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, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 as amended (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 31,2022. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements

T. ADINARAYANA & CO. Hyderabad FRN:000041S Chartered Accountants

Sr. No.	Key Audit Matter	Auditor's Response
1	**Capitalisation and useful life of property, plant and equipment.** During the current year the company has gone for public issue for expansion of its existing projects and diversifying to new areas. Accordingly, the Company has incurred capital expenditure on various projects and included in capital work in progress. Further, items of property, plant and equipment that are ready for its intended use as determined by the management have been capitalized in the current year. Judgement is involved to determine that the aforesaid capitalization meet the recognition requirement under Ind AS specifically in relation to determination of whether the criteria for intended use of the management has been met. Further, the Company has assessed the useful life of its plant and machinery which were capitalized as prescribed in the schedule II of the companies act 2013.. Assessment of useful life of plant and machinery involves management judgement, technical assessment, consideration of historical experiences, anticipated technological changes, etc. Accordingly, the above has been determined as a key audit matter.	**Principal Audit Procedures** Our audit procedures included and were not limited to the following: • Examined the management assessment of the assumptions considered in estimation of useful life. • Examined the useful economic lives with reference to the Company's historical experience and technical evaluation by third party specialist appointed by management. • Assessed the objectivity and competence of the Company's external specialists involved in the process. • Assessed the nature of the additions made to property, plant and equipment, capital work-in-progress under development on a test check basis to test whether they meet the recognition criteria as set out Ind AS 16 – Property, Plant and Equipment, including intended use of management.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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Hyderabad
FRN:000041S
Chartered Accountants

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order 2020("the order"),issued by the Central government of India in terms of sub-section (11) of section 143 of the act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act ,read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

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e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act / provided.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

i)
   (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.

(iv) a) In our opinion the final dividend proposed in the previous year (i.e F.Y.2020-21), declared and paid by the company during the year (i.e.F.Y.2021-22) is in compliance with section 123 of the Companies Act,2013 as applicable (applicable w.e.f. 01.04.2021).

b) The board of directors has proposed final dividend for the F.Y.2021-22 which is subject to approval of members ensuing AGM. The amount of dividend proposed is in accordance with section 123 of the act as applicable.

For T Adinaryana &Co.
Chartered Accountants
(Firm's Registration No.000041S)

T. ADINARAYANA & CO. Hyderabad FRN:000041S Chartered Accountants

Place: Hyderabad
Date:.13.05.2022

Y Pulla Rao, FCA
Partner
(Membership No. 025266)
UDIN:22025266AJGFPS9185

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SIGACHI INDUSTRIES LIMITED of even date)

i. In respect of the Company's Property, Plant and Equipment :

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment .

b) The property, plant and equipment, capital workin-progress, have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

c) The title deeds of all the immovable properties are held in the name of the Company.

d) The Company has not revalued its property, plant and equipment, capital work-in progress, or intangible assets during the year.

e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

ii.

a) The management has conducted physical verification of inventory at reasonable intervals during the year,. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods.

iii. According to the information and explanations given to us , the company has not granted any loans, secures or unsecured to body corporate, firms, Limited liability firms, or other parties covered in the register required to be maintained under section 189 of the act. The company has not invested in any other company and has not given any loans which are prejudice to the interest of the company. Accordingly the provisions of the clause of the order are not applicable to the company for the year under review.

iv. In our opinion and according to the information and explanations given to us , the company has no transactions for compliance with the provisions of section 185 and 186 of the act in respect of grant of loans ,making investments and providing guarantees and securities , as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

T. ADINARAYANA & CO. Hyderabad FRN:000041S Chartered Accountants

vii. According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 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	Appellate Tribunal Regional Bench Hyderabad	August 2014 to June 2017	5.59(Penalty -2.50 cr)

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us including confirmations received from banks and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary .

f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

T. ADINARAYANA & CO. Hyderabad FRN:000041S Chartered Accountants

x.

a) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer is being applied for the purposes for which these were obtained.

b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi.

a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

b) No report under section 143(12) of the Act has been filed with the Central Government in form No. ADT -4 for the period covered by our audit.

c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

xiv.

a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

xvi.

