.80	-
1-2 Years	-	-
2-3 years	-	-
More than 3 Years	-	-
<b>Total</b>	<b>61.80</b>	<b>-</b>

### d.) Lease Assets

Particulars	Amount
<b>Gross carrying value (at Cost)</b>	
Closing gross carrying value as at 31 <sup>st</sup> March,2022	-
Additions	2,863.62
Disposals	-
<b>Closing gross carrying value as at 31<sup>st</sup> March,2023</b>	<b>2,863.62</b>
<b>Accumulated Depreciation</b>	
Opening accumulated depreciation	-
Depreciation charged during the year	296.46
Disposals	-
<b>Closing accumulated depreciation</b>	<b>296.46</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>2,567.16</b>



# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## Note 3 : d.) Lease Assets (Contd..)

Particulars	Amount
<b>Gross carrying value (at Cost)</b>	
Closing gross carrying value as at 31 <sup>st</sup> March, 2023	2,863.62
Additions	676.19
Disposals	156.63
<b>Closing gross carrying value as at 31<sup>st</sup> March, 2024</b>	<b>3,383.18</b>
<b>Accumulated Depreciation</b>	
Opening accumulated depreciation	296.46
Depreciation charged during the year	368.04
Disposals	50.65
<b>Closing accumulated depreciation</b>	<b>613.85</b>
<b>Net carrying amount as at 31.03.2024</b>	<b>2,769.33</b>

## Non-Current Assets

### 4 Non-Current Investments

Investments in other companies in equity instruments at cost.

Unquoted equity shares (fully paid up)

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
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	156.66
Equity shares of 2,88,00,000 @ 34.72 each (80% subsidiary - Trimax Bio Sciences Pvt Ltd)	10,000.00	-
Investments in Pasha Mailaram Common Infrastructure Pvt Ltd	15.00	15.00
	<b>10,184.65</b>	<b>184.65</b>

### 5 Other Non-Current Financial Assets

Unsecured and considered good

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Security deposits	117.68	24.04
Electricity deposits	148.49	118.79
Rental deposits	12.19	96.00
IPO Deposits	125.43	125.43
Bank deposits with more than 12 months maturity	1,430.00	1,800.00
Other deposits	116.65	88.25
	<b>1,950.44</b>	<b>2,252.51</b>

### 6 Other Non Current Assets

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Capital Advances	921.80	1644.29
	<b>921.80</b>	<b>1,644.29</b>

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## Current Assets

### 7 Inventories

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Raw material	1,982.24	2,255.96
Packing material	138.84	85.36
Consumables	10.41	13.67
Coal and furnace oil	61.79	76.13
Finished goods	315.83	495.46
	<b>2,509.11</b>	<b>2,926.58</b>
Work-in-process	583.47	372.08
	<b>3,092.58</b>	<b>3,298.66</b>

#### Valuation:

- Raw materials and Packing materials are valued at lower of cost or net realizable 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 realizable value which ever is lower.

### 8 Trade Receivables

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>Receivable from others:</b>		
Considered good-Un secured	8,425.37	7,182.55
Considered doubtful-Un secured	46.67	46.67
Less: Expected credit loss allowance	(110.78)	(101.62)
	<b>8,361.27</b>	<b>7,127.60</b>
<b>Receivable from Subsidiary:</b>		
Considered good -Un secured	2,599.44	1,987.70
Less: Expected credit loss allowance	-	-
	<b>2,599.44</b>	<b>1,987.70</b>
<b>Total Receivables</b>	<b>10,960.70</b>	<b>9,115.30</b>

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 subsidiaries 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 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Balances with banks		
In Current accounts	881.78	1,073.52
In Deposit account	-	-
(margin money with banks, the maturity of the period of which is less than 3 months)		
Cheque in Transit	74.13	-
Cash on hand	6.78	2.90
Others (Balances with bank for dividend payment)	1.45	0.56
	<b>964.14</b>	<b>1,076.97</b>

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 10 Bank Balances Other Than Cash And Cash Equivalents

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Deposits with original maturity of more than 3 months	3,964.03	1,900.26
	<b>3,964.03</b>	<b>1,900.26</b>

## 11 Other Financial Assets

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Interest accrued but not due-fixed Deposits	224.48	82.23
Advances to Suppliers	3,324.45	496.32
Advances to staff	46.18	13.52
Export Incentive receivable	72.02	99.70
PLI Incentive Receivable	515.00	-
	<b>4,182.14</b>	<b>691.78</b>

## 12 Other Current Assets

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>Unsecured and considered good</b>		
Balances with statutory/government authorities	820.16	578.40
Advance Tax	-	30.78
Other Advances for Expenses	80.37	40.45
Prepaid expenses	213.73	124.36
Unbilled revenue	334.26	290.98
Others	156.62	-
	<b>1,605.14</b>	<b>1,064.97</b>

## 13: Equity Share Capital

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>Authorized share capital</b>		
43,00,00,000 Equity shares of Rs.1/- each	4,300.00	3,200.00
<b>Issued, subscribed and fully paid-up</b>		
32,81,94,980 Equity Shares of Rs.1/- each with voting rights	3,281.95	3,074.25
	<b>3,281.95</b>	<b>3,074.25</b>

### a. Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 <sup>st</sup> Mar 24		As at 31 <sup>st</sup> Mar 23	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year (Refer Note b)	3,074.25	3,074.25	3,074.25	3,074.25
Issued during the year (Refer Note c)	207.70	207.70	-	-
<b>Outstanding at the end of the year</b>	<b>3,281.95</b>	<b>3,281.95</b>	<b>3,074.25</b>	<b>3,074.25</b>

### b. Sub Division of Shares

In the Board Meeting held on 10.08.2023, the board considered the proposal for sub-division of 1(one) equity share of the Company having face value of Rs.10/- each into 10(Ten) equity shares having face value of Re.1/- each. The same was approved in the AGM held on 07.09.2023.

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 13: Equity Share Capital (Contd..)

### c. Allotment of Shares

The company has allotted 1,60,51,900 equity shares of Re.1/- each to non promoters on conversion of 16,05,190 warrants (Post Split-1,60,51,900) at an issue price of Rs.261/- per share of Rs.10/- (Rs26.10/- per share of Re.1/- each on 09.10.2023.

The company has allotted 47,18,080 equity shares of Re.1/- each to non promoters on conversion of 4,71,808 warrants (Post Split-47,18,080) at an issue price of Rs.261/- per share of Rs.10/- (Rs26.10/- per share of Re.1/- each on 06.03.2024.

### d. Issue of Convertible Warrants on Preferential Basis

The Company has intended to raise the funds by way of issue of Convertible Warrants on Preferential Basis to the Promoters and Non Promoters in the board meeting held on 29.06.2023 and the same was approved in Extraordinary General Meeting held on 26.07.2023. The company allotted 1,09,75,000 Convertible Warrants at an issue price of Rs.261/- per warrant to Promoters and Non Promoters as approved by the general body and in terms of the In-Principle approval accorded by the exchanges in the board Meeting held on 10.08.2023. The company can receive the funds against such warrants in one or more tranches.

### e. Rights attached to the equity shares

The company has only one class of shares having a face value of Rs. 1/- 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.

### f. Details of shareholders holding more than 5% shares in the company (refer note below)

Particulars	As at 31 <sup>st</sup> Mar 24		As at 31 <sup>st</sup> Mar 23	
	No of Shares	% of holding	No of Shares	% of holding
RPS Industries Private Limited	7,53,17,250	22.95%	75,31,725	24.50%
Beg Raj Yadav	2,14,20,000	6.53%	21,42,000	6.97%
Chidambarnathan Shanmuganathan	1,94,08,350	5.91%	19,40,835	6.31%

### g. Details of shares held by Promoters (refer note below)

Particulars	As at 31 <sup>st</sup> Mar 24		% Change during the year	As at 31 <sup>st</sup> Mar 23	
	No of Shares	% of holding		No of shares	% of holding
RPS Industries Private Limited	7,53,17,250	22.95%	-1.55%	75,31,725	24.50%
Chidambarnathan Shanmuganathan	1,94,08,350	5.91%	-0.40%	19,40,835	6.31%
Rabindra Prasad Sinha	1,52,58,400	4.65%	-0.31%	15,25,740	4.96%
Amit Raj Sinha	1,29,53,100	3.95%	-0.27%	12,95,310	4.21%
Dharani Devi Chidambaranatham	74,36,250	2.27%	-0.15%	7,43,625	2.42%
Nitin Raj Sinha	63,74,250	1.94%	-0.13%	6,37,425	2.07%
Rabindra Prasad Sinha Family Trust	46,25,400	1.41%	-0.09%	4,59,960	1.50%
Smita Sinha	31,06,250	0.95%	-0.06%	3,10,625	1.01%
Amit Raj Sinha Family Trust	29,62,500	0.90%	-0.06%	2,96,250	0.96%
Sudha Sinha	8,54,400	0.26%	-0.02%	85,440	0.28%
Bimla Sharma	4,61,250	0.14%	-0.01%	46,125	0.15%
Karthika Thavamani Chidambaranatham	1,68,750	0.05%	0.00%	16,875	0.05%
Bhavani Shanmugam Chidambaranathan	1,68,750	0.05%	0.00%	16,875	0.05%

**Note:** The change in the % of share holding was due to increase in paid up capital and change in no of shares when compared to previous year was due to sub-division of 1(one) equity share of the Company having face value of Rs.10/- each into 10(Ten) equity shares having face value of Re.1/- each.

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 14 Non- Current Borrowings

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>a) Financial Liabilities</b>		
<b>Secured</b>		
Vehicle loans	-	-
Term loans	2,657.98	101.03
	<b>2,657.98</b>	<b>101.03</b>

### 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 and a corporate guarantee of RPS Industries Ltd.

### Details of Indian rupee term loans as under:

Particulars	Terma Loan	Terma Loan
Bank Name	Kotak Mahindra bank	Kotak Mahindra bank
Outstanding as on 31.03.2024	101.07	3,295.06
Non Current:	14.42	2,643.56
Current:	86.65	651.50
Outstanding as on 31.03.2023	187.69	-
Non Current:	101.03	-
Current:	86.65	-
Bank Name	Kotak Mahindra bank	Kotak Mahindra bank
Outstanding as on 31.03.2024	101.07	3,295.06
Non Current:	14.42	2,643.56
Current:	86.65	651.50
Outstanding as on 31.03.2023	187.69	-
Non Current:	101.03	-
Current:	86.65	-
Sanction amount	223.85	3,375.93
Total No.of installments	31	57
Installments Due	15	57
Commencement of installments	25-Nov-22	10-May-24
Effective interest rate	As on 31.03.2024 Repo of 6.5% plus spread 2.85% (March 31, 2023 :Repo of 6.5% plus spread 2.85%)	As on 31.03.2024 Repo of 6.5% plus spread 2.6%

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 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Lease Liabilities	2,045.63	2,306.10
	<b>2,045.63</b>	<b>2,306.10</b>

### Details regarding the contractual maturities of Non Current lease liabilities as at 31<sup>st</sup> March 2024.

Particulars	1 to 5 Years	More than 5 Years
Lease Liability	837.79	1,207.84

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 16 Provisions

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>Provision for employee benefits</b>		
Leave encashment	39.86	35.14
Gratuity	136.51	114.01
	<b>176.37</b>	<b>149.15</b>

## 17 Deferred Tax Liabilities (Net)

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
The movement on the deferred tax account is as follows:		
At the start of the year	519.76	544.38
Charge/(credit) to statement of profit and loss (for details refer note 30)	325.39	(24.62)
<b>At the end of year</b>	<b>845.15</b>	<b>519.76</b>

## Current Liabilities

### 18 Borrowings

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>Secured:</b>		
From banks	7,678.10	3,940.03
	<b>7,678.10</b>	<b>3,940.03</b>

### 18 Borrowings (Contd..)

#### 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 31.03.2024	Outstanding as on 31.03.2023
<b>Loans repayable on demand-Secured</b>		
Kotak Mahindra Bank- Cash Credit	1,837.32	1,328.42
Kotak Mahindra Bank- Packing Credit	3,833.03	1,650.45
Kotak Mahindra Bank- Buyers Credit	2,007.76	961.16

### 19 Lease Liabilities

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Lease Liabilities	357.28	404.82
	<b>357.28</b>	<b>404.82</b>

Details regarding the contractual maturities of Current lease liabilities as at 31<sup>st</sup> March 2024.

Particulars	1 Year
Lease Liability	357.28



# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 20 Trade Payables-Other financial liabilities -Current

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Due to micro, small and medium enterprises	55.83	-
Others	2,694.77	1,996.23
	<b>2,750.60</b>	<b>1,996.23</b>

Refer Note no. 35.B for trade payables ageing

## 21 Other Financial Liabilities-Current

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Current maturity of loans:		
Term loans(Secured)	738.15	86.65
Vehicle loans(Secured)	-	0.96
	<b>738.15</b>	<b>87.61</b>

## 22 Other Current Liabilities

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Statutory remittances	111.88	100.87
Accrued expense payable	363.87	263.71
Employee benefits payable	423.09	336.57
Security Deposits	-	48.00
Unpaid Dividend	1.45	0.56
Advances from customers	175.82	80.79
Other Current Liabilities	1,309.53	-
	<b>2,385.64</b>	<b>830.50</b>

## 23 Current tax liabilities(Net)

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Provision for Income tax	199.43	-
	<b>199.43</b>	<b>-</b>

## 24 Revenue From Operations

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Sale of products	28,241.05	26,378.83
Sale of services	3,508.92	2,653.54
	<b>31,749.97</b>	<b>29,032.37</b>
<b>i. Sale of products</b>		
<b>Export</b>		
MCCP	19,534.51	17,856.19
Others	1,057.90	1,198.14
<b>Domestic</b>		
MCCP	7,233.08	6,997.73
Others	415.56	326.77
	<b>28,241.05</b>	<b>26,378.83</b>
<b>ii. Sale of services</b>		
Operational and Management	3,508.92	2,653.54
	<b>3,508.92</b>	<b>2,653.54</b>

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 25 Other Income

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Duty drawback	8.61	1.96
Interest on fixed deposits	381.30	324.01
Interest on electricity deposit	2.36	3.03
Net gain/(loss) on foreign currency transactions	245.15	338.16
PLI Incentive Income	515.00	-
Others	4.90	-
	<b>1,157.32</b>	<b>667.17</b>

## 26 Cost of Materials Consumed

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Opening stock	2,431.12	1,214.02
Add:Purchases	13,954.03	14,988.83
Less: Closing stock	2,193.28	2,431.12
	<b>14,191.88</b>	<b>13,771.73</b>

## 27 Purchases of Stock in Trade

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Trading Materials	461.11	137.18
	<b>461.11</b>	<b>137.18</b>

## 28 Changes in Inventories of Work-In-Process and Finished Goods

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
<b>Inventories at the end of the year</b>		
Finished Goods	315.83	495.46
Work-in- process	583.47	372.08
	<b>899.29</b>	<b>867.54</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	495.46	269.52
Work-in- process	372.08	170.00
<b>Net (increase)/decrease</b>	<b>(31.75)</b>	<b>(428.03)</b>

## 29 Employee Benefit Expense

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Salaries and wages	3,806.18	2,594.85
Contribution to provident and other funds	280.44	206.72
Directors remuneration	638.31	602.03
Staff welfare expenses	191.33	196.67
	<b>4,916.25</b>	<b>3,600.27</b>

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 30 Finance Costs

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Interest on borrowings	276.00	138.88
Bank Charges	245.50	84.07
Interest Expense	179.71	170.24
Other borrowing costs	0.78	35.52
	<b>701.98</b>	<b>428.71</b>

## 31 Other Expenses

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
<b>Manufacturing Expenses</b>		
Power and Fuel Expenses	755.08	538.26
Stores and Spares	45.56	23.81
Repairs and maintenance		
Building	103.46	85.27
Machinery	117.34	58.82
Others	138.51	83.82
Wages and labour charges	1,545.20	1,496.51
Lab Expenses	55.03	48.12
Water Charges	130.47	114.42
	<b>2,890.64</b>	<b>2,449.03</b>
<b>Administration, Selling and Other Expenses</b>		
Rent	64.12	62.57
Electricity charges	6.11	9.37
Insurance	235.45	206.71
Rates and taxes	59.06	44.01
R&D Expenses	5.92	50.81
Printing and stationery	39.42	33.92
Selling Expenses	783.42	546.68
Travelling and conveyance	340.19	274.86
Professional & consultancy fees	508.53	500.47
Remuneration to auditors		
Statutory audit	12.00	4.00
Tax audit	5.00	1.00
Communication expenses	71.35	60.16
Carriage Outward	1,086.30	1,938.33
Impairment loss recognized / (reversed) under expected credit loss model	9.16	49.83
Membership and Subscription Charges	7.73	3.65
Security Charges	55.45	34.99
Other general Expenses	9.75	20.15
CSR (Refer Note no 42)	93.65	79.25
	<b>3,392.63</b>	<b>3,920.78</b>
<b>Total</b>	<b>6,283.27</b>	<b>6,369.82</b>

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 32 Income Taxes

### Income tax expense/ (benefit) recognized in the statement of profit and loss

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Current tax expense	1,091.46	1,022.40
Deferred tax expense	325.39	(24.62)
<b>Total income tax expense</b>	<b>1,416.85</b>	<b>997.78</b>

### Reconciliation of effective tax rate

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Profit before income tax	5,513.69	5,157.77
Tax rate	29.12%	29.12%
<b>Expected tax expense</b>	<b>1,605.59</b>	<b>1,501.94</b>
<b>Adjustments:</b>		
Deduction u/s 10AA(SEZ)-50% of profits	(1,208.50)	(1,547.80)
80JJAA Deduction	(107.15)	(121.97)
Expenses not deductible for tax purpose	1,136.64	839.31
Expenses deductible for tax purpose	(1,616.41)	(819.04)
<b>Total</b>	<b>(1,795.42)</b>	<b>(1,649.50)</b>
<b>Profit after adjustments</b>	<b>3,718.27</b>	<b>3,508.27</b>
<b>Interest u/s 234 b&amp;C</b>	<b>8.70</b>	<b>0.79</b>
<b>Income tax expense</b>	<b>1,091.46</b>	<b>1,022.40</b>
<b>Effective tax rate</b>	<b>19.80%</b>	<b>19.82%</b>

### 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 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
<b>Deferred tax (assets)/liabilities:</b>		
Property, plant and equipment	135.56	5.67
Current liabilities & provisions	78.55	(26.31)
Leases	106.70	-
Actruial gain	4.59	(3.97)
<b>Net deferred tax liabilities</b>	<b>325.39</b>	<b>(24.62)</b>

### Movement in deferred tax assets and liabilities during the years ended 31<sup>st</sup> Mar 2024 and 31<sup>st</sup> Mar 2023

Particulars	As at 31 <sup>st</sup> Mar 23	Charge/(credit) to profit or loss	As at 31 <sup>st</sup> Mar 24
<b>Deferred tax (assets)/liabilities:</b>			
Property, plant and equipment	5.67	129.89	135.56
Current liabilities & provisions	(26.31)	104.86	78.55
Leases	-	106.70	106.70
Actruial gain	(3.97)	8.56	4.59
<b>Net Deferred tax Liabilities</b>	<b>(24.62)</b>	<b>350.01</b>	<b>325.39</b>

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 33 Employee Benefits

### a. Defined contribution plan

Employer contribution to provident fund and Employees state insurance are recognized 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.

#### 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 recognized in the financial statements in respect of retiring gratuity plan:

#### a. Changes in the present value of obligation

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Defined benefit obligation as at beginning of the year	114.01	79.44
Current service cost	24.30	19.41
Interest cost	8.23	5.70
Actuarial (gain)/loss	(5.01)	9.45
Benefits paid	(5.02)	-
<b>Defined benefit obligation as at the end of the year</b>	<b>136.51</b>	<b>114.01</b>

#### b. Fair value of assets and obligations

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
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	-	-
<b>Fair value of plan assets as at the end of the year</b>	<b>-</b>	<b>-</b>

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Fair value of plan assets	-	-
Present value of obligation	136.51	114.01
<b>Amount recognized in balance sheet</b>	<b>(136.51)</b>	<b>(114.01)</b>

## Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 33 Employee Benefits (Contd..)

#### c. Expenses recognized during the year

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
<b>In income statement</b>		
Interest cost/(income)	8.23	5.70
Current service cost	24.30	19.41
<b>Expenses recognized in the income statement</b>	<b>32.53</b>	<b>25.11</b>
<b>In other comprehensive income (OCI)</b>		
Actuarial (gain)/loss		
Experience Variance	(5.01)	9.45
Others	-	-
Return on plan assets	-	-
<b>Net (income)/expense recognized in OCI</b>	<b>(5.01)</b>	<b>9.45</b>

#### d. Actuarial assumptions

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Discount rate (per annum)	7.10%	7.38%
Salary growth rate (per annum)	5.00%	5.00%

#### e. 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 31 <sup>st</sup> Mar 24		As at 31 <sup>st</sup> Mar 23	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	150.53	124.57	124.68	104.82
Change in rate of salary increase	118.01	158.92	96.93	134.92
Change in rate of attrition	132.70	140.41	98.48	127.39
Change in rate of mortality	135.70	137.27	110.90	117.20

### 34 Earnings per Share

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Profit after tax attributable to equity shareholders	4,101.43	4,156.02
Weighted average number of equity shares for Basic EPS	3,154.00	3,074.25
Weighted average number of equity shares for Diluted EPS	3,724.45	3,074.25
Basic earnings per share	1.30	1.35
Diluted earnings per share	1.10	1.35

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.



## Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 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	9,510.77	692.99	562.57	65.82	81.88	10,914.03
(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	-	-	-	-	-	-

### 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	55.83	-	-	-	55.83
(2) Others	2,601.07	49.03	12.29	32.39	2,694.77
(3) Disputed dues- MSME	-	-	-	-	-
(4) Disputed dues- Others	-	-	-	-	-

### 35.C Capitalization of borrowing costs.

As per Indian Accounting standard -16, para 6, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalized as part of the cost of the Asset. During the year the company has capitalized the borrowing costs of Rs. 1,40,91,827/- at rate of 9.1%. During previous year there was no capitalization of borrowing costs, as the capital expenditure was incurred out of the funds raised through IPO Proceeds.

## 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
Subsidiary	Trimax Bio Sciences Private Limited	Owned by Company
Key management personnel	Mr. R.P Sinha	Executive chairman
	Mr. S. Chidambaranathan	Executive vice chairman
	Mr. Amit Raj Sinha	MD & CEO
Relatives of KMP	Mrs. Swati Sinha	Wife of Director
Relatives of KMP	Mr. C. Bhavani Shanmugam	Son of director
Entities controlled by KMP	RPS Industries Private Limited	Entity controlled by KMP

## Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 36 Related Parties (Contd..)

#### b. Transactions with Related parties

Nature of transaction	Name of the related party	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Managerial remuneration	Mr.R.P Sinha	158.81	149.72
	Mr.S.Chidambaranathan	158.81	149.72
	Mr.Amit Raj Sinha	240.41	220.52
	Mrs.Swati Sinha	13.50	-
	Mr.Vijay Bhavsar	-	3.00
Rent	Mr.Amit Raj Sinha	20.61	19.21
Sales	Sigachi US,Inc	4,550.08	3,849.44
Sales	Sigachi MENA FZCO	471.78	-
Purchases	Trimax Bio Sciences Pvt Ltd	2,750.82	-
Lease Rentals	RPS Industries Private Limited	360.59	263.26

Managerial remuneration	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Short Term Employee Benefits	571.52	522.97
Post Employment Benefits	-	-

#### c. Balances as at 31<sup>st</sup> Mar 2024

Nature of transaction	Name of the related party	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Managerial remuneration	R.P Sinha	4.2	-
	S.Chidambaranathan	-	3.29
	Amit Raj Sinha	-	-
Rent payable	Amit Raj Sinha	1.53	1.61
Sales receipts	Sigachi US,Inc	2,127.66	1,987.70
Sales receipts	Sigachi MENA FZCO	471.78	-
Pre Operative Expenses	Sigachi MENA FZCO	18.84	-
Purchases	Trimax Bio Sciences Pvt Ltd	(2,750.82)	-

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 companies in which some of the directors are directors in those subsidiaries as stated above). Maximum amount outstanding from the above - 2,618.27 Lakhs

#### Personal Guarantees given by Directors:

Residential Flat bearing No:S-1,Second Floor of Jaya Villa, HNO:8-2-293/82/HH/66/A Plot No:66 of HUDA Heights, TS No:5(P) Block J, TS No:14(p), Block Ward No:12 Of Hakimpet Village(Shaikpet) Situate at MLA colony Road No:12, Banjara Hills, Golkonda Mandal,RR Dist Pincode-500034 in the name of Rabindra Prasad Sinha – Undivided share of 75 sq.yards.

### 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 31<sup>st</sup> March 2024 are Rs.3,85,34,323/- and as at 31<sup>st</sup> March 2023 are Rs.3,01,71,696/-.

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 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 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
a. Principal amount due to suppliers registered under the MSMED act and remaining unpaid as at year end.	55.83	-
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.78	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

## 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 31<sup>st</sup> Mar 24 are as follows

Particulars	Carrying value	Level of input used in			Fair value
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
<b>At Amortized cost</b>					
Investments*	-	-	-	-	-
Trade receivables	10,960.70	-	-	-	10,960.70
Cash and cash equivalents	964.14	-	-	-	964.14
Other bank balances	3,964.03	-	-	-	3,964.03
Other financial assets	4,182.14	-	-	-	4,182.14
<b>Financial liabilities</b>					
<b>At Amortized cost</b>					
Borrowings	10,336.08	-	-	10,336.11	10,336.11
Trade payables	2,694.77	-	-	-	2,694.77
Other financial liabilities	738.15	-	-	-	738.15

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 40 Financial Instruments valuation

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> Mar 23 are as follows

Particulars	Carrying value	Level of input used in			Fair value
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
<b>At Amortized cost</b>					
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
<b>Financial liabilities</b>					
<b>At Amortized cost</b>					
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

\* 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.

## 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 31,2024	March 31,2023
Non current borrowings	2,657.98	101.03
Current borrowings	8,416.25	4,027.65
<b>Total debts</b>	<b>11,074.23</b>	<b>4,128.68</b>
Less: Cash and cash equivalents	964.14	1,076.97
Other bank balances	5,394.03	3,700.26
<b>Adjusted net debts</b>	<b>4,716.05</b>	<b>(648.55)</b>
Equity	3,281.95	3,074.25
Other equity	37,744.52	23,482.66
<b>Total equity</b>	<b>41,026.47</b>	<b>26,556.91</b>
<b>Adjusted net debt to equity ratio</b>	<b>0.11</b>	<b>(0.02)</b>

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 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.

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
<b>31-Mar-24</b>			
Non current borrowings	738.15	2,065.71	592.27
Current borrowings	7,678.10	-	-
Trade payables	2,694.77	-	-
Other payables	4,788.55	-	-
	<b>15,899.57</b>	<b>2,065.71</b>	<b>592.27</b>
<b>31-Mar-23</b>			
Non current borrowings	87.61	101.03	
Current borrowings	3,940.03	-	
Trade payables	1,996.23	-	
Other payables	830.50	-	
	<b>6,854.38</b>	<b>101.03</b>	<b>-</b>

### 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.

## Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 42 Financial Risk Management (Contd..)

#### 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	USD (In Lakhs)	
	March 31, 2024	March 31, 2023
<b>Assets</b>		
Cash and bank balances in USD	0.01	1.01
Trade receivables	80.71	61.88
Other assets	-	-
<b>Total</b>	<b>80.72</b>	<b>62.89</b>
<b>Liabilities</b>		
Trade payables	8.88	7.53
Other liabilities	70.17	-
<b>Total</b>	<b>79.05</b>	<b>7.53</b>
<b>Net Exposure</b>	<b>1.67</b>	<b>55.36</b>

#### 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.

#### 31-Mar-24

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement	0.02	(0.02)	-	-
USD				
	<b>0.02</b>	<b>(0.02)</b>	<b>-</b>	<b>-</b>

#### 31-Mar-23

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement	0.55	(0.55)	-	-
USD				
	<b>0.55</b>	<b>(0.55)</b>	<b>-</b>	<b>-</b>

#### 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.



# 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 Interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the company is as follows:

Particulars	March 31,2024	March 31,2023
<b>Floating rate instruments</b>		
<b>Financial liabilities</b>		
Term loans from banks	3,396.13	187.69
Working capital facilities from bank	7,678.10	3,940.03
<b>Total</b>	<b>11,074.23</b>	<b>4,127.72</b>

### 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 summarized 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
<b>31-Mar-24</b>		
Variable rate loan instruments	27.69	(27.69)
<b>31-Mar-23</b>		
Variable rate loan instruments	10.32	(10.32)

## 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, 2024	March 31, 2023	% of Variance	Reasons for variance
Current ratio (in times)	Current Assets	Current Liabilities	1.76	2.36	-25.68%	Variance is due to increase in current liabilities because of increase in Bank borrowings.
Debt - Equity Ratio (in times)	Total Debt	Equity and Other Equity	0.27	0.16	73.63%	The Variance is due to increase in total debt.
Debt Service Coverage ratio (in times)	EBITA(Earnings before interest, amortization and tax)	Interest expenses including interest on lease liabilities.	0.64	1.47	-56.53%	The variance is due to increase in interest on borrowings.
Return on Equity ratio (in %)	Profit after tax	Average share holders equity	12.14%	16.87%	-28.05%	The variance is due to decrease in profits.
Inventory turnover ratio (in times)	Revenue Annualized	Average Inventory	69.62	68.97	0.95%	-
Trade Receivables Turnover ratio (in times)	Revenue Annualized	Average trade receivables	3.16	3.55	-11.00%	-
Trade payables Turnover ratio (in times)	Cost of materials consumed	Average trade payables	6.28	9.36	-32.87%	The variance is due to decrease in purchases.
Net Capital Turnover Ratio (in times)	Revenue	Working Capital(Current Assets - Current Liabilities)	3.09	3.00	2.79%	-
Net Profit Ratio (in %)	Profit after tax	Net Sales	12.46%	14%	-10.93%	-
Return on Capital Employed (in %)	EBITA(Earnings before interest and tax)	Capital Employed (Tangible net worth+total debt+Deferred tax liability)	13.96%	20.56%	-32.09%	The variance is due to increase in Employee Benefits Expenses.
Return on investment (in %)	Int. income from financial assets + Net gain on financial asset measured at FMV through P/L A/c	Investment (Non-current & Current) + loans receivable (Non-current & Current) - Investments in equity instruments of subsidiaries	7.07%	8.76%	-19.27%	-

# Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 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	90.33
Amount of Expenditure Incurred	93.65
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. Safe water drinking Facility

## 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 invited 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) Hypothecation: First and exclusive charge on all existing and future current assets /moveable fixed assets of the borrower other than any encumbered assets.  
  
All collateral securities and hypothecation on present and future current assets/moveable fixed assets of the borrower would be extended to WTCL under ECGLS on second charge basis.
- j) 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.90.75 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.

## Standalone Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 45 Additional regulatory information:(Contd..)

Name of the bank	Aggregate working capital limits Sanctioned (In Lakhs)	Nature of current asset offered as security	Quarter ended	Amount disclosed as per quarterly return/ statement. (In Lakhs)	Amount as per books of accounts. (In Lakhs)	Difference
Kotak Mahindra Bank Limited	9,075.00	Refer note below	30 <sup>th</sup> June 2023	3,000.97	3,000.97	-
Kotak Mahindra Bank Limited		Refer note below	30 <sup>th</sup> Sept 2023	2,347.67	2,347.67	-
Kotak Mahindra Bank Limited		Refer note below	31 <sup>st</sup> Dec 2023	3,018.53	3,018.53	-
Kotak Mahindra Bank Limited		Refer note below	31 <sup>st</sup> Mar 2024	3,092.58	3,092.58	-

**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 hypothecation.

k) The company has not invested 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 been confirmed by the parties.No material discrepancies are observed.

Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on Behalf of the Board of Directors

For **Rakesh S Jain & Associates**

Chartered Accountants

Firm Regn No.010129S

**Rabindra Prasad sinha**

Whole-time Director & Chairman

DIN:00413448

**S Chidambaranathan**

Whole-time Director & Vice Chairman

DIN:00485497

**Pankaj Chandak,(FCA)**

Partner

Membership No. 229355

**Amit Raj Sinha**

Managing Director and CEO

DIN:01263292

**O.Subbarami Reddy**

Chief Financial Officer

Place: Hyderabad

Date: 27.05.2024

**Vivek Kumar**

Company Secretary

# 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 (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including Summary of material 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, 2024, 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 in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 independence requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 for the financial year ended March 31, 2024. 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><b>Appropriateness of capitalization of costs included in Property Plant and Equipment/ Capital work in progress as per Ind AS 16 Property, Plant and Equipment.</b></p> <p><b><i>Refer to Note - 2.06 (Material Accounting Policies on Property, Plant and equipment), Note - 3 (Property, plant and equipment and Capital work-in progress) of the enclosed Consolidated financial statements.</i></b></p> <p>During the year, the Company has incurred significant capital expenditure towards setting up of additional production plants at Dahej and Jhagadia</p> <p>Opening Balance of CWIP as on 1<sup>st</sup> April 2023 was Rs. 3,717.72 lakhs. During the year there was addition of Rs. 6,994.89 lakhs to CWIP (including borrowing cost of Rs.140.92 lakhs) and capitalization of assets worth Rs.1047.88 lakhs.</p>	<p>Our Audit procedures included the following:</p> <ol style="list-style-type: none"><li>We understood from the management details of the projects in process.</li><li>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.</li><li>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.</li></ol>