a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

T. ADINARAYANA & CO. Hyderabad FRN:000041S Chartered Accountants

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

a) According to the information and explanations given to us and as per our examination that the company has spent an amount of Rs.65,60,998/-towards Corporate Social Responsibility which is over and above the limit prescribed under sec 135 (5) companies act 2013.

b) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. According to the information and explanation given to us, the financials of the subsidiary company are unaudited. Management has certified the financials of the subsidiary company incorporated in USA. As per the certification provided by the management no adverse comments noted and hence clause 3(XXI) of the Order is not applicable to the Company

For T Adinaryana &Co.
Chartered Accountants
(Firm's Registration No.000041S)

T. ADINARAYANA & CO. Hyderabad FRN:000041S Chartered Accountants

Place: Hyderabad
Date:.13.05.2022

Y Pulla Rao, FCA
Partner
(Membership No. 025266)
UDIN: 22025266AJGFPS9185

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sigachi Industries Limited of even date)

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

We have audited the internal financial controls over financial reporting of **SIGACHI INDUSTRIES LIMITED** (the "Company") as of March 31, 2022 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.

T. ADINARAYANA & CO.
Hyderabad
FRN:000041S
Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For T Adinaryana &Co.
Chartered Accountants
(Firm's Registration No.000041S)

Place: Hyderabad
Date:.13.05.2022

T. ADINARAYANA & CO.
Hyderabad
FRN:000041S
Chartered Accountants

Y Pulla Rao, FCA
Partner
(Membership No. 025266)
UDIN: 22025266AJGFPS9185.

SIGACHI INDUSTRIES LIMITED

Standalone Balance Sheet as at 31st March, 2022
(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Note	As at 31st Mar 22	As at 31st Mar 21
ASSETS			
Non-current assets			
Property, plant and equipment	3	52,70,34,871	37,63,31,598
Capital work-in-progress	4	9,71,14,686	3,74,00,252
Other Intangible assets	3	71,05,242	32,67,496
Financial assets			
Investments	5	27,99,000	27,99,000
Other financial assets	6	35,15,49,356	1,78,04,581
Other non-current assets	7	8,50,21,082	2,65,02,718
Total non-current assets		**1,07,06,24,236**	**46,41,05,644**
Current assets			
Inventories	8	16,53,53,174	15,39,07,283
Financial assets			
Trade receivables	9	72,23,00,874	42,05,43,546
Cash and cash equivalents	10	28,33,01,869	15,64,69,834
Other bank balances	11	40,30,21,562	2,11,71,562
Other financial assets	12	12,78,03,877	9,99,70,994
Other current assets	13	7,13,23,512	2,15,80,411
Total current assets		**1,77,31,04,868**	**87,36,43,630**
TOTAL ASSETS		**2,84,37,29,104**	**1,33,77,49,274**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	30,74,25,000	7,68,25,000
Other equity		1,96,43,73,030	87,21,11,015
Total Equity		**2,27,17,98,030**	**94,89,36,015**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	1,21,37,188	1,88,68,475
Provisions	16	91,91,978	78,05,590
Deferred tax liabilities (net)	17	5,44,37,742	4,36,12,140
Total non-current liabilities		**7,57,66,908**	**7,02,86,206**
Current liabilities			
Financial liabilities			
Borrowings	18	32,96,80,220	18,16,18,025
Trade payables			
i)Total outstanding dues of micro and small enterprises	19	-	-
ii)Total outstanding dues of creditors other than micro and small enterprises		9,56,73,791	7,95,03,139
Other financial liabilities	20	56,98,984	73,19,114
Other current liabilities	21	5,85,23,144	4,32,47,417
Provisions	22	65,88,028	68,39,357
Total current liabilities		**49,61,64,166**	**31,85,27,053**
TOTAL EQUITY AND LIABILITIES		**2,84,37,29,104**	**1,33,77,49,274**
See accompanying notes to the financial statements	1to44		