Sr. No	Key Audit Matter	How our audit addressed the key audit matter
	<p>The CWIP balance majorly includes below projects undertaken by the Company:</p> <ol style="list-style-type: none"> <li>The Company is Expanding additional production plant unit Dahej &amp; Jhagadia situated at Bharuch, Gujarat-393110, which will be used for production of Micro Crystalline Cellulose.</li> <li>The Company is expanding its capacity of Dahej Sez From 4800 MTPA to 6600 MTPA in Dahej and from 2750 MTPA To 6350 MTPA in Jhagadia</li> </ol> <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>Since the amounts involved in the development of the above project was significant and material, the audit of the above area was considered to be a key audit matter for reporting purpose</p>	<ol style="list-style-type: none"> <li>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.</li> <li>Reviewed the management's procedure to review the periodic progress of the projects based on certification by the project management consultants and correspondent running bills submitted by the contractors.</li> <li>As it is a Qualifying Asset at the management discretion and the period of completion involves Substantial period of time the related Borrowing costs have been appropriately capitalized to the Capital work in progress according to the compliances mentioned in the Ind AS-23 (i.e., Borrowing Cost).</li> <li>Discussion of audit observations with the management/ accounts and finance team for clarification as and when required</li> </ol> <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><b>Share Capital:</b></p> <p>Preferential Allotment of shares:</p> <p>The Company made an allotment of Convertible Equity share warrants which were in compliance of Sec 42(7) of the Companies Act, 2013(read with the respective rules) and in accordance with Chapter-V of SEBI(ICDR) Regulations 2018, on a preferential allotment basis consisting of 1,09,75,000 warrants of ` Rs.10 each at a premium of ` 251 per share amounting to` 28,644.75 lakhs which was then spilt into the ratio of 10:1.</p> <p>The warrants were converted into equity shares in the two allotments as stated below:</p> <p>On 09<sup>th</sup> October 2023 the company made an allotment 1,60,51,900 equity shares of Rs.1/- each to non -promoters Group on conversion of 16,05,190 warrants at an issue price of Rs.261/- per share of Rs.10/- each.</p> <p>On 06<sup>th</sup> March 2024 the company made an allotment 47,18,080 equity shares of Rs.1/- each to non -promoters Group on conversion of 4,71,808 warrants at an issue price of Rs.261/- per share of Rs.10/- each.</p> <p>Since the amount involved is material and significant, audit of above area was considered to be key audit matter for reporting purpose</p>	<p>Our Audit procedures included the following:</p> <ol style="list-style-type: none"> <li>Enquiry with those charged with the governance and the key managerial personnel about the procedure followed for issue of the Convertible Warrants</li> <li>review of the minute books of <ul style="list-style-type: none"> <li>the board of directors and</li> <li>shareholders;</li> </ul> </li> <li>Referred the relevant provisions of the Companies Act 2013 read with the Companies (Share Capital and Debenture Rules) 2014, as applicable to ascertain whether the same have been complied with;</li> <li>Review of compliance with respect to applicable guidelines of SEBI regulations</li> <li>review of various e-forms submitted to the Ministry of Corporate Affairs (MCA) in compliance with the provisions of the Companies Act 2013 and the relevant rules;</li> <li>review of valuation report issued by the registered valuer in accordance with the provisions of the Companies (Registered Valuers and Valuation) Rules 2017 for fair value for issue of the shares at the price at which theses equity shares were issued during the year</li> <li>appropriate disclosure in the financial statements in accordance with the IND AS, and the requirements of schedule III</li> </ol>
3	<p><b>Timing of Revenue recognition in the proper period as per Ind AS 115.</b></p> <p>Refer to Note-2.14 (Material 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.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>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;</li> <li>We assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers";</li> </ol>



Sr. No	Key Audit Matter	How our audit addressed the key audit matter
	<p>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>iii. 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>iv. We tested a sample of manual journal entries posted to revenue and assessed their appropriateness;</p> <p>v. 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>
4	<p><b>Fair Valuation of Investments In accordance With IND AS-103(i.e., Business Combinations) Read with IND AS-32/109(Financial Instruments)</b></p> <p>As at March 31, 2024, the Company has made investments of Rs.100 crores as 2,88,00,000 Equity shares of Rs.10/- each of Trimax Bio Sciences Private Limited constituting 80% of paid up- Equity share Capital in Trimax Bio Sciences Private Limited which are measured at fair value as per Ind AS 109 read with Ind AS 113.</p> <p>These investments are Level 3 investments as per the fair value hierarchy in Ind AS 113 (i.e. Fair value Measurement) and accordingly determination of fair value is based on a high degree of judgement and input from data that is not directly observable in the market. Further, the fair value is significantly influenced by the expected pattern of future benefits of the tangible assets of Trimax Bio Sciences Private Limited. Refer Note No: 04 of the Consolidated financial statements.</p> <p>Since the amount involved is material and significant, audit of above area was considered to be key audit matter for reporting purpose.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>Reviewed the fair valuation reports provided by the management by involvement of internal specialist / external valuation experts.</li> <li>Review of Resolution passed in the board Meeting</li> <li>Obtaining A Due Diligence report from the management.</li> <li>Ascertained the Valuation in the books of accounts on account of Goodwill/Capital reserve.</li> <li>Had a Briefing of the Share purchase Agreement entered between the parties.</li> <li>Assessed the objectivity and competence of our internal expert and Company's internal/external specialists involved in the process. Reviewed the disclosures made by the Company in the financial statements.</li> </ul>

### 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 Holding Company's Annual report, but does not include the Consolidated financial statements and auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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 & Board of Directors' Responsibilities 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 of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

### **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 control.
- Obtain an understanding of internal 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 over Financial Reporting 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 and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 Group 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 companies included in the consolidated financial 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 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 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

- (a) We didn't audit the financial statements of two wholly owned subsidiaries, whose financial statements / financial information reflects total assets of Rs.50,58,85,277/- as at 31<sup>st</sup> March, 2024 and total Income of Rs. 84,05,38,955/- 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. 14,90,35,492/- for the year ended 31<sup>st</sup> March, 2024 as considered in the consolidated financial statements. These financial statements / financial information of aforesaid 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 1<sup>st</sup> January to 31<sup>st</sup> 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, these financial statements and other financial information are not material to the Group.
- (b) We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of Rs. 1,36,77,66,469/- as at 31 March 2024, and total Income of Rs. 47,73,67,706/-, total net profit after tax of Rs. 43,66,683/- for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

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. As required by the 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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
2. A. 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 of the aforesaid consolidated financial statements.
  - 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 of account.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - 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 of the Holding Company as on 1 April 2024 to 10 April 2024 taken on record by the Board of Directors of the Holding Company and on the basis of written representations received by the management from directors of its subsidiaries which are incorporated in India, as on 31 March 2024 to 10 April 2024, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 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 Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group.
  - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.
  - c. There is no amount to be transferred to Investor Education and Protection Fund by the Holding Company
    - i. The management of the Holding Company represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of its subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of its subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
    - ii. The management of the Holding Company represented that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of its subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiary companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
    - iii. Based on the audit procedures performed 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.
  - d. The dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act
  - e. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Further, we did not come across any instance of the audit trail feature being tampered with.

In case of Trimax Biosciences Private Limited, a subsidiary incorporated in India, the statutory auditor has commented as below on of such subsidiary, "it could not enable the audit trail in the accounting software due to technical reasons by the software vendor's support service, we are unable to rely on controls related to financial reporting in the accounting software and consequently we are unable to comment on the audit trail feature operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of audit trail feature being tampered with".

3. In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act.

**For Rakesh S Jain & Associates**

Chartered Accountants  
Firm Reg No :010129S

**CA Pankaj Chandak**

Partner  
Membership No:229355  
Date: 27/05/2024  
Place: Hyderabad  
UDIN: 24229355BKAQFZ7818

## **Annexure-A to the Independent Auditor's Report on the Consolidated Financial Statements of Sigachi Industries Limited for the year ended 31 March 2024**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SIGACHI INDUSTRIES LIMITED of even date)

(xxi) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's] Report) Order, 2020 ("CARO" / "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements.:

### **For Rakesh S Jain & Associates**

Chartered Accountants  
Firm Reg No :010129S

### **CA Pankaj Chandak**

Partner  
Membership No:229355  
Date: 27/05/2024  
Place: Hyderabad  
UDIN: 24229355BKAQFZ7818

## **Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of Sigachi Industries Limited for the year ended 31 March 2024.**

### **Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

(Referred to in paragraph 2A(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of SIGACHI INDUSTRIES LIMITED (the "Company") as of March 31, 2024 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 respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls over Financial Reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 the 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 Act.

### **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 and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were 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 over Financial Reporting and their operating effectiveness. Our audit of internal financial controls over Financial Reporting included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial controls 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 controls over Financial Reporting include 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 with reference to financial statements, 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 controls 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 aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31<sup>st</sup> March 2024, 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 Rakesh S Jain & Associates**

Chartered Accountants  
Firm Reg No :010129S

### **CA Pankaj Chandak**

Partner  
Membership No:229355  
Date: 27/05/2024  
Place: Hyderabad  
UDIN: 24229355BKAFZ7818

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2024

(All amounts in Lakhs, except share data and where otherwise stated)

Particulars	Note	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.a	17,105.67	9,595.42
Other Intangible assets	3.a	78.49	68.64
Capital work-in-progress	3.b	9,664.73	3,490.37
Intangible Assets under Development	3.c	61.80	-
Right of Use Assets	3.d	2,769.33	2,567.16
Goodwill		5,470.02	-
Financial assets			
Investments	4	28.80	15.00
Other financial assets	5	1,988.69	2,252.51
Other non-current assets	6	921.80	1,644.29
<b>Total non-current assets</b>		<b>38,089.34</b>	<b>19,633.40</b>
<b>Current assets</b>			
Inventories	7	7,072.07	4,660.29
Financial assets			
Trade receivables	8	15,003.74	8,016.91
Cash and cash equivalents	9	1,741.65	1,375.28
Other bank balances	10	3,964.03	1,900.26
Other financial assets	11	1,629.07	691.78
Other current assets	12	1,915.75	1,096.78
<b>Total current assets</b>		<b>31,326.32</b>	<b>17,741.29</b>
<b>TOTAL ASSETS</b>		<b>69,415.65</b>	<b>37,374.69</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	3,281.95	3,074.25
Other equity		39,681.79	23,761.81
<b>Equity Attributable to the owners of the Company</b>		<b>42,963.74</b>	<b>26,836.06</b>
Minority Interest		1,139.26	-
<b>Total Equity</b>		<b>44,103.00</b>	<b>26,836.06</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	14	2,657.98	101.03
Lease Liabilities	15	2,045.63	2,306.10
Provisions	16	183.28	149.15
Deferred tax liabilities (net)	17	1,643.43	519.76
<b>Total non-current liabilities</b>		<b>6,530.32</b>	<b>3,076.04</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	9,244.28	3,948.25
Lease liabilities	19	357.28	404.82
Trade payables			
i) Total outstanding dues of micro and small enterprises	20	126.68	-
ii) Total outstanding dues of creditors other than micro and small enterprises		4,662.88	2,084.93
Other financial liabilities	21	802.22	87.61
Other current liabilities	22	3,349.88	936.96
Current tax liabilities(Net)	23	239.10	-
<b>Total current liabilities</b>		<b>18,782.33</b>	<b>7,462.59</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>69,415.65</b>	<b>37,374.69</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on Behalf of the Board of Directors

For **Rakesh S Jain & Associates**

Chartered Accountants

Firm Regn No.010129S

**Rabindra Prasad sinha**  
Whole-time Director & Chairman  
DIN:00413448

**S Chidambaranathan**  
Whole-time Director & Vice Chairman  
DIN:00485497

**Pankaj Chandak,(FCA)**  
Partner  
Membership No. 229355

**Amit Raj Sinha**  
Managing Director and CEO  
DIN:01263292

**O.Subbarami Reddy**  
Chief Financial Officer

Place: Hyderabad  
Date: 27.05.2024

**Vivek Kumar**  
Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Lakhs, except share data and where otherwise stated)

Particulars	Note	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
<b>Income</b>			
Revenue from operations	24	39,895.61	30,204.51
Other income	25	1,168.88	667.17
<b>Total income</b>		<b>41,064.49</b>	<b>30,871.68</b>
<b>Expenses</b>			
Cost of materials consumed	26	16,030.30	14,098.85
Purchases of Stock in Trade	27	3,997.34	137.18
Changes in inventories of finished goods, work in progress and stock in trade	28	(514.17)	(398.43)
Employee benefit expenses	29	5,715.47	3,825.06
Finance costs	30	776.78	429.26
Depreciation and amortization expense	3	1,079.95	662.52
Other expenses	31	7,001.56	6,669.36
<b>Total expenses</b>		<b>34,087.24</b>	<b>25,423.80</b>
<b>Profit/(loss) before tax</b>		<b>6,977.25</b>	<b>5,447.88</b>
<b>Tax expense</b>			
(i) Current tax	32	1,208.00	1,114.90
(ii) Deferred tax	32	42.50	(20.65)
<b>Profit/(loss) for the period</b>		<b>5,726.75</b>	<b>4,353.62</b>
<b>Other comprehensive income</b>			
A. i) Items that will not be reclassified to profit and loss		2.64	(13.64)
ii) Income tax relating to items that will not be reclassified to profit or loss	33	(1.29)	3.97
B. i) Items that will be reclassified to profit and loss	33	1.70	21.56
ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>3.05</b>	<b>11.90</b>
<b>Total Comprehensive income for the period (Comprising profit(Loss) and other comprehensive Income for the period)</b>		<b>5,729.80</b>	<b>4,365.52</b>
<b>Profit for the year attributable to:</b>			
Shareholders of the Company		5,718.02	
Non Controlling Interest		8.73	4,353.62
<b>Other Comprehensive Income for the year attributable to:</b>			
Shareholders of the Company		5.01	11.90
Non Controlling Interest		(1.96)	-
<b>Total Comprehensive Income for the year attributable to:</b>			
Shareholders of the Company		5,723.03	4,365.52
Non Controlling Interest		6.77	-
<b>Earnings per equity share</b>			
1) Basic	34	1.81	1.42
2) Diluted	34	1.54	1.42

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on Behalf of the Board of Directors

For **Rakesh S Jain & Associates**

Chartered Accountants

Firm Regn No.010129S

**Rabindra Prasad sinha**

Whole-time Director & Chairman  
DIN:00413448

**S Chidambaranathan**

Whole-time Director & Vice Chairman  
DIN:00485497

**Pankaj Chandak, (FCA)**

Partner

Membership No. 229355

**Amit Raj Sinha**

Managing Director and CEO  
DIN:01263292

**O.Subbarami Reddy**

Chief Financial Officer

Place: Hyderabad

Date: 27.05.2024

**Vivek Kumar**

Company Secretary

# Consolidated Statement of Changes in Equity and Other Equity

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Lakhs, except share data and where otherwise stated)

## A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	3,074.25	3,074.25	3,074.25	3,074.25
Issued during the year(Warrants Issue)	207.70	207.70	-	-
<b>Outstanding at the end of the year</b>	<b>3,281.95</b>	<b>3,281.95</b>	<b>3,074.25</b>	<b>3,074.25</b>

## B) OTHER EQUITY

### 1) 2023-2024 (Current Reporting Period)

Particulars	Securities premium	General reserve	Amalgamation reserve	Special Economic Zone Re-Investment Allowance Reserve	Capital Reserve	Retained Earnings	Share Application Money	Other comprehensive income	Equity attributable to the shareholders of the company	Non Controlling Interest	Total attributable to the shareholders of the company
<b>Balance as at 1<sup>st</sup> April 23</b>	<b>8,879.48</b>	<b>560.13</b>	<b>390.57</b>	<b>1,547.80</b>	<b>0.02</b>	<b>12,448.44</b>	<b>-</b>	<b>(64.63)</b>	<b>23,761.81</b>	<b>1,132.49</b>	<b>24,894.30</b>
<b>Current year :</b>											
Profit/(Loss)	-	-	-	-	-	5,718.02	-	-	5,718.02	8.73	5,726.75
Convertible Share warrants	4,629.34	-	-	-	-	-	5,805.96	-	10,435.30	-	10,435.30
Prior Period items	-	-	-	-	-	69.07	-	-	69.07	-	69.07
Foreign currency translation reserve	-	-	-	-	-	-	-	1.70	1.70	-	1.70
<b>Appropriations</b>											
General Reserve	-	102.54	-	-	-	(102.54)	-	-	-	-	-
Transfer to Special Economic Zone Re Investment Reserve	-	-	-	1,208.50	-	(1,208.50)	-	-	-	-	-
Dividend paid	-	-	-	-	-	(307.43)	-	-	(307.43)	-	(307.43)
Other comprehensive Income for the year	-	-	-	-	-	-	-	3.31	3.31	(1.96)	1.35
<b>Balance as at 31<sup>st</sup> Mar 24</b>	<b>13,508.83</b>	<b>662.66</b>	<b>390.57</b>	<b>2,756.30</b>	<b>0.02</b>	<b>16,617.08</b>	<b>5,805.96</b>	<b>(59.62)</b>	<b>39,681.79</b>	<b>1,139.26</b>	<b>40,821.05</b>

# Consolidated Statement of Changes in Equity and Other Equity

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Lakhs, except share data and where otherwise stated)

## 2) 2022-2023 (Previous Reporting Period)

Particulars	Reserves & surplus					Retained Earnings	Other comprehensive income	Total other equity
	Securities premium	General reserve	Amalgamation reserve	Special Economic Zone Investment Allowance Reserve	Capital Reserve			
<b>Balance as at 1<sup>st</sup> April 22</b>	<b>8,879.48</b>	<b>458.32</b>	<b>390.57</b>	<b>-</b>	<b>0.02</b>	<b>10,051.85</b>	<b>(76.53)</b>	<b>19,703.71</b>
<b>Current year :</b>								
Profit/(Loss)	-	-	-	-	-	4,353.62	-	4,353.62
Foreign currency translation reserve	-	-	-	-	-	-	21.56	21.56
<b>Appropriations</b>								
General Reserve	-	101.80	-	-	-	(101.80)	-	-
Transfer to Special Economic Zone	-	-	-	1,547.80	-	(1,547.80)	-	-
Dividend paid	-	-	-	-	-	(307.43)	-	(307.43)
Other comprehensive Income for the year	-	-	-	-	-	-	(9.67)	(9.67)
<b>Balance as at 31<sup>st</sup> Mar 23</b>	<b>8,879.48</b>	<b>560.13</b>	<b>390.57</b>	<b>1,547.80</b>	<b>0.02</b>	<b>12,448.44</b>	<b>(64.63)</b>	<b>23,761.81</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on Behalf of the Board of Directors

For **Rakesh S Jain & Associates**

Chartered Accountants

Firm Regn No.0101295

**Rabindra Prasad sinha**

Whole-time Director & Chairman

DIN:00413448

**S Chidambaranathan**

Whole-time Director & Vice Chairman

DIN:00485497

**Pankaj Chandak, (FCA)**

Partner

Membership No. 229355

**Amit Raj Sinha**

Managing Director and CEO

DIN:01263292

**O.Subbarami Reddy**

Chief Financial Officer

Place: Hyderabad

Date: 27.05.2024

**Vivek Kumar**

Company Secretary

# Consolidated Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2024

(All amounts in Lakhs, except share data and where otherwise stated)

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	6,977.25	5,447.88
<b>Adjustments to reconcile net loss to net cash provided by operating activities</b>		
Depreciation and amortization	1,079.95	662.52
Gratuity and compensated absence	2.64	(13.64)
Forex Difference	1.70	21.56
Finance costs	776.78	429.26
PLI Incentive Income	(515.00)	-
Interest income	(382.95)	(324.01)
<b>Changes in current assets and current liabilities</b>		
Inventories	(387.71)	(1,615.54)
Trade receivables	(6,518.35)	(2,004.47)
Trade payables	2,369.94	1,024.67
Other assets	(3,626.73)	137.96
Other liabilities	2,449.75	409.50
<b>Cash generated from operations</b>	<b>2,227.28</b>	<b>4,175.69</b>
Income taxes paid	(938.12)	(1,274.02)
<b>Net cash flow from operating activities (A)</b>	<b>1,289.16</b>	<b>2,901.67</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(8,518.82)	(10,071.57)
PLI Incentive Income	515.00	-
Interest income	382.95	324.01
Investments	(8,683.29)	-
Other assets	229.75	562.34
<b>Net cash flow used in investing activities (B)</b>	<b>(16,074.41)</b>	<b>(9,185.22)</b>
<b>Cash flow from financing activities</b>		
Net Proceeds from issue of Convertible Warrants	10,643.00	-
Proceeds/(Repayment) of long-term borrowings (net)	3,158.65	10.29
Proceeds/(Repayment) of short-term borrowings (net)	4,800.31	636.29
Finance costs	(777.86)	(429.26)
Dividend	(307.43)	(307.43)
Lease Liabilities	(308.00)	2,710.92
Other liabilities	1.67	-
<b>Net cash flow (used in)/from financing activities (C)</b>	<b>17,210.34</b>	<b>2,620.81</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>2,425.09</b>	<b>(3,662.74)</b>
Cash and cash equivalents at the beginning of the year	3,280.60	6,938.27
<b>Cash and cash equivalents and other Bank balances at the end of the year</b>	<b>5,705.69</b>	<b>3,275.54</b>
<b>(Refer Note 9&amp;10)</b>		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on Behalf of the Board of Directors

For **Rakesh S Jain & Associates**

Chartered Accountants

Firm Regn No.010129S

**Rabindra Prasad sinha**  
Whole-time Director & Chairman  
DIN:00413448

**S Chidambaranathan**  
Whole-time Director & Vice Chairman  
DIN:00485497

**Pankaj Chandak,(FCA)**  
Partner  
Membership No. 229355

**Amit Raj Sinha**  
Managing Director and CEO  
DIN:01263292

**O.Subbarami Reddy**  
Chief Financial Officer

Place: Hyderabad  
Date: 27.05.2024

**Vivek Kumar**  
Company Secretary



# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## I Corporate information

Sigachi Industries Limited was incorporated on 11<sup>th</sup> January, 1989 in Hyderabad. The Company has its registered office at 229/1 & 90, Kalyan Tulsiram Chambers, Madinaguda, Hyderabad-500049, Telangana. It was originally incorporated as Private Limited company and limited by shares. The Company has become a public limited company w.e.f 09<sup>th</sup> December, 2019. The Company listed its shares in both NSE and BSE on 15<sup>th</sup> November, 2021. It has got five production facilities spread across India. The company is engaged in selling of Pharmaceutical goods and other services. The material accounting policies applied in the preparation of the financial statements are set out below.

## II Material Accounting Policies

### 1 Basis of Preparation and Presentation of Financial Statements

The financial statements of Sigachi Industries Limited ("the Company") for the year ended 31<sup>st</sup> March, 2024 have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and and relevant amendment rules issued there after and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

The financial statements for the year ended 31 March 2024 were authorized and approved for issue by the Board of Directors on 27<sup>th</sup> May 2024.

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 IND AS is initially adopted or revision to existing IND AS requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised IND AS on an on-going basis.

The material accounting policy information related to preparation of the consolidated financial statements have been discussed in the respective notes.

#### 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

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

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.

## 2 Summary of Material Accounting Policies.

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.

### 2.01 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.

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 are revised if the revision effects only that period or in the period of the revision and future periods if the revision effects both current and future periods.

### 2.02 Fair value Measurement:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 re-assessing 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.

The Management of the Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

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.

## 2.03 Provisions, contingent liabilities and contingent assets

### Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation in respect of which

reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

### Contingent liability is disclosed in the notes in case of:

There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company.

A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation.

A present obligation arises from the past event, when no reliable estimate is possible.

A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

### Onerous Contracts

A provision for onerous contracts is measured at the present value of the lower expected cost of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes the impairment on the assets with the contract.

### Contingent assets

Contingent assets are not recognized in the Consolidated financial statements.

## 2.04 Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2024 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.

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 2.05 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All the financial information presented in Indian rupees has been rounded to the nearest Lakhs as per the requirement of Schedule III to the Act, unless stated otherwise.

### Foreign Currencies :

In preparing the financial statements of the company transactions in currencies other than the entity's functional currency (foreign currencies) are recognized 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.

## 2.06 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 amortization and accumulated impairment losses.

### Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight line basis over their estimated useful lives. The estimated useful life and amortization 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 on Property, Plant and Equipment (PPE) and Intangible assets is calculated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013.

### 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.

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

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 recognized 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss statement.

## 2.07 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. 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 determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses

whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 2.08 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.



# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 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 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.



# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 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 recognized 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 recognized in the Statement of Profit and Loss.

### iii. De-recognition of Financial Liabilities

Financial liabilities are de-recognized 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.

## 2.09 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.

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 2.10 Employee Benefits

### Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized 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 recognized 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.

## 2.11 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.

## 2.12 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.

## 2.13 Estimates and assumptions

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that effect 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.

## 2.14 Revenue recognition

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. When a performance obligation is satisfied, the revenue is measured at the transaction price which is consideration received or receivable, net of returns and allowances, trade discounts and volume rebates after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company derives revenues primarily from manufacture of Microcrystalline Cellulose and Contracts in the nature of Operation and Management.

The following is summary of material accounting policies relating to revenue recognition. Further, refer note no. 24 for disaggregate revenues from contracts with customers

### Sale of products

The Company recognizes revenue for supply of goods to customers against orders received. The majority of contracts that company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products as per Ind AS 115. Product revenue is recognized when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement. Revenue is not recognized until it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Amount representing the profit share component is recognized as revenue only to the extent that it is highly probable that a significant reversal will not occur.

The Company also recognizes revenue where goods are ready as per customer request and pending dispatch at the instance of the customer. In such cases, the products are separately identified as belonging to the customer and the

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

Company does not hold the right to redirect the product to another customer. On satisfaction of all performance obligations, invoice is raised on the customer in accordance with customer request at regular payment terms.

## Sale of services

Revenue from services rendered, which primarily relate to contract research, is recognized in the statement of profit and loss as the underlying services are performed. Upfront non-refundable payments received under these arrangements are deferred and recognized as revenue over the expected period over which the related services are expected to be performed.

## Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

## Interest income

For all debt financial instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. Interest income is included in finance income in the Statement of Profit and Loss.

## Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## 2.15 Income Tax

### Current Tax

Current income tax is recognized 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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilized. Such deferred tax assets and liabilities are not recognized 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 realize the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognized 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.

## 2.16 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.

## 2.17 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.

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 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 realizable 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 realizable value of work -in-progress is determined with reference to the selling prices of related finished products.

## 2.18 Trade Receivables

A receivable is recognized 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 analyzed individually for credit worthiness before the company's standard payment terms offered up to 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.

## 2.19 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.

## 2.20 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.

## 2.21 Research and Development

Revenue expenditure on research and development is charged to revenue in the period in which it is incurred. Capital expenditure on research and development is added to property, plant and equipment and depreciated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013.

## 2.22 Measurement of EBITDA

The Company presents EBITDA in the statement of profit or loss, which is neither specifically required by Ind AS 1 nor defined under Ind AS. Ind AS complaint Schedule III allows companies to present line items, sub-line items and sub totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

## 2.23 New standards and interpretations not yet adopted

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## 2.24 Segment accounting and reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the Consolidated financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers. Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company's intermediate and final products and estimated realizable value in case of by-products.
- Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable".

## 2.25 Assets (or disposal group) held for sale and discontinued operation

Assets (or disposal group) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of

the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

- Represent as separate major line of business or geographical area of operations,
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before/ after tax from discontinued operations in the statement of profit and loss.

## 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
<b>Gross carrying value (at cost)</b>								
Closing gross carrying value as at 31 <sup>st</sup> March, 2022	317.97	1,892.74	4,064.08	103.46	180.31	240.16	26.70	6,825.42
Additions	2,470.53	578.73	1,186.30	85.06	149.51	213.46	-	4,683.59
Disposals	-	-	-	-	-	-	-	-
<b>Closing gross carrying value as at 31<sup>st</sup> March, 2023</b>	<b>2,788.51</b>	<b>2,471.46</b>	<b>5,250.38</b>	<b>188.53</b>	<b>329.81</b>	<b>453.62</b>	<b>26.70</b>	<b>11,509.01</b>
<b>Accumulated Depreciation</b>								
Opening accumulated depreciation	-	307.65	948.23	48.86	91.82	135.19	23.32	1,555.07
Depreciation charged during the year	-	62.94	222.15	9.10	37.85	25.74	0.74	358.53
Disposals	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>370.60</b>	<b>1,170.38</b>	<b>57.97</b>	<b>129.67</b>	<b>160.93</b>	<b>24.06</b>	<b>1,913.60</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>2,788.51</b>	<b>2,100.86</b>	<b>4,080.00</b>	<b>130.56</b>	<b>200.15</b>	<b>292.69</b>	<b>2.64</b>	<b>9,595.42</b>
<b>Gross carrying value (at cost)</b>								
Closing gross carrying value as at 31 <sup>st</sup> March, 2023 <sup>(*)</sup>	3,226.87	4,829.13	7,878.94	222.85	415.21	508.04	156.49	17,237.53
Additions	779.91	2,078.03	1,117.30	80.25	293.76	11.70	(4.98)	4,355.96
Disposals	-	-	-	-	-	21.31	-	21.31
<b>Closing gross carrying value as at 31<sup>st</sup> March, 2024</b>	<b>4,006.78</b>	<b>6,907.16</b>	<b>8,996.24</b>	<b>303.10</b>	<b>708.96</b>	<b>498.43</b>	<b>151.51</b>	<b>21,572.18</b>
<b>Accumulated Depreciation</b>								
Opening accumulated depreciation <sup>(*)</sup>	-	969.44	2,268.58	83.00	199.91	199.38	63.30	3,783.61
Depreciation charged during the year	-	185.21	344.25	21.25	102.58	45.82	4.03	703.15
Disposals	-	-	-	-	-	20.25	-	20.25
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>1,154.65</b>	<b>2,612.83</b>	<b>104.25</b>	<b>302.50</b>	<b>224.95</b>	<b>67.33</b>	<b>4,466.51</b>
<b>Net carrying amount as at 31.03.2024</b>	<b>4,006.78</b>	<b>5,752.50</b>	<b>6,383.40</b>	<b>198.85</b>	<b>406.47</b>	<b>273.49</b>	<b>84.19</b>	<b>17,105.67</b>
<b>Other intangible</b>								
Software							88.69	88.69
<b>Total</b>								
							88.69	88.69
							20.05	20.05
							8.76	8.76
							-	-
							28.81	28.81
							78.49	78.49

(\*) The differences in opening balances of Gross Carrying Value (Rs.5,728.52 Lakhs) and Accumulated Depreciation (Rs. 1,870.01 Lakhs) was due to Fixed Assets and its Accumulated depreciation additions of subsidiary (Trimax Bio Sciences Pvt Ltd which was acquired during the year w.e.f 01.08.2023).

#### 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 equipment's 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
<b>Balance as at April 01,2022</b>	<b>971.15</b>
Additions	3,513.89
Capitalized during the year	994.67
<b>Balance as at March 31,2023</b>	<b>3,490.37</b>
Balance as at April 01,2023	3,717.72
Additions	6,994.89
Capitalized during the year	1,047.88
<b>Balance as at March 31,2024</b>	<b>9,664.73</b>

Capital Assets under the work in progress are under hypothecation for the term loan availed by the company.

CWIP aging schedule:	FY 23-24		FY 22-23	
CWIP	Projects in Progress	Projects temporarily suspended	Projects in Progress	Projects temporarily suspended
Less than 1 Year	6,994.91	-	3,213.09	-
1-2 Years	2,669.82	-	173.80	-
2-3 years	-	-	103.48	-
More than 3 Years	-	-	-	-
<b>Total</b>	<b>9,664.73</b>	<b>-</b>	<b>3,490.37</b>	<b>-</b>

## c.) Intangible Assets Under Development:

Particulars	Amount
Balance as at April 01,2023	-
Additions	61.80
Capitalized during the year	-
<b>Balance as at March 31,2024</b>	<b>61.80</b>

### Intangible Assets Under Development:

CWIP	FY 23-24	
	Projects in Progress	Projects temporarily suspended
Less than 1 Year	61.80	-
1-2 Years	-	-
2-3 years	-	-
More than 3 Years	-	-
<b>Total</b>	<b>61.80</b>	<b>-</b>

## d.) Lease Assets

Particulars	Amount
<b>Gross carrying value (at Cost)</b>	
Closing gross carrying value as at 31 <sup>st</sup> March,2022	-
Additions	2,863.62
Disposals	-
<b>Closing gross carrying value as at 31<sup>st</sup> March,2023</b>	<b>2,863.62</b>
<b>Accumulated Depreciation</b>	
Opening accumulated depreciation	-
Depreciation charged during the year	296.46
Disposals	-
<b>Closing accumulated depreciation</b>	<b>296.46</b>
<b>Net carrying amount as at 31.03.2023</b>	<b>2,567.16</b>

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## Note 3 : d.) Lease Assets (Contd..)

Particulars	Amount
<b>Gross carrying value (at Cost)</b>	
Closing gross carrying value as at 31 <sup>st</sup> March, 2023	2,863.62
Additions	676.19
Disposals	156.63
<b>Closing gross carrying value as at 31<sup>st</sup> March, 2024</b>	<b>3,383.18</b>
<b>Accumulated Depreciation</b>	
Opening accumulated depreciation	296.46
Depreciation charged during the year	368.04
Disposals	50.65
<b>Closing accumulated depreciation</b>	<b>613.85</b>
<b>Net carrying amount as at 31.03.2024</b>	<b>2,769.33</b>

## Non-Current Assets

### 4 Non-Current Investments

Investments in other companies in equity instruments at cost.

Unquoted equity shares (fully paid up)

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Investments in Pasha Mailaram Common Infrastructure Pvt Ltd	15.00	15.00
Investment in Shree Veershaiv Co operative Bank	13.80	-
	<b>28.80</b>	<b>15.00</b>

### 5 Other Non-Current Financial Assets

Unsecured and considered good

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Security deposits	140.93	24.04
Electricity deposits	148.49	118.79
Rental deposits	12.19	96.00
IPO Deposits	125.43	125.43
Bank deposits with more than 12 months maturity	1,445.00	1,800.00
Other deposits	116.65	88.25
	<b>1,988.69</b>	<b>2,252.51</b>

### 6 Other Non Current Assets

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Capital Advances	921.80	1,644.29
	<b>921.80</b>	<b>1,644.29</b>

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## Current Assets

### 7 Inventories

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Raw material	2,530.25	2,255.96
Packing material	138.84	85.36
Consumables	53.65	13.67
Coal and furnace oil	61.79	76.13
Finished goods	3,309.81	1,857.08
	<b>6,094.33</b>	<b>4,288.21</b>
Work-in-process	977.74	372.08
	<b>7,072.07</b>	<b>4,660.29</b>

#### Valuation:

- Raw materials and Packing materials are valued at lower of cost or net realizable 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 realizable value which ever is lower.

### 8 Trade Receivables

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>Receivable from others:</b>		
Considered good-Un secured	15,074.37	8,071.85
Considered doubtful-Un secured	46.67	46.67
Less: Expected credit loss allowance	(117.31)	(101.62)
<b>Total Receivables</b>	<b>15,003.74</b>	<b>8,016.91</b>

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 subsidiaries 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 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Balances with banks		
In Current accounts	1,658.73	1,371.82
In Deposit account	-	-
(margin money with banks, the maturity of the period of which is less than 3 months)		
Cheque in Transit	74.13	-
Cash on hand	7.34	2.90
Others (Balances with bank for dividend payment)	1.45	0.56
	<b>1,741.65</b>	<b>1,375.28</b>

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 10 Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Deposits with original maturity of more than 3 months	3,964.03	1,900.26
	<b>3,964.03</b>	<b>1,900.26</b>

## 11 Other Financial Assets

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Interest accrued but not due-fixed Deposits	224.48	82.23
Advances to Suppliers	769.34	496.32
Advances to staff	48.23	13.52
Export Incentive receivable	72.02	99.70
PLI Incentive Receivable	515.00	-
	<b>1,629.07</b>	<b>691.78</b>

## 12 Other Current Assets

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>Unsecured and considered good</b>		
Balances with statutory/government authorities	1,002.16	578.40
Advance Tax	7.39	30.78
Other Advances for Expenses	99.64	40.45
Prepaid expenses	245.01	156.17
Unbilled revenue	334.26	290.98
Others	227.28	-
	<b>1,915.75</b>	<b>1,096.78</b>

## 13: Equity Share Capital

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>Authorized share capital</b>		
43,00,00,000 Equity shares of Rs.1/- each	4,300.00	3,200.00
<b>Issued, subscribed and fully paid-up</b>		
32,81,94,980 Equity Shares of Rs.1/- each with voting rights	3,281.95	3,074.25
	<b>3,281.95</b>	<b>3,074.25</b>

### a. Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 <sup>st</sup> Mar 24		As at 31 <sup>st</sup> Mar 23	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year (Refer Note b)	3,074.25	3,074.25	3,074.25	3,074.25
Issued during the year (Refer Note c)	207.70	207.70	-	-
<b>Outstanding at the end of the year</b>	<b>3,281.95</b>	<b>3,281.95</b>	<b>3,074.25</b>	<b>3,074.25</b>

### b. Sub Division of Shares

In the Board Meeting held on 10.08.2023, the board considered the proposal for sub-division of 1(one) equity share of the Company having face value of Rs.10/- each into 10(Ten) equity shares having face value of Re.1/- each. The same was approved in the AGM held on 07.09.2023.