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

T. ADINARAYANA & CO. Hyderabad FRN:000041S Chartered Accountants

Y.P Rao
Partner
Membership No. 025266
Place: Hyderabad
Date: 13.05.2022

For and on Behalf of the Board of Directors

Rabindra Prasad sinha
Executive Chairman

S Chidambaranathan
Executive Vice Chairman

Amit Raj Sinha
Managing Director and CEO

O.Subbarami Reddy
Chief Financial Officer

Shreya Mitra
Company Secretary

SIGACHI INDUSTRIES LIMITED

Standalone Statement of Profit and Loss for the year ended 31st March, 2022

(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Note	Year ended 31st Mar 22	Year ended 31st Mar 21
Revenue from operations	23	2,49,40,47,477	1,87,94,23,463
Other income	24	2,62,96,078	3,25,47,552
Total income		**2,52,03,43,555**	**1,91,19,71,016**
Expenses			
Cost of materials consumed	25	1,19,36,87,387	92,30,95,223
Changes in inventories of finished goods, work in progress and stock in trade	26	3,23,21,884	6,70,88,861
Employee benefit expenses	27	20,02,00,984	16,83,96,093
Finance costs	28	1,15,49,985	1,15,90,567
Depreciation and amortization expense	3	2,90,47,722	2,31,09,420
Other expenses	29	56,38,79,625	34,74,91,268
Total expenses		**2,03,06,87,587**	**1,54,07,71,432**
Profit/(loss) before tax		**48,96,55,968**	**37,11,99,584**
Tax expense			
(i) Current tax	30	9,88,39,165	6,56,58,204
(ii) Deferred tax	30	1,05,28,545	1,49,38,653
Profit/(loss) for the period		**38,02,88,258**	**29,06,02,727**
Other comprehensive income			
A.			
i) Items that will not be reclassified to profit and loss	32	10,20,114	5,71,571
ii)Income tax relating to items that will not be reclassified to profit or loss	32	(2,97,057)	(1,66,441)
B.			
i) Items that will be reclassified to profit and loss		-	-
ii)Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		**7,23,057**	**4,05,130**
Total Comprehensive income for the period (Comprising profit(Loss) and other comprehensive Income for the period)		**38,10,11,314**	**29,10,07,856**
Earnings per equity share			
1) Basic	33	**14.66**	**12.61**
2) Diluted	33	**14.66**	**12.61**
See accompanying notes to the financial statements	1to44		

As per our report of even date attached

For T .Adinarayana & Co,
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Firm Regn No. 000041S

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Chief Financial Officer

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Company Secretary

SIGACHI INDUSTRIES LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY AND OTHER EQUITY
(All amounts in Indian rupees, except share data and where otherwise stated)

A) EQUITY SHARE CAPITAL

Particulars	As at 31st Mar 22		As at 31st Mar 21	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	76,82,500	7,68,25,000	76,82,500	7,68,25,000
Issued during the year(Bonus Issue)	1,53,65,000	15,36,50,000	-	-
Issued during the year(Initial Public Offer)	76,95,000	7,69,50,000	-	-
Outstanding at the end of the year	**3,07,42,500**	**30,74,25,000**	**76,82,500**	**7,68,25,000**

B) OTHER EQUITY
1) Current Reporting Period

Particulars	Reserves & surplus				Other comprehensive income	Total other equity
	Securities premium	General reserve	Amalgamation reserve	Profit and loss		
Balance as at 1st April 21	**1,64,53,515**	**3,61,15,299**	**3,90,56,600**	**77,86,05,811**	**18,79,790**	**87,21,11,015**
Current year :						
Bonus issue	-	-	-	-	-	-
IPO issue	1,17,73,35,000	-	-	-	-	1,17,73,35,000
Profit/(Loss)	-	-	-	38,02,88,258	-	38,02,88,258
Appropriations						
Bonus issue	(1,64,53,515)	-	-	(13,71,96,485)	-	(15,36,50,000)
IPO Issue Expenses	(28,93,86,799)	-	-		-	(28,93,86,799)
General Reserve	-	95,07,206	-	(95,07,206)	-	-
Dividend paid	-	-	-	(2,30,47,500)	-	(2,30,47,500)
Other comprehensive Income for the year	-	-	-		7,23,057	7,23,057
Balance as at 31st Mar 22	**88,79,48,201**	**4,56,22,505**	**3,90,56,600**	**98,91,42,877**	**26,02,847**	**1,96,43,73,030**

2) Previous Reporting Period

Particulars	Reserves & surplus				Other comprehensive	Total other equity
	Securities	General reserve	Amalgamation reserve	Profit and loss		
Balance as at 1st April 20	**1,64,53,515**	**2,88,50,231**	**3,90,56,600**	**50,29,50,651**	**14,74,661**	**58,87,85,658**
Current year :						
Profit/(Loss)	-	-	-	29,06,02,727	-	29,06,02,727
Appropriations						
General Reserve	-	72,65,068	-	(72,65,068)	-	-
Dividend paid	-	-	-	(76,82,499)	-	(76,82,499)
Other comprehensive Income for the year	-	-	-	-	4,05,130	4,05,130
Balance as at 31st Mar 21	**1,64,53,515**	**3,61,15,299**	**3,90,56,600**	**77,86,05,811**	**18,79,790**	**87,21,11,015**

As per our report of even date attached
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For and on Behalf of the Board of Directors

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Company Secretary

SIGACHI INDUSTRIES LIMITED

Standalone Statement of Cash Flows for the year ended 31st March, 2022
(All amounts in Indian rupees, except share data and where otherwise stated)

Particulars	Year ended 31st Mar 22	Year ended 31st Mar 21
Cash flows from operating activities		
Profit/(loss) before tax	48,96,55,968	37,11,99,584
Adjustments to reconcile net loss to net cash provided by operating		
Depreciation and amortisation	2,90,47,722	2,31,09,420
Scrap sales	-	(8,73,914)
Gratuity and compensated absence	10,20,114	5,71,571
Finance costs	1,15,49,985	1,15,90,567
Interest income	(68,67,725)	(8,65,033)
Changes in current assets and current liabilities		
Inventories	(1,14,45,891)	10,61,64,104
Trade receivables	(30,17,57,328)	(12,00,61,743)
Trade payables	1,61,70,652	58,65,154
Other assets	(7,75,75,984)	(6,20,51,785)
Other liabilities	1,34,04,267	91,37,545
Cash generated from operations	**16,32,01,779**	**34,37,85,470**
Income taxes paid	(10,96,64,768)	(6,56,58,204)
Cash flow from non operating activities -Scrap sale	-	8,73,914
Net cash flow from operating activities (A)	**5,35,37,012**	**27,90,01,181**
Cash flows from investing activities		
Purchase of property, plant and equipment	(24,33,03,175)	(9,28,38,644)
Interest income	68,67,725	8,65,033
Investments	-	(15,00,000)
Other assets	(39,22,63,139)	(2,08,49,677)
Net cash flow used in investing activities (B)	**(62,86,98,588)**	**(11,43,23,288)**
Cash flow from financing activities		
Net Proceeds from issue of Equity shares	96,48,98,201	-
Proceeds/(Repayment) of long-term borrowings (net)	(67,31,287)	(2,30,427)
Proceeds/(Repayment) of short-term borrowings (net)	14,80,62,195	(6,93,89,869)
Finance costs	(1,15,49,985)	(1,15,90,567)
Dividend	(2,30,47,500)	(76,82,499)
Other liabilities	1,22,11,990	7,40,890
Net cash flow (used in)/from financing activities (C)	**1,08,38,43,612**	**(8,81,52,472)**
Net increase in cash and cash equivalents (A+B+C)	**50,86,82,036**	**7,65,25,420**
Cash and cash equivalents at the beginning of the year	17,76,41,396	10,11,15,976
Cash and cash equivalents at the end of the year	**68,63,23,432**	**17,76,41,396**

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

T. ADINARAYANA & CO. Hyderabad FRN:000041S Chartered Accountants

Y.P Rao
Partner
Membership No. 025266
Place: Hyderabad
Date: 13.05.2022

For and on Behalf of the Board of Directors

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Executive Chairman

S Chidambaranathan
Executive Vice Chairman

Amit Raj Sinha
Managing Director and CEO

O.Subbarami Reddy
Chief Financial Officer

Shreya Mitra
Company Secretary

SIGACHI INDUSTRIES LIMITED

STANDALONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate information

Sigachi Industries Limited was incorporated on 11th January,1989 in Hyderabad .The Comapny has its registered office at 229/1&90,Kalyan's Tulsiram Chambers, Madinaguda,Hyderabad-500049,Telangana. It is incorporated under Comapnies Act as limited company and is limited by shares.It has got three production facilities spread across india .The comapny is engaged in manufacturing of Micro Crystalline cellulose powder(MCCP).The principal accounting policies applied in the preparation of the financial statements are set out below.