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 13: Equity Share Capital (Contd..)

### c. Allotment of Shares

The company has allotted 1,60,51,900 equity shares of Re.1/- each to non promoters on conversion of 16,05,190 warrants (Post Split-1,60,51,900) at an issue price of Rs.261/- per share of Rs.10/-(Rs26.10/- per share of Re.1/- each on 09.10.2023.

The company has allotted 47,18,080 equity shares of Re.1/- each to non promoters on conversion of 4,71,808 warrants (Post Split-47,18,080) at an issue price of Rs.261/- per share of Rs.10/-(Rs26.10/- per share of Re.1/- each on 06.03.2024.

### d. Issue of Convertible Warrants on Preferential Basis

The Company has intended to raise the funds by way of issue of Convertible Warrants on Preferential Basis to the Promoters and Non Promoters in the board meeting held on 29.06.2023 and the same was approved in Extraordinary General Meeting held on 26.07.2023. The company allotted 1,09,75,000 Convertible Warrants at an issue price of Rs.261/- per warrant to Promoters and Non Promoters as approved by the general body and in terms of the In-Principle approval accorded by the exchanges in the board Meeting held on 10.08.2023. The company can receive the funds against such warrants in one or more tranches.

### e. Rights attached to the equity shares

The company has only one class of shares having a face value of Rs. 1/- 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.

### f. Details of shareholders holding more than 5% shares in the company

Particulars	As at 31 <sup>st</sup> Mar 24		As at 31 <sup>st</sup> Mar 23	
	No of Shares	% of holding	No of Shares	% of holding
RPS Industries Private Limited	7,53,17,250	22.95%	75,31,725	24.50%
Beg Raj Yadav	2,14,20,000	6.53%	21,42,000	6.97%
Chidambarnathan Shanmuganathan	1,94,08,350	5.91%	19,40,835	6.31%

### g. Details of shares held by Promoters

Particulars	As at 31 <sup>st</sup> Mar 24		% Change during the year	As at 31 <sup>st</sup> Mar 23	
	No of Shares	% of holding		No of shares	% of holding
RPS Industries Private Limited	7,53,17,250	22.95%	-1.55%	75,31,725	24.50%
Chidambarnathan Shanmuganathan	1,94,08,350	5.91%	-0.40%	19,40,835	6.31%
Rabindra Prasad Sinha	1,52,58,400	4.65%	-0.31%	15,25,740	4.96%
Amit Raj Sinha	1,29,53,100	3.95%	-0.27%	12,95,310	4.21%
Dharani Devi Chidambaranatham	74,36,250	2.27%	-0.15%	7,43,625	2.42%
Nitin Raj Sinha	63,74,250	1.94%	-0.13%	6,37,425	2.07%
Rabindra Prasad Sinha Family Trust	46,25,400	1.41%	-0.09%	4,59,960	1.50%
Smita Sinha	31,06,250	0.95%	-0.06%	3,10,625	1.01%
Amit Raj Sinha Family Trust	29,62,500	0.90%	-0.06%	2,96,250	0.96%
Sudha Sinha	8,54,400	0.26%	-0.02%	85,440	0.28%
Bimla Sharma	4,61,250	0.14%	-0.01%	46,125	0.15%
Karthika Thavamani Chidambaranatham	1,68,750	0.05%	0.00%	16,875	0.05%
Bhavani Shanmugam Chidambaranathan	1,68,750	0.05%	0.00%	16,875	0.05%

**Note:** The change in the % of share holding was due to increase in paid up capital and change in no of shares when compared to previous year was due to sub-division of 1(one) equity share of the Company having face value of Rs.10/- each into 10(Ten) equity shares having face value of Re.1/- each.

## Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 14 Non- Current Borrowings

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>a) Financial Liabilities</b>		
<b>Secured</b>		
Vehicle loans	-	-
Term loans	2,657.98	101.03
	<b>2,657.98</b>	<b>101.03</b>

#### 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 Rabinra Prasad Sinha, S Chidambaranathan, Amit Raj Sinha, Sudha Sinha and Dharani Devi and a corporate guarantee of RPS Industries Ltd.

#### Details of Indian rupee term loans as under:

Particulars	Terma Loan	Terma Loan
Bank Name	Kotak Mahindra bank	Kotak Mahindra bank
Outstanding as on 31.03.2024	101.07	3,295.06
Non Current:	14.42	2,643.56
Current:	86.65	651.50
Outstanding as on 31.03.2023	187.69	-
Non Current:	101.03	-
Current:	86.65	-
Sanction amount	223.85	3,375.93
Total No.of installments	31	57
Installments Due	15	57
Commencement of installments	25-Nov-22	10-May-24
Effective interest rate	As on 31.03.2024 Repo of 6.5% plus spread 2.85% (March 31, 2023 :Repo of 6.5% plus spread 2.85%)	As on 31.03.2024 Repo of 6.5% plus spread 2.6%

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 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Lease Liabilities	2,045.63	2,306.10
	<b>2,045.63</b>	<b>2,306.10</b>

#### Details regarding the contractual maturities of Non Current lease liabilities as at 31<sup>st</sup> March 2024.

Particulars	1 to 5 Years	More than 5 Years
Lease Liability	837.79	1,207.84



# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 16 Provisions

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>Provision for employee benefits</b>		
Leave encashment	43.65	35.14
Gratuity	139.63	114.01
	<b>183.28</b>	<b>149.15</b>

## 17 Deferred Tax Liabilities (Net)

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
The movement on the deferred tax account is as follows:		
At the start of the year	1,599.65	544.38
Charge/(credit) to statement of profit and loss (for details refer note 30)	43.78	(24.62)
<b>At the end of year</b>	<b>1,643.43</b>	<b>519.76</b>

## Current Liabilities

## 18 Borrowings

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
<b>Secured:</b>		
From banks	8,396.72	3,940.03
<b>Unsecured:</b>		
From NBFC and Others	847.57	8.22
	<b>9,244.28</b>	<b>3,948</b>

### 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 31.03.2024	Outstanding as on 31.03.2023
<b>Loans repayable on demand-Secured</b>		
Kotak Mahindra Bank - Cash Credit	1,837.32	1,328.42
Kotak Mahindra Bank- Packing Credit	3,833.03	1,650.45
Kotak Mahindra Bank- Buyers Credit	2,007.76	961.16
Shri Veershaiv Co-Op Bank Ltd- Cash Credit	718.62	-

## 19 Lease Liabilities

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Lease Liabilities	357.28	404.82
	<b>357.28</b>	<b>404.82</b>

### Details regarding the contractual maturities of Current lease liabilities as at 31<sup>st</sup> March 2024.

Particulars	1 Year
Lease Liability	357.28

## Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 20 Trade Payables-Other financial liabilities -Current

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Due to micro, small and medium enterprises	126.68	-
Others	4,662.88	2,084.93
	<b>4,789.56</b>	<b>2,084.93</b>

Refer Note no. 35.B for trade payables ageing

### 21 Other Financial Liabilities-Current

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Current maturity of loans:		
Term loans(Secured)	802.22	86.65
Vehicle loans(Secured)	-	0.96
	<b>802.22</b>	<b>87.61</b>

### 22 Other Current Liabilities

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Statutory remittances	120.74	100.87
Accrued expense payable	443.60	363.80
Employee benefits payable	453.08	342.94
Security Deposits	-	48.00
Unpaid Dividend	1.45	0.56
Advances from customers	959.88	80.79
Other Current Liabilities	1,371.13	-
	<b>3,349.88</b>	<b>936.96</b>

### 23 Current tax liabilities(Net)

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Provision for Income tax	239.10	-
	<b>239.10</b>	<b>-</b>

### 24 Revenue From Operations

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Sale of products	36,317.00	27,550.97
Sale of services	3,578.61	2,653.54
	<b>39,895.61</b>	<b>30,204.51</b>
<b>i. Sale of products</b>		
<b>Export</b>		
MCCP	22,914.91	19,028.32
Others	1,057.90	1,198.14
<b>Domestic</b>		
MCCP	7,233.08	6,997.73
Others	5,111.11	326.77
	<b>36,317.00</b>	<b>27,550.97</b>
<b>ii. Sale of services</b>		
Operational and Management	3,508.92	2,653.54
Job Work Services	69.69	-
	<b>3,578.61</b>	<b>2,653.54</b>

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 25 Other Income

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Duty drawback	8.61	1.96
Interest on fixed deposits	381.30	324.01
Interest on electricity deposit	2.36	3.03
Net gain/(loss) on foreign currency transactions	249.26	338.16
PLI Incentive Income	515.00	-
Others	11.29	-
Dividend Income	1.06	-
	<b>1,168.88</b>	<b>667.17</b>

## 26 Cost of Materials Consumed

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Opening stock	2,910.98	1,214.02
Add: Purchases	15,892.94	15,315.96
Less: Closing stock	2,773.63	2,431.12
	<b>16,030.30</b>	<b>14,098.85</b>

## 27 Purchases of Stock in Trade

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Trading Materials	3,997.34	137.18
	<b>3,997.34</b>	<b>137.18</b>

## 28 Changes in Inventories of Work-In-Process and Finished Goods

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
<b>Inventories at the end of the year</b>		
Finished Goods	3,309.81	1,857.08
Work-in- process	977.74	372.08
	<b>4,287.55</b>	<b>2,229.16</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	3,139.27	1,660.73
Work-in- process	634.10	170.00
<b>Net (increase)/decrease</b>	<b>(514.17)</b>	<b>(398.43)</b>

## 29 Employee Benefit Expense

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Salaries and wages	4,532.36	2,818.95
Contribution to provident and other funds	286.94	206.72
Directors remuneration	682.27	602.03
Staff welfare expenses	213.90	197.36
	<b>5,715.47</b>	<b>3,825.06</b>

## Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 30 Finance Costs

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Interest on borrowings	346.58	139.02
Bank Charges	249.34	84.48
Interest Expense	179.71	170.24
Other borrowing costs	1.16	35.52
	<b>776.78</b>	<b>429.26</b>

### 31 Other Expenses

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
<b>Manufacturing Expenses</b>		
Power and Fuel Expenses	890.27	538.26
Stores and Spares	45.56	23.81
Repairs and maintenance		
Building	103.46	85.27
Machinery	141.06	58.82
Others	159.63	83.82
Wages and labour charges	1,545.93	1,496.51
Lab Expenses	93.81	48.12
Water Charges	130.47	114.42
	<b>3,110.17</b>	<b>2,449.03</b>
<b>Administration, Selling and Other Expenses</b>		
Rent	77.48	80.43
Electricity charges	6.11	9.37
Insurance	260.43	220.68
Rates and taxes	131.42	74.31
R&D Expenses	5.92	50.81
Printing and stationery	45.73	33.96
Selling Expenses	974.74	691.93
Travelling and conveyance	418.29	312.28
Professional & consultancy fees	549.94	546.43
Remuneration to auditors		
Statutory audit	13.00	4.00
Tax audit	5.00	1.00
Communication expenses	80.81	63.38
Carriage Outward	1,107.08	1,938.33
Impairment loss recognized / (reversed) under expected credit loss model	15.71	49.83
Membership and Subscription Charges	7.92	3.65
Security Charges	72.15	34.99
Other general Expenses	25.99	25.69
CSR (Refer Note no 42)	93.65	79.25
	<b>3,891.39</b>	<b>4,220.33</b>
<b>Total</b>	<b>7,001.56</b>	<b>6,669.36</b>

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 32 Income Taxes

### Income tax expense/ (benefit) recognized in the statement of profit and loss

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Current tax expense	1,208.00	1,114.90
Deferred tax expense	43.78	(24.62)
<b>Total income tax expense</b>	<b>1,251.79</b>	<b>1,090.29</b>

### Reconciliation of effective tax rate

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Profit before income tax (Standalone)	5,513.69	5,157.77
Profit before Income Tax (Subsidiaries)	1,463.56	344.20
<b>Expected tax expense</b>	<b>1,722.13</b>	<b>1,594.46</b>
<b>Adjustments:</b>		
Deduction u/s 10AA(SEZ)-50% of profits	(1,208.50)	(1,547.80)
80JJAA Deduction	(107.15)	(121.97)
Expenses not deductible for tax purpose	1,136.64	839.31
Expenses deductible for tax purpose	(1,616.41)	(819.04)
<b>Total</b>	<b>(1,795.42)</b>	<b>(1,649.50)</b>
<b>Profit after adjustments</b>	<b>3,718.27</b>	<b>3,508.27</b>
<b>Interest u/s 234 b&amp;C</b>	<b>8.70</b>	<b>0.79</b>
<b>Income tax expense</b>	<b>1,208.00</b>	<b>1,114.92</b>
<b>Effective tax rate</b>	<b>17.31%</b>	<b>20.26%</b>

### 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 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
<b>Deferred tax (assets)/liabilities:</b>		
Property, plant and equipment	131.35	5.67
Current liabilities & provisions	78.55	(26.31)
Leases	106.70	-
Carry Forward losses	(271.52)	-
Actruial gain	(1.29)	(3.97)
<b>Net deferred tax liabilities</b>	<b>43.78</b>	<b>(24.62)</b>

### Movement in deferred tax assets and liabilities during the years ended 31<sup>st</sup> Mar 2024 and 31<sup>st</sup> Mar 2023

Particulars	As at 31 <sup>st</sup> Mar 23	Charge/(credit) to profit or loss	As at 31 <sup>st</sup> Mar 24
<b>Deferred tax (assets)/liabilities:</b>			
Property, plant and equipment	5.67	125.68	131.35
Current liabilities & provisions	(26.31)	104.86	78.55
Leases	-	106.70	106.70
Carry forward losses	-	(271.52)	(271.52)
Actruial gain	(3.97)	2.69	(1.29)
<b>Net Deferred tax Liabilities</b>	<b>(24.62)</b>	<b>68.40</b>	<b>43.78</b>

## Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 33 Employee Benefits

#### a. Defined contribution plan

Employer contribution to provident fund and Employees state insurance are recognized 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.

##### 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 recognized in the financial statements in respect of retiring gratuity plan:

#### a. Changes in the present value of obligation

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Defined benefit obligation as at beginning of the year	114.01	79.44
Current service cost	26.34	19.41
Interest cost	8.23	5.70
Actuarial (gain)/loss	(3.60)	9.45
Benefits paid	(5.35)	-
<b>Defined benefit obligation as at the end of the year</b>	<b>139.63</b>	<b>114.01</b>

#### b. Fair value of assets and obligations

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
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	-	-
<b>Fair value of plan assets as at the end of the year</b>	<b>-</b>	<b>-</b>

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Fair value of plan assets	-	-
Present value of obligation	139.63	114.01
<b>Amount recognized in balance sheet</b>	<b>(139.63)</b>	<b>(114.01)</b>



## Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 33 Employee Benefits (Contd..)

c. Expenses recognized during the year

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
<b>In income statement</b>		
Interest cost/(income)	8.23	5.70
Current service cost	26.34	19.41
<b>Expenses recognized in the income statement</b>	<b>34.57</b>	<b>25.11</b>
<b>In other comprehensive income (OCI)</b>		
Actuarial (gain)/loss		
Experience Variance	(3.60)	9.45
Others	-	-
Return on plan assets	-	-
<b>Net (income)/expense recognized in OCI</b>	<b>(3.60)</b>	<b>9.45</b>

d. Actuarial assumptions

Particulars	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Discount rate (per annum)	7.10%	7.38%
Salary growth rate (per annum)	5.00%	5.00%

e. 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 31 <sup>st</sup> Mar 24		As at 31 <sup>st</sup> Mar 23	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	150.53	124.57	124.68	104.82
Change in rate of salary increase	118.01	158.92	96.93	134.92
Change in rate of attrition	132.70	140.41	98.48	127.39
Change in rate of mortality	135.70	137.27	110.90	117.20

### 34 Earnings per Share

Particulars	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Profit after tax attributable to equity shareholders of the company	5,718.02	4,353.62
Weighted average number of equity shares for Basic EPS	3,154.00	3,074.25
Weighted average number of equity shares for Diluted EPS	3,724.45	3,074.25
Basic earnings per share	1.81	1.42
Diluted earnings per share	1.54	1.42

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.

## Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 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	13,442.93	772.86	567.42	66.39	100.94	14,950.54
(2) Undisputed Trade receivables - Significant increase in credit risk	-	2.10	0.27	0.07	4.08	6.52
(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	-	-	-	-	-	-

### 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	126.68	-	-	-	126.68
(2) Others	4,566.81	51.29	12.40	32.39	4,662.88
(3) Disputed dues- MSME	-	-	-	-	-
(4) Disputed dues- Others	-	-	-	-	-

### 35.C Capitalization of borrowing costs.

As per Indian Accounting standard -16, para 6, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalized as part of the cost of the Asset. During the year the company has capitalized the borrowing costs of Rs. 1,40,91,827/- at rate of 9.1%. During previous year there was no capitalization of borrowing costs, as the capital expenditure was incurred out of the funds raised through IPO Proceeds.

## 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	
	Sigachi MENA FZCO	
Subsidiary	Trimax Bio Sciences Private Limited	
Key management personnel	Mr.R.P Sinha	Executive chairman
	Mr.S. Chidambaranathan	Executive vice chairman
	Mr.Amit Raj Sinha	MD & CEO
Relatives of KMP	Mrs.Swati Sinha	Wife of Director
Relatives of KMP	Mr.C. Bhavani Shanmugam	Son of director
Entities controlled by KMP	RPS Industries Private Limited	Entity controlled by KMP

## Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 36 Related Parties (Contd..)

#### b. Transactions with Related parties

Nature of transaction	Name of the related party	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Managerial remuneration	Mr.R.P Sinha	158.81	149.72
	Mr.S.Chidambaranathan	158.81	149.72
	Mr.Amit Raj Sinha	240.41	220.52
	Mrs.Swati Sinha	13.50	-
	Mr.Vijay Bhavsar	-	3.00
Rent	Mr.Amit Raj Sinha	20.61	19.21
Sales	Sigachi US,Inc	4,550.08	3,849.44
Sales	Sigachi MENA FZCO	471.78	-
Purchases	Trimax Bio Sciences Pvt Ltd	2,750.82	-
Lease Rentals	RPS Industries Private Limited	360.59	263.26

Managerial remuneration	Year ended 31 <sup>st</sup> Mar 24	Year ended 31 <sup>st</sup> Mar 23
Short Term Employee Benefits	571.52	522.97
Post Employment Benefits	-	-

#### c. Balances as at 31<sup>st</sup> Mar 2024

Nature of transaction	Name of the related party	As at 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
Managerial remuneration	R.P Sinha	4.2	-
	S.Chidambaranathan	-	3.29
	Amit Raj Sinha	-	-
Rent payable	Amit Raj Sinha	1.53	1.61
Sales receipts	Sigachi US,Inc	2,127.66	1,987.70
Sales receipts	Sigachi MENA FZCO	471.78	-
Pre Operative Expenses	Sigachi MENA FZCO	18.84	-
Purchases	Trimax Bio Sciences Pvt Ltd	(2,750.82)	-

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 companies in which some of the directors are directors in those subsidiaries as stated above). Maximum amount outstanding from the above - 2,618.27 Lakhs

#### Personal Guarantees given by Directors:

Residential Flat bearing No:S-1,Second Floor of Jaya Villa, HNO:8-2-293/82/HH/66/A Plot No:66 of HUDA Heights, TS No:5(P) Block J, TS No:14(p), Block Ward No:12 Of Hakimpet Village(Shaikpet) Situate at MLA colony Road No:12, Banjara Hills, Golkonda Mandal,RR Dist Pincode-500034 in the name of Rabindra Prasad Sinha – Undivided share of 75 sq.yards.

### 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 31<sup>st</sup> March 2024 are Rs.3,85,34,323/- and as at 31<sup>st</sup> March 2023 are Rs.3,01,71,696/-.

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 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 31 <sup>st</sup> Mar 24	As at 31 <sup>st</sup> Mar 23
a. Principal amount due to suppliers registered under the MSMED act and remaining unpaid as at year end.	126.89	-
b. Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	1.16	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 31<sup>st</sup> March, 2024.

## 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 31<sup>st</sup> Mar 24 are as follows

Particulars	Carrying value	Level of input used in			Fair value
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
<b>At Amortized cost</b>					
Investments*	-	-	-	-	-
Trade receivables	15,003.74	-	-	-	15,003.74
Cash and cash equivalents	1,741.65	-	-	-	1,741.65
Other bank balances	3,964.03	-	-	-	3,964.03
Other financial assets	1,629.07	-	-	-	1,629.07
<b>Financial liabilities</b>					
<b>At Amortized cost</b>					
Borrowings	11,902.26	-	-	11,902.29	11,902.29
Trade payables	4,662.88	-	-	-	4,662.88
Other financial liabilities	802.22	-	-	-	802.22

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 40 Financial Instruments valuation

The carrying value and fair value of financial instruments by categories as of 31<sup>st</sup> Mar 23 are as follows

Particulars	Carrying value	Level of input used in			Fair value
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
<b>At Amortized cost</b>					
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
<b>Financial liabilities</b>					
<b>At Amortized cost</b>					
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

\* 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.

## 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, 2024	March 31, 2023
Non current borrowings	2,657.98	101.03
Current borrowings	10,046.50	4,035.87
<b>Total debts</b>	<b>12,704.48</b>	<b>4,136.90</b>
Less: Cash and cash equivalents	1,741.65	1,375.28
Other bank balances	5,409.03	3,700.26
<b>Adjusted net debts</b>	<b>5,553.79</b>	<b>(938.64)</b>
Equity	3,281.95	3,074.25
Other equity	39,681.79	23,761.81
<b>Total equity</b>	<b>42,963.74</b>	<b>26,836.06</b>
<b>Adjusted net debt to equity ratio</b>	<b>0.13</b>	<b>(0.03)</b>

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 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.

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
<b>31-Mar-24</b>			
Non current borrowings	802.22	2,065.71	592.27
Current borrowings	9,244.28	-	-
Trade payables	4,662.88	-	-
Other payables	5,752.80	-	-
	<b>20,462.18</b>	<b>2,065.71</b>	<b>592.27</b>
<b>31-Mar-23</b>			
Non current borrowings	87.61	101.03	-
Current borrowings	3,948.25	-	-
Trade payables	2,084.93	-	-
Other payables	936.96	-	-
	<b>7,057.75</b>	<b>101.03</b>	<b>-</b>

### 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.



## Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 42 Financial Risk Management (Contd..)

#### 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	USD (In Lakhs)	
	March 31,2024	March 31,2023
<b>Assets</b>		
Cash and bank balances in USD	9.14	3.79
Trade receivables	118.71	72.69
Other assets	12.80	19.43
<b>Total</b>	<b>140.65</b>	<b>95.91</b>
<b>Liabilities</b>		
Trade payables	35.08	32.78
Other liabilities	80.80	1.03
<b>Total</b>	<b>115.88</b>	<b>33.81</b>
<b>Net Exposure</b>	<b>24.77</b>	<b>62.10</b>

#### 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.

#### 31-Mar-24

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement	0.25	(0.25)	-	-
USD				
	<b>0.25</b>	<b>(0.25)</b>	<b>-</b>	<b>-</b>

#### 31-Mar-23

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement	0.62	(0.62)	-	-
USD				
	<b>0.62</b>	<b>(0.62)</b>	<b>-</b>	<b>-</b>

#### 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.

## 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 Interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the company is as follows:

Particulars	March 31,2024	March 31,2023
<b>Floating rate instruments</b>		
<b>Financial liabilities</b>		
Term loans from banks	3,460.20	187.69
Working capital facilities from bank	9,244.28	3,948.25
<b>Total</b>	<b>12,704.48</b>	<b>4,135.94</b>

#### 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 summarized 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
<b>31-Mar-24</b>		
Variable rate loan instruments	31.76	(31.76)
<b>31-Mar-23</b>		
Variable rate loan instruments	10.34	(10.34)

## 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, 2024	March 31, 2023	% of Variance	Reasons for variance
Current ratio (in times)	Current Assets	Current Liabilities	1.67	2.38	-29.92%	Variance is due to increase in current liabilities because of increase in Bank borrowings.
Debt - Equity Ratio (in times)	Total Debt	Equity and Other Equity	0.29	0.15	92.04%	The Variance is due to increase in total debt.
Debt Service Coverage ratio (in times)	EBITA(Earnings before interest, amortization and tax)	Interest expenses including interest on lease liabilities.	0.70	1.54	-54.85%	The variance is due to increase in interest on borrowings.
Return on Equity ratio (in %)	Profit after tax	Average share holders equity	16.41%	17.55%	-6.50%	-
Inventory turnover ratio (in times)	Revenue Annualized	Average Inventory	14.06	15.66	-10.23%	-
Trade Receivables Turnover ratio (in times)	Revenue Annualized	Average trade receivables	3.47	4.31	-19.58%	-
Trade payables Turnover ratio (in times)	Cost of materials consumed	Average trade payables	5.96	13.57	-56.07%	The variance is due to decrease in purchases.
Net Capital Turnover Ratio (in times)	Revenue	Working Capital(Current Assets - Current Liabilities)	3.27	3.00	9.00%	-
Net Profit Ratio (in %)	Profit after tax	Net Sales	13.95%	14.10%	-1.09%	-
Return on Capital Employed (in%)	EBITA(Earnings before interest and tax)	Capital Employed (Tangible net worth total debt+Deferred tax liability)	16.41%	21.41%	-23.38%	The variance is due to increase in Employee Benefits Expenses.
Return on investment (in%)	Int. income from financial assets + Net gain on financial asset measured at FMV through P/L A/c	Non-current & Current Investment + Non-current & Current loans receivable - Investments in equity instruments of subsidiaries	7.05%	8.76%	-19.48%	-

## Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

### 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	90.33
Amount of Expenditure Incurred	93.65
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. Safe water drinking Facility

### 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 invited 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) **Hypothecation:** First and exclusive charge on all existing and future current assets /moveable fixed assets of the borrower other than any encumbered assets.  
  
All collateral securities and hypothecation on present and future current assets/moveable fixed assets of the borrower would be extended to WTCL under ECGLS on second charge basis.
- j) 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.90.75 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.

# Consolidated Notes forming part of the Financial Statements

(All amounts in Lakhs, except share data and where otherwise stated)

## 45 Additional regulatory information:(Contd..)

Name of the bank	Aggregate working capital limits Sanctioned (In Lakhs)	Nature of current asset offered as security	Quarter ended	Amount disclosed as per quarterly return/ statement. (In Lakhs)	Amount as per books of accounts. (In Lakhs)	Difference
Kotak Mahindra Bank Limited	9,075.00	Refer note below	30 <sup>th</sup> June 2023	3,000.97	3,000.97	-
Kotak Mahindra Bank Limited		Refer note below	30 <sup>th</sup> Sept 2023	2,347.67	2,347.67	-
Kotak Mahindra Bank Limited		Refer note below	31 <sup>st</sup> Dec 2023	3,018.53	3,018.53	-
Kotak Mahindra Bank Limited		Refer note below	31 <sup>st</sup> Mar 2024	3,092.58	3,092.58	-

**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 hypothecation.

k) The company has not invested 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 been confirmed by the parties.No material discrepancies are observed.

Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on Behalf of the Board of Directors

For **Rakesh S Jain & Associates**

Chartered Accountants

Firm Regn No.010129S

**Rabindra Prasad sinha**

Whole-time Director & Chairman

DIN:00413448

**S Chidambaranathan**

Whole-time Director & Vice Chairman

DIN:00485497

**Pankaj Chandak,(FCA)**

Partner

Membership No. 229355

**Amit Raj Sinha**

Managing Director and CEO

DIN:01263292

**O.Subbarami Reddy**

Chief Financial Officer

Place: Hyderabad

Date: 27.05.2024

**Vivek Kumar**

Company Secretary

# NOTICE

**Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of the Members of Sigachi Industries Limited for FY 2023-24 will be held on Wednesday, 04<sup>th</sup> September, 2024 at 11.00 A.M. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following business:**

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at 31<sup>st</sup> March, 2024, the Standalone and Consolidated Statement of Profit and Loss and Standalone and Consolidated 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.
2. To declare dividend of 10% i.e., Re. 0.10/- on equity shares of face value of Re. 1/- for the financial year ended 31<sup>st</sup> March 2024.
3. To appoint a Director in place of Mr. Rabindra Prasad Sinha (DIN: 00413448), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Chidambarnathan Shanmuganathan (DIN: 00485497), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

5. Appointment of Statutory Auditors of the Company for a period of five years.

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

**"RESOLVED THAT** pursuant to Sections 139, 140(4), 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and SEBI (LODR) Regulations, 2015 and pursuant to the approvals and recommendations of the Audit Committee and Board of Directors, M/s. Yelamanchi & Associates, Chartered Accountants, who had submitted their written consent and a certificate indicating that they satisfy the prescribed criteria and in respect of whom company has received a special notice under section 140(4) of companies Act, 2013 proposing their appointment in place of retiring auditors, be and is hereby appointed as Statutory Auditors of the Company for a period of five (5) years to hold office from the conclusion of this 35<sup>th</sup> Annual General Meeting until the conclusion of the 40<sup>th</sup> Annual General Meeting of the Company at a remuneration as may be decided by the Board of Directors of the Company."

**"RESOLVED FURTHER THAT** Mr. Amit Raj Sinha, CEO and Managing Director and Mr. Vivek Kumar, Company Secretary and Compliance Officer be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, including

filing of the necessary forms with the Registrar of Companies, Telangana at Hyderabad."

## 6. RATIFICATION OF PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2024-25:

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 all 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) per annum plus GST and out of pocket expenses 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 31<sup>st</sup> March 2025.

**RESOLVED FURTHER THAT** Mr. Amit Raj Sinha, CEO and Managing Director and Mr. Vivek Kumar, the Company Secretary and compliance officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, including filing of the necessary forms with the Registrar of Companies, Telangana at Hyderabad."

## 7. RE-APPOINTMENT OF MS. BINDU VINODHAN [DIN:02882210] AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

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 149, 150, 152 and other applicable provisions if any, of the Companies Act, 2013 ("the Act"), the Rules made thereunder and read with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Nomination and Remuneration Policy of the Company, the performance evaluation made by Board of Directors earlier and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, Ms. Bindu Vinodhan who was appointed as an Independent Director of the Company for a term of 2 (Two) consecutive years commencing from 27.10.2022 up to 26.10.2024 (both days inclusive) and who being eligible for re-appointment



as an Independent Director who has given her consent along with a declaration that she meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (Five) consecutive years on the Board of the Company commencing from 27.10.2024 up to 26.10.2029 (both days inclusive).

**RESOLVED FURTHER THAT** Mr. Amit Raj Sinha, CEO and Managing Director or Mr. Vivek Kumar, the Company Secretary and compliance officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary for the re-appointment of Ms. Bindu Vinodhan as an Independent Director of the Company, including filing of the necessary forms with the Registrar of Companies, Telangana at Hyderabad."

#### **8. RE-APPOINTMENT OF MR. RABINDRA PRASAD SINHA [DIN: 00413448] AS WHOLE-TIME DIRECTOR AND CHAIRMAN OF THE COMPANY.**

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

**"RESOLVED THAT** pursuant to Sections 196(3), 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Nomination and Remuneration Policy of the Company, the performance evaluation made by Board of Directors earlier and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to such consents and permissions, as may be required, approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Rabindra Prasad Sinha [DIN: 00413448] as Whole-time Director and Chairman of the Company who attained the age of 70 years, for a further period of 3 (three) years with effect from 01<sup>st</sup> December 2024, on such terms and conditions including remuneration as set out in this resolution.

**"RESOLVED FURTHER THAT** the remuneration payable to Mr. Rabindra Prasad Sinha, Whole-time Director shall be as under:

##### **1. Remuneration:**

₹5,60,000/- per month, with effect from 1<sup>st</sup> December, 2024 along with an annual increment of ₹40,000/- with effect from 01<sup>st</sup> April of each financial year during his tenure.

##### **2. Performance incentive (or) commission**

Such remuneration by way of Commission in addition to the salary, perquisites payable, as may be decided by the Board of Directors for each financial year calculated with reference to net profits of the Company, payable at such intervals, as may be decided by the Board of Directors, subject to a maximum of 2% for each financial year commencing from 2024-25.

##### **3. Perquisites**

Perquisites shall be restricted to an amount equal to the above salary:

- i. Medical Reimbursement: Reimbursement of the expenses incurred for self and family or medical insurance for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- ii. Leave Travel Concession: Leave travel concession for self and family once in a year incurred in accordance with rule of the Company.  
  
Explanation: Family for the i & ii means, the Spouse, the dependent children and parents
- iii. Club Fees: Fees of Club subject to maximum of two clubs. No admission and life membership fee shall be paid.
- iv. Personal Accident Insurance: Personal accident insurance of an amount, the annual premium of which does not exceed Rs. 25,000 per annum.
- v.
  - a. Gratuity as per the rules of the Company
  - b. Company's contribution towards superannuation fund as per the rules of the Company.
  - c. Provident Fund employers contribution as per the Act.

The aforesaid perquisites stated in a, b and c shall not be included in the computation of aforesaid ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

- vi. Earned Leave: On full pay and allowance and perquisites as per the rules of the company, but not exceeding one-month salary for every eleven months of service. Encashment of leave at the end of the tenure shall not be included in the computation of the aforesaid ceiling on perquisites and/or salary.
- vii. Provision of Chauffeur Driven Car at the Expense of the Company which would be maintained by the Company and Mobile Phone facility which shall not be considered as perquisites for the aforesaid ceiling.

**"RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Rabindra Prasad Sinha, Chairman and Whole-time Director of the Company, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time."

**RESOLVED FURTHER THAT** in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V of the Act, the Board of Directors be and is hereby authorized to vary or increase the remuneration (including the minimum remuneration), i.e. the salary, perquisites, allowances, etc, within such prescribed limit to give effect to such modification, relaxation or variation, subject to approvals as may be required under law.

**RESOLVED FURTHER THAT** Mr. Amit Raj Sinha, CEO and Managing Director or Mr. Vivek Kumar, the Company Secretary and compliance officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary for the re-appointment of Mr. Rabindra Prasad Sinha, Whole-time Director and Chairman of the Company, including filing of the necessary forms with the Registrar of Companies, Telangana at Hyderabad."