2 Basis of Preparation and Presentation of Financial Statements

The financial statements of Sigachi Industries Limited ("the Company") for the year ended 31st March, 2022 have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 13 May 2022.

The Financial Statements have been prepared on historical cost convention on accrual basis of accounting except for certain financial instruments that are measured at fair value. GAAPs of Indian Accounting Standards as specified in Section 133 of the Act read together with Rule 4 of Companies (Indian Accounting Standard) Amendment Rules, 2016 to the extent applicable, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting Policies have been consistently applied except where a newly issued Accounting Standards is initially adopted or revision to existing Accounting Standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised Accounting Standards on an on-going basis.

2.1 Basis of Measurement

All assets and liabilities are classified into current and non-current based on the operating cycle of twelve months or based on the criteria of realisation/settlement within twelve months period from the reporting/ balance sheet date.

Assets: An asset is classified as current when it satisfies any of the following criteria:
a.It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
b.It is held primarily for the purpose of being traded;
c.It is expected to be realized within twelve months after the reporting date; or
d.It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:
a.It is expected to be settled in the Company's normal operating cycle;
b.It is held primarily for the purpose of being traded;
c.It is due to be settled within twelve months after the reporting date; or
d.The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively.
All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

2.2 Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their in cash and cash equivalents. The company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

2.3 Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognized in the period in which they are determined.

a. Depreciation and amortization: Depreciation and amortization is based on Schedule II to the Companies Act, 2013, which describes useful lives of property, plant and equipment and intangible assets.

b. Provisions and contingencies: Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

c. Fair valuation:
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows: Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs are inputs,other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3: Inputs are unobservable inputs for the asset or liability. For assets and liabilities that are recognized in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or reassessed in line with the Company's Accounting Policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.4 Critical Accounting Judgements and Key source of estimation uncertainty operating cycle:

In the application of the company's accounting policies, the management of the company are required to make judgments, estimates, and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates is revised if the revision effects only that period or in the period of the revision and future periods in the revision effects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the company's accounting policies and that have the most significant effects on the amounts recognized in the financial statements.

2.5 Provisions and contingent liability:

On an ongoing basis, Company reviews pending cases, claims by third parties and other. For contingent losses that are considered probable an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible or not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

2.6 Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2022 management assessed that the useful lives represent the expected utility of the assets to the company. Further, there is no significant change in the useful lives as compared to previous year.

2.7 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All financial information presented in Indian rupees.

Foreign Currencies :

In preparing the financial statements of the company transactions in currencies other than the entity's functional currency (foreign curriencies) are recognised at the rates of exchange prevailing at the date sof transactions.At the end of each reporting period ,monetary items denominated in foreign curriencies are retranslated at the rates prevailing at that date. Non -Monetray 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 anad liabilities of the company's foreign operations are translated into currency units using exchange rates prevailing at the end of each reporting period.

2.8 Property Plant & Equipment

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.Property ,Plant and Equipment which are not ready for inteded use as on the date of balance sheet are disclosed as "Capital Work -in-Progress". intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Depreciation

Depreciation is recognized in the statement of profit and loss on Straight line basis over the estimated useful lives of property, plant and equipment based on Schedule - II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period with the effect of any changes in estimated useful lives residual values and impairment loss, if any, and are accounted for on a prospective basis.

Impairement of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews tha 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 impairement 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 generatinh unit to which the aset belongs .When a reasonable and consistent basis of allocation can be identified,corporate asssets 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 consisitent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairement 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 amont of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairement loss is recognised immediately in profit or loss.

When an imparment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount,but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairement loss is recognised immediately in profit or loss.

2.9 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 Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

B. Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i.Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. Fees of recurring nature are directly recognised in the statement of profit and loss as finance cost.

ii. Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

iii. De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generated Units (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.10 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.

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 fianancing cash flows.The cash flows from operating, investing and financing activities of the comapny are segregated .

2.11 Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plan

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

For defined benefit retireemnt benefit plans , the cost of providing benefits is determined using the projected unit credit method, with acturial valuationsbeing carried out at the end of each annual reporting period. Remeasurement ,comprising acturial gains and losses,the effect of the changes to the asset ceiling (if appliacble) and the return on plan assets (excluding interest) , is reflected immediately in the statement of finnacial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Defined Contribution Benefits

The Company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for lump sum payment on retirement, death while in employment or on separation.

2.12 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 inteneded use or sale , are added to the cost of tose assets ,until such time as the assets are substantially ready for their intended use or sale.

2.13 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 is considered in Profit and Loss Account and Balance Sheet.

2.14 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liability judgement:

Contingent liabilities are claims against the company not acknowledged as debt . Contingencies may arise from the ordinary course of business in relation to claims aginst the company, including legal, contractor and other claims.By their nature ,contingencies will be resolved only when one or more uncertain future events occur. The assessment of the existence , and potential quantum of contingencies inherently involve the excercise of significant judgement and the use of estimates regarding the outcome of future events.

2.15 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.

Revenue recognition

Revenue from contracts with customers which establishes a comprehensive framework for determining whether,how much and when revenue is to be recognised.

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of income can be measured reliably. Revenue is net of returns and is reduced for rebates, trade discounts, refunds and any other taxes collected on behalf of government such as GST etc.

Sale of goods

Revenue is recognised when the control of the goods has been transferred to a third party. This is usually when the title passes to the customer, either upon shipment or upon receipt of goods by the customer. At that point, the customer has full discretion over the channel and price to sell the products, and there are no unfulfilled obligations that could affect the customer's acceptance of the product.

Sale of services

Revenue from rendering of services is recognised by measuring the progress towards complete satisfaction of performance obligations at the reporting period and there are no unfulfilled obligations.

Other Income

Other income includes Dividend, Interest, Profit / (Loss) on sale of Investments, Commission, Professional and Technical Services and other miscellaneous receipts if any. Dividend income from investments is recognized when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time proportionate basis, by reference to the principle outstanding and at the effective interest rate applicable. Commission income is recognised when the economic benefits associated with the transaction will flow to the entity or the amount of revenue can be measured reliably.

When the transaction involving the rendering of services is estimated reliably, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of the reporting period.

The outcome of the transactions can be estimated reliably when all the following conditions are satisfied:

(a) the amount of revenue can be measured reliably;

(b) it is probable that the economic benefits associated with the transaction will flow to the entity;

(c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and

(d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably

2.16 Income Tax

Current Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.Deffered tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available aginst which those deductible temporary differences can be utilised. Such deffered tax assets and liabilities are not recognised if the temporary difference arises from the intial recognition (other than in a business combination) of assets and liabilities in a transaction that effects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.Such asset is reviewed at each Balance Sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

2.17 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.

2.18 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost includes purchase price, duties, transport, handing 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 material, packing material and stock-intrade valued on moving weighted average basis;

Stores and spares valued on weighted average basis;

Work-in-progress valued at cost of input valued at moving weighted average basis plus overheads up till the stage of completion; and

Finished goods valued at cost of input valued at moving weighted average basis plus appropriate overheads.

2.19 Trade Receivables

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.

2.20 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.

2.21 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.

SIGACHI INDUSTRIES LIMITED

STANDALONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in Indian rupees, except share data and where otherwise stated)