#### **9. RE-APPOINTMENT OF MR. S CHIDAMBARNATHAN [DIN: 00485497] AS WHOLE-TIME DIRECTOR AND VICE-CHAIRMAN OF THE COMPANY.**

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

**"RESOLVED THAT** pursuant to Sections 196(3), 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Nomination and Remuneration Policy of the Company, the performance evaluation made by Board of Directors earlier and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to such consents and permissions, as may be required, approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. S Chidambarnathan [DIN:00485497] as Executive Vice Chairman and Whole-time Director of the Company, who had attained the age of 70 (Seventy) years for a further period of 3 (three) years with effect from 01<sup>st</sup> December 2024, on such terms and including remuneration as set out in this resolution.

**"RESOLVED FURTHER THAT** the remuneration payable to Mr. S Chidambarnathan [DIN 00485497], Executive Vice Chairman, shall be as under:

#### **1. Remuneration**

₹5,60,000/- per month, with effect from 1<sup>st</sup> December, 2024 along with an annual increment of ₹40,000/- with effect from 01<sup>st</sup> April of each financial year during his tenure.

2. Performance incentive (or) Commission Such remuneration by way of Commission in addition to the salary, perquisites payable, as may be decided by the Board of Directors for each financial year calculated with reference to net profits of the Company, payable at such intervals, as may be decided by the Board of Directors, subject to a maximum of 2% for each financial year commencing from 2024-2025.

#### **3. Perquisites**

Perquisites shall be restricted to an amount equal to the above salary:

- i. Medical Reimbursement: Reimbursement of the expenses incurred for self and family or medical insurance for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- ii. Leave Travel Concession: Leave travel concession for self and family once in a year incurred in accordance with rule of the Company.  
  
Explanation: Family for the i & ii means, the Spouse, the dependent children and parents
- iii. Club Fees: Fees of Club subject to maximum of two clubs. No admission and life membership fee shall be paid.
- iv. Personal Accident Insurance: Personal accident insurance of an amount, the annual premium of which does not exceed Rs. 25,000 per annum.
  - a. Gratuity as per the rules of the Company
  - b. Company's contribution towards superannuation fund as per the rules of the Company.
  - c. Provident Fund employers contribution as per the Act.

The aforesaid perquisites stated in a, b and c shall not be included in the computation of aforesaid ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

- v. Earned Leave: On full pay and allowance and perquisites as per the rules of the company, but not exceeding one-month salary for every eleven months of service. Encashment of leave at the end of the tenure shall not be included in the computation of the aforesaid ceiling on perquisites and/or salary.
- vi. Provision of Chauffeur Driven Car at the Expense of the Company which would be maintained by the Company and Mobile Phone facility which shall not be considered as perquisites for the aforesaid ceiling.

**"RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. S Chidambarnathan, Wholetime Director and Vice Chairman of the Company, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time".

**RESOLVED FURTHER THAT** in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V of the Act, the Board of Directors be and is hereby authorized to vary or increase the remuneration (including the minimum remuneration), i.e. the salary, perquisites, allowances, etc, within such prescribed limit to give effect to such modification, relaxation or variation, subject to approvals as may be required under law.

**RESOLVED FURTHER THAT** Mr. Amit Raj Sinha, CEO and Managing Director or Mr. Vivek Kumar, the Company Secretary and compliance officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary for the re-appointment of Mr. S Chidambarnathan, Whole-time Director and Vice Chairman of the Company, including filing of the necessary forms with the Registrar of Companies, Telangana at Hyderabad."

#### 10. RE-APPOINTMENT OF MR AMIT RAJ SINHA [DIN: 01263292] AS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY

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

**"RESOLVED THAT** pursuant to Sections 196(3), 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Nomination and Remuneration Policy of the

Company, the performance evaluation made by Board of Directors earlier and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company and subject to such consents and permissions, as may be required, approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Amit Raj Sinha [DIN 01263292] as Managing Director and Chief Executive Officer of the Company for a further period of 3 (three) years with effect from 01<sup>st</sup> December 2024, on such terms and conditions including remuneration as set out in this resolution.

**"RESOLVED FURTHER THAT** the remuneration payable to Mr. Amit Raj Sinha, Managing Director & Chief Executive Officer shall be as under:

1. Remuneration ₹14,00,000/- per month, with effect from 1<sup>st</sup> December, 2024 along with an annual increment of ₹2,00,000/- with effect from 01<sup>st</sup> April of each financial year during his tenure.
2. Performance incentive (or) Commission Such remuneration by way of Commission in addition to the salary, perquisites payable, as may be decided by the Board of Directors for each financial year calculated with reference to net profits of the Company, payable at such intervals, as may be decided by the Board of Directors, subject to a maximum of 2% for each financial year commencing from 2024-2025.

#### 3. Perquisites

Perquisites shall be restricted to an amount equal to the above salary:

- i. Medical Reimbursement: Reimbursement of the expenses incurred for self and family or medical insurance for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- ii. Leave Travel Concession: Leave travel concession for self and family once in a year incurred in accordance with rule of the Company.

Explanation: Family for the i & ii means, the Spouse, the dependent children and parents

- iii. Club Fees: Fees of Club subject to maximum of two clubs. No admission and life membership fee shall be paid.
- iv. Personal Accident Insurance: Personal accident insurance of an amount, the annual premium of which does not exceed Rs. 25,000 per annum.
  - a. Gratuity as per the rules of the Company
  - b. Company's contribution towards superannuation fund as per the rules of the Company.
  - c. Provident Fund employers contribution as per the Act.

The aforesaid perquisites stated in a, b and c shall not be included in the computation of aforesaid ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

- v. Earned Leave: On full pay and allowance and perquisites as per the rules of the company, but not exceeding one-month salary for every eleven months of service. Encashment of leave at the end of the tenure shall not be included in the computation of the aforesaid ceiling on perquisites and/or salary.
- vi. Provision of Chauffeur Driven Car at the Expense of the Company which would be maintained by the Company and Mobile Phone facility which shall not be considered as perquisites for the aforesaid ceiling.

**"RESOLVED FURTHER THAT** in the event of losses or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Amit Raj Sinha, Managing Director and Chief Executive Officer of the Company, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time".

**RESOLVED FURTHER THAT** in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule V of the Act, the Board of Directors be and is hereby authorized to vary or increase the remuneration (including the minimum remuneration), i.e. the salary, perquisites, allowances, etc, within such prescribed limit to give effect to such modification, relaxation or variation, subject to approvals as may be required under law.

**RESOLVED FURTHER THAT** Mr. Oruganti Subbarami Reddy, Chief Financial Officer and Mr. Vivek Kumar, the Company Secretary and compliance officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary for the re-appointment of Amit Raj Sinha, Managing Director and Chief Executive Officer of

the Company of the Company, including filing of the necessary forms with the Registrar of Companies, Telangana at Hyderabad."

#### **11. TO SPONSOR MR. AMIT RAJ SINHA, CEO AND MANAGING DIRECTOR TO THE ADVANCED MANAGEMENT PROGRAMME CONDUCTED BY HARVARD BUSINESS SCHOOL AND REMIT THE FEE AND ALL INCIDENTAL EXPENSES**

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 188, 196 and 197 and other applicable provisions of the Companies Act, 2013, Regulation 17 of the SEBI LODR Regulations 2015 and pursuant to the recommendations of the Audit Committee, Nomination and Remuneration Committee and the Board of Directors, approval of the Members be and is hereby accorded to sponsor Mr. Amit Raj Sinha, CEO and Managing Director to the Advanced Management Programme conducted by Harvard Business School from February 09, 2025 - May 16, 2025 by remitting a fee of \$92,000.00 and all the other expenses including Travel, Boarding, Lodging, conveyance and incidentals on actual basis, not exceeding \$35,000 (excluding course fee)."

**RESOLVED FURTHER THAT** Mr. Oruganti Subbarami Reddy, Chief Financial Officer and Mr. Vivek Kumar, the Company Secretary and compliance officer of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, including filing of the necessary forms with the Registrar of Companies, Telangana at Hyderabad."

By order of the Board  
**For Sigachi Industries Limited**

Sd/-  
**Vivek Kumar**

Date: August 06, 2024  
Place: Hyderabad

Company Secretary &  
Compliance Officer

**NOTES:**

1. 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, 21/2021 dated January 13, 2021 December 14, 2021 and 09/2023 dated September 25, 2023, Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023 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 35<sup>th</sup> 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 2023-2024 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 2023-24 will also be available on the Company's website [www.sigachi.com](http://www.sigachi.com), websites of the Stock Exchanges i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) respectively and on the website of R&T Agent of the Company viz. Bigshare Services Pvt. Ltd at [www.bigshareonline.com](http://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 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 August 29, 2024 to September 04, 2024 (including both days).
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 2023-24 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](mailto:investors@sigachi.com)



16. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the 35<sup>th</sup> 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 27, 2024 has recommended a dividend of Re. 1/- per share for fiscal year 2023-24. The record date for the purpose of dividend will be August 28, 2024. 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 1<sup>st</sup> 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](http://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 September 25, 2024 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 August 28, 2024 (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 2023-24 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 2023-2024 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 2023-2024, 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):
- 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.
  - Appointment of proxy to attend and cast vote on behalf of the member is not available.
  - 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 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.

**29. THE INTRUCTIONS FOR THE SHAREHOLDERS FOR REMOTE E-VOTING AND E- VOTING DURING AGM AND JOINING MEETING THROUGH VC/ OAVM ARE AS UNDER:**

1. The voting period begins on September 01,2024 at 9:00 A.M. and ends on September 03,2024 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., on August 28, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. 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 <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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 &amp; voting during the meeting. Additionally, there is 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.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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](http://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](http://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:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
<b>PAN</b>	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"> <li>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.</li> </ul>
<b>Dividend Bank Details</b>	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.
<b>OR Date of Birth (DOB)</b>	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <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 click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login 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](mailto: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.

**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](mailto: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, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33.

By order of the Board  
**For Sigachi Industries Limited**

Date: August 06, 2024  
Place: Hyderabad

Sd/-  
**Vivek Kumar**  
Company Secretary &  
Compliance Officer

## EXPLANATORY STATEMENT

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

#### ITEM NO. 5.

#### APPOINTMENT OF STATUTORY AUDITORS OF THE COMPANY FOR A PERIOD OF FIVE YEARS

The Company received Special Notice on 02.08.2024 from Ms. Sushma Toshniwal holding more than 500000 shares together with the Resolution proposed to be passed at the forthcoming 35<sup>th</sup> Annual General Meeting to appoint a person other than a Retiring Auditor i.e., to appoint M/s. Yelamanchi & Associates, Chartered Accountants as Statutory Auditors, for a period of 5 years from conclusion of this 35<sup>th</sup> Annual General Meeting until the conclusion of 40<sup>th</sup> Annual General Meeting, under Section 140(4) of the Companies Act, 2013 read with Section 115 of the Companies Act, 2013. A copy of the said Special Notice together with the proposed resolution is annexed hereto.

The Audit Committee and Board of Directors considered and noted the Special Notice together with the proposed resolution and also noted that the same were already sent to the Retiring Auditor M/s. Rakesh S Jain & Associates on 05<sup>th</sup> August, 2024.

The Audit Committee recommended the appointment of M/s Yelamanchi & Associates, Chartered Accountants, as the Company's new Statutory Auditor. The Board in its meeting held on 06.08.2024 approved the appointment of M/s Yelamanchi & Associates, Chartered Accountants, Hyderabad (FRN.000415), as Statutory Auditor of the Company subject to approval of shareholders of the Company.

Accordingly, it is recommended to appoint M/s Yelamanchi & Associates., Chartered Accountants as Statutory Auditors of the Company for a period of 5 years from conclusion of this 35<sup>th</sup> Annual General Meeting until the conclusion of 40<sup>th</sup> Annual General Meeting of the Company at a remuneration of Rs. 12,00,000/- p.a. plus GST and out of pocket expenses on actual basis.

The Company has received consent letter and eligibility certificate from M/s. Yelamanchi & Associates., Chartered Accountants to act as Statutory Auditor of the Company along with confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

#### Brief Profile

M/s. Yelamanchi & Associates is a Chartered Accountancy firm registered with Institute of Chartered Accountants of India (ICAI) having its registered office at Hyderabad. Yelamanchi is a team of experienced, young and energetic Professionals having positive approach to provide expert and professional services with due care of professional ethics.

M/s. Yelamanchi & Associates offers fast and reliable services in the field of income tax consultancy, auditing, accountant certification, business formation consultancy services, chartered accounting services, NGO/Trust etc. The firm is engaged in the activities in the line of Corporate Law, Secretarial Compliances, Tax Matter, audit and accountancy covering a wide range of sub activities related to the profession.

#### Details as required under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

Sl No.	Particulars	Details
1.	Proposed fees payable to the statutory auditor(s) along with terms of appointment	Proposed fees payable is Rs. 12,00,000/- p.a. plus GST and out of pocket expenses on actual basis. Terms of appointment – from conclusion of this 35 <sup>th</sup> Annual General Meeting until conclusion of 40 <sup>th</sup> Annual General Meeting for FY 2028-29.
2.	Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	The proposed fee payable to the auditor commensurate with the coverage, functions, size of the Company & volume of operations and is relatively lower than the fee payable to the ceased auditor.
3.	Basis of Recommendation for appointment/ Re-appointment	The Audit Committee and the Board of Directors, while recommending the appointment of M/s. Yelamanchi & Associates as the Statutory Auditor of the Company, have taken into consideration, among other things, the profile of the firm and partners, proven track record for the firm and eligibility criteria prescribed under the Act.
4.	Credentials of the statutory auditor	As mentioned above

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Special Resolution.

The Board of Directors recommends the Special Resolution as set out in item no.5 of the Notice of AGM for approval of the members.

**Sl.no. 1**

Date: 03.08.2024

From

Ms. Sushma Toshniwal

Holding 10,00,000 Equity Shares of Re.1/- each

DP ID 12054500 Client ID 00159941

20-4-791/793

Chowk Kasarhatta, Hyderabad-500002, Telangana

To

**Sigachi Industries Limited**

Hyderabad

**Kind attn.: Mr. Vivek Kumar, Company Secretary and Compliance Officer**

**Sub: Special Notice of Resolution to be passed at the forthcoming 35<sup>th</sup> Annual General Meeting to appoint a person other than a Retiring Auditor as Statutory Auditors under Section 140(4) of the Companies Act, 2013 read with Section 115 of the Companies Act, 2013**


\*\*\*

Dear Sir,

I, the undersigned shareholder of M/s Sigachi Industries Limited, holding 10,00,000 Equity Shares constituting 0.30 percentage of shareholding of the paid-up Share capital of the Company under the Client ID 00159941 and DP ID 12054500.

I hereby propose the appointment of M/s. Yelamanchi & Associates, Chartered Accountants as Statutory Auditors of the Company for a period of Five (5) years to hold office from the conclusion of the forth coming 35<sup>th</sup> Annual General Meeting until the conclusion of the 40<sup>th</sup> Annual General Meeting of the Company, at a remuneration as may be decided by the Board of Directors of the Company.

I enclose herewith the draft resolution to be proposed at the forthcoming Annual General Meeting for the appointment of M/s. Yelamanchi & Associates, Chartered Accountants as Statutory Auditors of the Company for a period of Five (5) years.



**Sushma Toshniwal**

DP ID CLIENT ID: 12054500 00159941

Holding 10,00,000 Equity shares of Re.1/- each of Sigachi Industries Limited

Encl. Draft Resolution



## Sl.No. 2

**TEXT OF THE SPECIAL RESOLUTION PROPOSED TO BE PASSED AT FORTH COMING 35TH ANNUAL GENERAL MEETING OF SIGACHI INDUSTRIES LIMITED****Appointment of Statutory Auditors of the Company w.e.f from the conclusion of the forth coming 35<sup>th</sup> Annual General Meeting for a period of Five (5) years.**

**"RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and SEBI (LODR) Regulations, 2015 and pursuant to the approvals and recommendations of the Audit Committee and Board of Directors, M/s. Yelamanchi & Associates, Chartered Accountants, who had submitted their written consent and a certificate indicating that they satisfy the prescribed criteria, be and is hereby appointed as Statutory Auditors of the Company for a period of Five (5) years to hold office from the conclusion of this 35<sup>th</sup> Annual General Meeting until the conclusion of the 40<sup>th</sup> Annual General Meeting of the Company at a remuneration as may be decided by the Board of Directors of the Company."

**"RESOLVED FURTHER THAT** Mr. Amit Raj Sinha, CEO and Managing Director and Mr. Vivek Kumar, Company Secretary and Compliance Officer be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, including filing of the necessary forms or returns with the Registrar of Companies, Telangana at Hyderabad."

**ITEM NO.6****RATIFICATION OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2024-25:**

The Board in its meeting held on 27.05.2024, 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, Pharmaceuticals products for the year ending 31<sup>st</sup> March 2025, 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 their 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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the year ending 31<sup>st</sup> March 2025.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board of Directors recommends the Ordinary Resolution as set out in item no.6 of the Notice of AGM for approval of the members.

**ITEM NO. 7:****RE-APPOINTMENT OF MS. BINDU VINDODHAN [DIN:02882210] AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

Ms. Bindu Vinodhan is currently an Independent Director of the Company, Chairperson of the Nomination and Remuneration Committee and member of the Stakeholders Relationship Committee and Transformation Committee.

Ms. Bindu Vinodhan was appointed as an Independent Director of the Company by the Members at the Extra Ordinary General Meeting of the Company held on 23.01.2023 for a period of 2 (two) consecutive years commencing from 27.10.2022 upto 26.10.2024 (both days inclusive) and is eligible for re-appointment for a second term on the Board of the Company.

Based on the recommendation of the Nomination & Remuneration Committee ('NRC'), the Board of Directors at its meeting held on 06.08.2024, proposed the re-appointment of Ms. Bindu Vinodhan as an Independent Director of the Company for a second term of 5 (Five) consecutive years commencing from 27.10.2024 upto 26.10.2029 (both days inclusive), not liable to retire by rotation, for approval of the Members by way of a Special Resolution.