Note 3 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Property , plant and equipment								Other intangible	
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Lab equipments	Total	Software	Total
Gross carrying value										
Closing gross carrying value as at 31st March,2020	2,35,57,174	11,37,81,947	24,24,47,086	68,07,554	1,19,42,782	1,65,88,126	13,86,492	41,65,11,161	40,33,946	40,33,946
Additions	63,34,394	36,43,562	6,96,61,575	16,14,060	12,73,536	31,56,100	10,81,143	8,67,64,370	-	-
Deductions /adjustments	-	-	-	-	-	-	-	-	-	-
Closing gross carrying value as at 31st March,2021	**2,98,91,568**	**11,74,25,509**	**31,21,08,661**	**84,21,614**	**1,32,16,318**	**1,97,44,226**	**24,67,635**	**50,32,75,531**	**40,33,946**	**40,33,946**
Accumulated Depreciation										
Opening accumulated depreciation	-	2,31,92,817	6,48,37,123	33,69,404	47,40,312	66,96,882	13,81,200	10,42,17,738	3,83,225	3,83,225
Depreciation charged during the year	-	37,49,206	1,30,38,690	6,63,646	20,15,680	29,02,508	3,56,465	2,27,26,195	3,83,225	3,83,225
Disposal/adjustments	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	**2,69,42,023**	**7,78,75,813**	**40,33,050**	**67,55,992**	**95,99,390**	**17,37,665**	**12,69,43,933**	**7,66,450**	**7,66,450**
Net carrying amount as at 31.03.2021	**2,98,91,568**	**9,04,83,486**	**23,42,32,848**	**43,88,564**	**64,60,326**	**1,01,44,836**	**7,29,970**	**37,63,31,598**	**32,67,496**	**32,67,496**
Gross carrying value										
Closing gross carrying value as at 31st March,2021	2,98,91,568	11,74,25,509	31,21,08,661	84,21,614	1,32,16,318	1,97,44,226	24,67,635	50,32,75,531	40,33,946	40,33,946
Additions	19,05,821	7,18,48,091	9,42,99,381	19,24,751	48,14,321	42,71,761	2,02,396	17,92,66,522	43,22,219	43,22,219
Deductions /adjustments	-	-	-	-	-	-	-	-	-	-
Closing gross carrying value as at 31st March,2022	**3,17,97,389**	**18,92,73,600**	**40,64,08,042**	**1,03,46,365**	**1,80,30,639**	**2,40,15,987**	**26,70,031**	**68,25,42,053**	**83,56,165**	**83,56,165**
Accumulated Depreciation										
Opening accumulated depreciation	-	2,69,42,023	7,78,75,813	40,33,050	67,55,992	95,99,390	17,37,665	12,69,43,933	7,66,450	7,66,450
Depreciation charged during the year	-	38,23,371	1,69,47,501	8,53,255	24,25,597	39,19,399	5,94,126	2,85,63,249	4,84,473	4,84,473
Disposal/adjustments	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	**3,07,65,394**	**9,48,23,314**	**48,86,305**	**91,81,589**	**1,35,18,789**	**23,31,791**	**15,55,07,182**	**12,50,923**	**12,50,923**
Net carrying amount as at 31.03.2022	**3,17,97,389**	**15,85,08,206**	**31,15,84,728**	**54,60,060**	**88,49,050**	**1,04,97,198**	**3,38,240**	**52,70,34,871**	**71,05,242**	**71,05,242**

Title Deeds of Immovable Properties not held in name of the company - NIL

SIGACHI INDUSTRIES LIMITED

STANDALONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in Indian rupees, except share data and where otherwise stated)

4	Capital Work-in-Progress	
	Paticulars	**Amount in Rs**
	Balance as at April 01,2020	3,13,25,978
	Additions	2,72,74,274
	Deductions /adjustments	2,12,00,000
	Balance as at March 31,2021	**3,74,00,252**
	Balance as at April 01,2021	3,74,00,252
	Additions	13,34,23,799
	Deductions /adjustments	7,37,09,365
	Balance as at March 31,2022	**9,71,14,686**

a) CWIP aging schedule:

CWIP	Projects in Progress	Projects temporarily suspended
Less than 1 Year	8,33,55,220	-
1-2 Years	1,37,59,466	-
2-3 years	-	-
More than 3 Years	-	-
Total	9,71,14,686	-

b) Capital work in progress , whose completion is overdue or has exceeded its cost compared to its original Plan - **NIL.**