Ms. Bindu Vinodhan is a social entrepreneur, business consultant and a leadership development facilitator specializing in area of high impact transformation in both the business and social sector. Ms. Bindu Vinodhan is a trained executive coach and an HR professional with over two decades of experience in Learning and Development. In her second stint, Ms. Bindu is the founder of a leadership transformation consulting firm called TILLT where she works extensively with senior leadership to facilitate powerful interventions that allow individuals, leaders and businesses to grow into their highest resonant potential. Along with TILLT Bindu is also the founder of an NGO called the 'Mauna Dhvani' foundation where she works with the severally marginalized women of the tribal communities of eastern Odisha.

Ms. Bindu holds a Bachelors degree in Engineering from Mumbai University and a Masters degree in Learning technology from Oxford University.

The NRC taking into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation, concluded and recommended to the Board in view of her rich experience in the above mentioned areas and special skill set and capabilities.

The Board is of the opinion that Ms. Bindu Vinodhan continues to possess the identified core skills, expertise and competencies fundamental for effective functioning in her role as an Independent Director of the Company and her continued association would be of immense benefit to the Company.

The Company has received a declaration from Ms. Bindu Vinodhan confirming that she continues to meet the criteria of independence as prescribed under Section 149(6) of the Act, read with the rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

In terms of Regulation 25(8) of the SEBI Listing Regulations, Ms. Bindu Vinodhan has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

Ms. Bindu Vinodhan has also confirmed that she is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Further, Ms. Bindu Vinodhan has confirmed that she is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director in terms of Section 152 of the Act, subject to re-appointment by the Members.

Ms. Bindu Vinodhan has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

In the opinion of the Board, Ms. Bindu Vinodhan fulfils the conditions specified in the Act, rules thereunder and the SEBI Listing Regulations for re-appointment as an Independent Director and that she is independent of the Management. The terms and conditions of the appointment of Independent Directors is uploaded on the website of the Company at [www.sigachi.com](http://www.sigachi.com)

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Ms. Bindu Vinodhan as an Independent Director is now placed for the approval of the Members by a Special Resolution.

Pursuant to Regulation 25 (2A) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the appointment / re-appointment of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.

The Board commends the Special Resolution set out in Item No. 7 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Ms. Bindu Vinodhan are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

## ITEM NO. 8:

### **RE-APPOINTMENT OF MR RABINDRA PRASAD SINHA [DIN: 00413448] AS WHOLE-TIME DIRECTOR AND EXECUTIVE CHAIRMAN OF THE COMPANY**

At the Annual General Meeting held on 28<sup>th</sup> September 2019, Mr. Rabindra Prasad Sinha was re-appointed as Executive Chairman and Whole-Time Director for a period of 5 years with effect from 01<sup>st</sup> December 2019 to 30<sup>th</sup> November 2024.

Pursuant to the recommendation of the Nomination and Remuneration Committee and performance evaluation conducted by the Board of Directors earlier, the Board in its Meeting held on 06.08.2024 re-appointed Mr. Rabindra Prasad Sinha as Whole-time Director and Executive Chairman of the Company with effect from 01<sup>st</sup> December 2024 for a period of 3 (three) years up to 30<sup>th</sup> November 2027 subject to the approval of the shareholders.

Mr. Rabindra Prasad Sinha has a rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to continue Mr. Rabindra Prasad Sinha as Executive Chairman and Whole-time Director of the Company.

In terms of Section 196(3) of Companies Act, 2013, the approval of members by way of special resolution is sought for re-appointment of Mr. Rabindra Prasad Sinha, aged 74 years, as a Whole-time Director for a period of Three (3) years.

The terms and conditions of re-appointment along with details of remuneration are provided in the proposed resolution.

Mr. Rabindra Prasad Sinha has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Further, Mr. Rabindra Prasad Sinha has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Whole-time Director, subject to re-appointment by the Members.

The Board commends the Special Resolution set out in Item No. 8 of the accompanying Notice for approval of the Members.

None of the directors or Key Managerial personnel of the Company or their respective relatives except Mr. Rabindra Prasad Sinha, appointee and Mr. Amit Raj Sinha, Managing Director, being the relative of the appointee are concerned or interested financially or otherwise, in the Resolution set out at Item No. 8.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

#### **ITEM NO. 9:**

##### **RE-APPOINTMENT OF MR. S CHIDAMBARNATHAN [DIN: 00485497] AS WHOLE-TIME DIRECTOR AND VICE-CHAIRMAN OF THE COMPANY.**

At the Annual General Meeting held on 28<sup>th</sup> September 2019, Mr. S Chidambarnathan [DIN: 00485497] was re-appointed as Vice Chairman and Whole-Time Director for a period of 5 years with effect from 01<sup>st</sup> December 2019 to 30<sup>th</sup> November 2024.

Pursuant to the recommendation of the Nomination and Remuneration Committee and performance evaluation, the Board of Directors at its Meeting held on 06.08.2024 re-appointed Mr. S Chidambarnathan as Whole-time Director and Vice Chairman of the Company with effect from 01<sup>st</sup> December 2024 for a period of 3 (three) years up to 30<sup>th</sup> November 2027 subject to the approval of the shareholders.

Mr. S Chidambarnathan has a rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to continue Mr. S Chidambarnathan as Vice Chairman and Whole-time Director of the Company.

In terms of Section 196(3) of Companies Act, 2013, the approval of members by way of special resolution is sought for re-appointment of Mr S Chidambarnathan, aged 81 years, as a Whole-time Director for a period of Three (3) years.

The terms and conditions of re-appointment along with details of remuneration are provided in the proposed resolution.

Mr. S Chidambarnathan has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Further, Mr. S Chidambarnathan has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Whole-time Director, subject to re-appointment by the Members.

The Board commends the Special Resolution set out in Item No. 9 of the accompanying Notice for approval of the Members.

None of the directors or Key Managerial personnel of the Company or their respective relatives except Mr. S Chidambarnathan are concerned or interested financially or otherwise, in the Resolution set out at Item No. 9.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

#### **ITEM NO. 10:**

##### **RE-APPOINTMENT OF MR AMIT RAJ SINHA [DIN: 01263292] AS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY**

At the Annual General Meeting held on 28<sup>th</sup> September 2019, Mr. Amit Raj Sinha was re-appointed as CEO and Managing Director for a period of 5 years with effect from 01<sup>st</sup> December 2019 to 30<sup>th</sup> November 2024.

Pursuant to the recommendation of the Nomination and Remuneration Committee and performance evaluation, the Board of Directors at its Meeting held on 06.08.2024 re-appointed Mr. Amit Raj Sinha as CEO and Managing Director of the Company with effect from 01<sup>st</sup> December 2024 for a period of 3 (three) years up to 30<sup>th</sup> November 2027 subject to the approval of the shareholders.

The terms and conditions of re-appointment along with details of remuneration are provided in the proposed resolution.

Mr. Amit Raj Sinha has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Further, Mr. Amit Raj Sinha has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Managing Director, subject to re-appointment by the Members.

The Board commends the Special Resolution set out in Item No. 10 of the accompanying Notice for approval of the Members.

None of the directors or Key Managerial personnel of the Company or their respective relatives except Mr. Amit Raj Sinha, appointee and Mr. Rabindra Prasad Sinha, Whole-time Director, being the relative of the appointee are concerned or interested financially or otherwise, in the Resolution set out at Item No. 10.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

**Information in accordance with Schedule V of Companies Act, 2013 for Item nos. 8,9 & 10:****I. GENERAL INFORMATION**

1	Nature of Industry : Pharmaceutical Industry			
2	Date or expected date of commencement of commercial: The Company started its commercial operations in the year 1990.			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4	Financial performance based on given indications			
				(₹ In lakhs)
	<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
	Turnover	31749.97	29032.37	24940.47
	Net profit /loss after Tax	4103.43	4156.02	3802.88
5	Foreign investments or collaborations, if any: Not Applicable			

**II. INFORMATION ABOUT THE APPOINTEES:**

S. No	Particulars	Mr. Amit Raj Sinha	Mr. Rabindra Prasad Sinha	Mr. Chidambarnathan Shanmuganathan
1.	Background Details	Mr. Amit Raj Sinha is a Veteran with 10 years of service in Indian Navy. He has 18 years of experience in fine pharma chem and is part of editorial board of two leading pharma International Journals.	Mr. Rabindra Prasad Sinha, aged about 74 years, is associated with the Company since its inception. He is the founding member and is actively involved in the strategic decision making for our Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, business development and management of overall business. He has an experience of over three decades in the cellulose and fine chemicals industry.	Mr. Chidambarnathan Shanmuganathan aged about 81 years, is associated with the Company since its inception. He is the founding member and is actively involved in the strategic decision making for our Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, business development and management of overall business. He has an experience of more than five decades in the field of variety of chemicals and derivatives of cellulose.
2.	Past Remuneration	₹ 13,00,000/- per month	₹ 5,20,000/- per month	₹ 5,20,000/- per month
3.	Recognition or awards	-	-	-
4.	Job Profile and his suitability	Contribution in terms of leadership, strategy formulation and execution, financial planning, maintaining relations both with the board and external entities.	Contribution in terms of leadership, strategy formulation and execution, financial planning, maintaining relations both with the board and external entities, improving the turnovers and profitability of the company.	Contribution in terms of leadership, strategy formulation and execution, financial planning, maintaining relations both with the board and external entities, improving the turnovers and profitability of the company.
5.	Remuneration proposed	₹ 14,00,000/- per month	₹ 5,60,000/- per month	₹ 5,60,000/- per month
6.	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):	Taking into consideration the size of the Company, the profile of Mr. Amit Raj Sinha, Managing Director and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to such positions in other companies.	Taking into consideration the size of the Company, the profile of Mr. Rabindra Prasad Sinha, Whole-time Director and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to such positions in other companies.	Taking into consideration the size of the Company, the profile of Mr. Chidambarnathan Shanmuganathan, Whole-time Director and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to such positions in other companies.

S. No	Particulars	Mr. Amit Raj Sinha	Mr. Rabindra Prasad Sinha	Mr. Chidambarnathan Shanmuganathan
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Rabindra Prasad Sinha is the father of Mr. Amit Raj Sinha, CEO and Managing Director of the Company.	Mr. Rabindra Prasad Sinha is the father of Mr. Amit Raj Sinha, CEO and Managing Director of the Company.	Nil

### III. OTHER INFORMATION:

1.	Steps taken or proposed to be taken for improvement: The Board is striving to strengthen the turnover of the Company and development of the Business.
2.	Expected increase in productivity and profit in measurable terms: The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will increase considerably in the coming years with the effective utilization of IPO proceeds towards expansion of the existing capacities in addition to the creation of new capacities in terms of production.

### ITEM NO. 11:

#### TO SPONSOR MR. AMIT RAJ SINHA, CEO AND MANAGING DIRECTOR TO THE ADVANCED MANAGEMENT PROGRAMME CONDUCTED BY HARVARD BUSINESS SCHOOL AND REMIT THE FEE AND ALL INCIDENTAL EXPENSES

Mr. Amit Raj Sinha, Managing Director and CEO has shown interest to pursue a course of Advanced Management Programme from Harvard Business School. The fees of this course is \$92,000.00. The Board observed that the said course shall also be beneficial for the Company.

Pursuant to recommendation of Nomination and Remuneration Committee and prior approval of the Audit Committee, the Board of Directors in its meeting held on 27.05.2024 approved to sponsor Mr. Amit Raj Sinha, CEO and Managing Director to the advanced management programme conducted by Harvard Business School and remit all other expenses including Travel, Boarding, Lodging, conveyance and incidentals on actual basis, not exceeding \$35,000 (excluding course fee)."

**In this regard as recommended by the Audit Committee and the Board, following information relating to the proposed Related Party Transaction as per the provisions of SEBI LODR Regulations, 2015 is as follows:**

S. No	Particulars	Mr. Amit Raj Sinha
1	Type, material terms and particulars of the proposed transaction.	<b>Type:</b> Perquisites payable to Managing Director <b>Material Terms:</b> To sponsor Mr. Amit Raj Sinha, CEO and Managing Director to the Advanced Management Programme from February 09, 2025 - May 16, 2025 by remitting a fee of \$92,000.00 to Harvard Business School. The Company would make arrangements for his travel, lodging and boarding and other conveyance etc on actual basis not exceeding \$35,000 (excluding course fee).
2	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise).	<b>Name of the Related Party and Relationship:</b> Mr. Amit Raj Sinha, Promoter and Managing Director and CEO <b>Nature of interest:</b> The Company will sponsor him to the advanced management programme being conducted by Harvard Business School by meeting all expenses on actual and remitting the course fee.
3	Tenure of the proposed transaction (particular tenure shall be specified)	Within 12 months from the date of passing of Board Resolution
4	Value of the proposed transaction	The Value of the proposed transaction is \$92000 towards course fee and all the other expenses including travel, lodging and boarding and other conveyance etc on actual basis, not exceeding \$35000 (excluding course fee).

S. No	Particulars	Mr. Amit Raj Sinha
5	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided).	Consolidated Turnover of the Company as per audited financials for the year ended 31.03.2024 is Rs. 410.6 crores and the proposed transaction value i.e., Rs.1.25 Crores (approx.) constitutes 0.4% of the above said turnover.
6	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary.	Not Applicable
	i) details of the source of funds in connection with the proposed transaction	Not Applicable
	ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, <ul style="list-style-type: none"> <li>• nature of indebtedness;</li> <li>• cost of funds; and</li> <li>• tenure;</li> </ul>	Not Applicable
	iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	Not Applicable
	iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not Applicable
7	Justification as to why the RPT is in the interest of the listed entity.	Since the Course relates to Advanced Management programme conducted by renowned organisation, Harvard Business School, it would add to the expertise and management skills of the CEO and Managing Director, Mr. Amit Raj Sinha which will be advantageous to the Company and contributes for better growth and governance of the Company.
8	A copy of the valuation or other external party report, if any such report has been relied upon	Not Applicable
9	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis.	Not Applicable
10	Any other information that may be relevant.	Nil

No related Party can vote on the resolution whether or not the entity is a party to the transaction or not.

The Board commends the Special Resolution set out in Item No. 11 of the accompanying Notice for approval of the Members.

None of the directors or Key Managerial personnel of the Company or their respective relatives except Mr. Amit Raj Sinha and Mr. Rabindra Prasad Sinha, Whole-time Director, being related to him are concerned or interested financially or otherwise, in the Resolution set out at Item No. 11.

By order of the Board  
For Sigachi Industries Limited

Date: August 06, 2024  
Place: Hyderabad

Sd/-  
**Vivek Kumar**  
Company Secretary &  
Compliance Officer



## Annexure A

### DETAILS OF THE DIRECTORS SEEKING REAPPOINTMENT/APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of the Director	Mr. Rabindra Prasad Sinha	Mr. S Chidambaranathan	Mr. Amit Raj Sinha	Ms. Bindu Vinodhan
<b>Date of Birth</b>	01/09/1950	10/05/1943	18/09/1973	03.02.1971
<b>Date of first Appointment</b>	19/01/1990	30/06/1990	29/11/2014	27/10/2022
<b>Expertise in specific functional areas</b>	45 Years of experience in Cellulose and fine Chem Industry considered as a Cellulose Veteran.	50 Years of experience in heavy chemical and pharma fine Chemical Industry	Mr. Amit Raj Sinha is a Veteran with 10 years of service in Indian Navy. He has 18 years of experience in fine pharma chem and is part of editorial board of two leading pharma International Journals.	Bindu Vinodhan is a trained executive coach and an HR professional with over two decades of experience in Learning and Development
<b>Qualification</b>	M.Tech (ITBHU), FIE	B.Sc, PGDBA	M.Tech, MBA (ISB), FIE, Ch. Eng(I)	HR, Learning & Development
<b>Shareholding of the Company as on 31<sup>st</sup> March 2024</b>	4.65%	5.91%	3.95%	Nil
<b>Directorship of other Boards as on 31<sup>st</sup> March 2024</b>	RPS Industries Private Limited	1) Chian Bio Pvt Ltd 2) Pashamylaram Common Infra Structure Pvt Ltd	1) RPS Industries Ltd 2) Trimax Bio Sciences Pvt Ltd	Nil
<b>Membership/ Chairmanship of Committees of other Boards as on 31<sup>st</sup> March 2024</b>	Nil	Nil	Nil	
<b>Details of the last remuneration drawn.</b>	Rs 5,20,000/- per month	Rs. 5,20,000/- per month	Rs. 13,00,000/- per month	NA
<b>Relationship with other Directors/ KMP</b>	Father of Mr. Amit Raj Sinha	Nil	Son of Mr. Rabindra Prasad Sinha, Executive Chairman	Nil
<b>Terms and conditions of appointment</b>	Refer Item no.7 of the Notice	Refer Item no.8 of the Notice	Refer Item no.9 of the Notice	

## 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

Mr. Vivek Kumar

### Statutory Auditors

M/s. Rakesh S Jain & Associates

5-4-8, Mitta Chambers,  
2<sup>nd</sup> Floor, Flat No.201  
J N Road, Abids,  
Hyderabad - 500001

### Internal Auditor

M/s. PSRV & Co. LLP

Chartered Accountants  
1-10-98/A 2<sup>nd</sup> 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, 6<sup>th</sup> 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.

### Unit 5

Plot No. 27, Raichur Growth Center,  
Wadloor Road, Raichur- 584134  
Karnataka

## Notes

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## Notes

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[www.sigachi.com](http://www.sigachi.com)

**Registered Office**

No. 229/1 & 90, 2<sup>nd</sup> Floor,  
Kalyan's Tulsi Ram Chambers,  
Madinaguda, Hyderabad- 500 049  
Telangana State, India  
Email: [mktg.dgm@sigachi.com](mailto:mktg.dgm@sigachi.com)  
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