c) Intangible aaset under development aging schedule - NIL

Note	Particulars	As at 31st Mar 22	As at 31st Mar 21
	NON-CURRENT ASSETS		
5	**NON-CURRENT INVESTMENTS**		
	Investments in other companies in equity instruments at cost.		
	Unquoted equity shares (fully paid up)		
	In 100% subsidiary - Sigachi US INC		
	Equity shares of 20,000 @ US $ 64.95 each	12,99,000	12,99,000
	Investments in Pasha Mailaram Common Infrastructure Pvt Ltd	15,00,000	15,00,000
		27,99,000	**27,99,000**
6	**OTHER NON-CURRENT FINANCIAL ASSETS**		
	Unsecured and considered good		
	Security deposits	29,74,062	26,97,822
	Electricity deposits	92,87,655	89,46,116
	Rental deposits	14,56,590	15,66,211
	IPO Deposits	1,25,42,850	-
	Bank deposits with more than 12 months maturity	31,91,00,000	-
	Other deposits	61,88,199	45,94,431
		35,15,49,356	**1,78,04,581**
7	**OTHER NON CURRENT ASSETS**		
	Capital Advances	8,50,21,082	2,65,02,718
		8,50,21,082	**2,65,02,718**
	CURRENT ASSETS		
8	**INVENTORIES**		
	Raw material	10,65,25,408	6,89,99,839
	Packing material	83,86,652	38,31,190
	Consumables	19,64,222	19,18,242
	Coal and furnance oil	45,25,417	28,84,654
	Finished goods	2,69,51,898	1,27,42,792
		14,83,53,597	**9,03,76,716**
	Work-in-process	1,69,99,577	6,35,30,567
		16,53,53,174	**15,39,07,283**

Valuation:

a.Raw materials and Packing materials are valued at lower of cost or net realisable value.

b.Finished goods are valued at cost of conversion and other costs incurred in bringing the inventories to their present location and valued at cost or net realisable value which ever is lower.

STANDALONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in Indian rupees, except share data and where otherwise stated)

Note	Particulars	As at 31st Mar 21	As at 31st Mar 20
9	**TRADE RECEIVABLES**		
	Receivable from others:		
	Considered good-Un secured	48,64,85,372	33,40,19,508
	Considered doubtful-Un secured	55,17,477	21,20,444
	Less: Expected credit loss allowance	(55,17,477)	(21,20,444)
		48,64,85,372	**33,40,19,508**
	Receivable from Subsidary:		
	Considered good -Un secured	23,58,15,502	8,65,24,038
	Less: Expected credit loss allowance	-	-
		23,58,15,502	**8,65,24,038**
	Total Receivables	**72,23,00,874**	**42,05,43,546**

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 subsiadry company as stated above). Before accepting any new customer, the comapny uses an external credit scoring system and other potential information to assess the customer credit quality and defines credit limit.

The company has used a practical expediant by computing the expected credit loss allowance for trade receivables based on provisional matrix.The provision matrix takes into account historical credit loss experience and adjusted for farward looking information.The expected credit loss allowance is based on ageing of the days of receivables.

Refer Note no. 33.A for trade receivables ageing

Note	Particulars	As at 31st Mar 21	As at 31st Mar 20
10	**CASH AND CASH EQUIVALENTS**		
	Balances with banks		
	In Current accounts	28,26,30,508	15,56,25,944
	In Deposit account(margin money with banks ,the maturity of the period of which is less than 3 months)	-	-
	Cash on hand	6,71,361	8,43,891
		28,33,01,869	**15,64,69,834**
11	**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**		
	Deposits with original maturity of more than 3 months	40,30,21,562	2,11,71,562
		40,30,21,562	**2,11,71,562**
12	**OTHER FINANCIAL ASSETS**		
	Intrest accrued but not due-fixed Deposits	47,65,129	1,07,292
	Advances to Suppliers	8,47,97,284	4,67,74,356
	Advances to staff	16,16,882	14,78,648
	Export Incentive receivable	3,66,24,582	5,16,10,698
		12,78,03,877	**9,99,70,994**
13	**OTHER CURRENT ASSETS**		
	Unsecured and considered good		
	Balances with statutory/government authorities	5,42,10,366	19,81,975
	Prepaid expenses	1,15,47,909	1,27,25,629
	Unbilled revenue	55,65,237	68,72,807
		7,13,23,512	**2,15,80,411**

STANDALONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in Indian rupees, except share data and where otherwise stated)

Note 14: EQUITY SHARE CAPITAL

Particulars	As at 31st Mar 22	As at 31st Mar 21
Authorised share capital		
3,20,00,000 Equity shares of Rs.10/- each (Previous year 1,20,00,000 Equity shares of Rs.10/-each)	**32,00,00,000**	**12,00,00,000**
Issued, subscribed and fully paid-up		
3,07,42,500 Equity Shares of Rs.10/- each with voting rights (Previous year 76,82,500 Equity shares of Rs.10/-each)	30,74,25,000	7,68,25,000
	30,74,25,000	**7,68,25,000**

a. Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31st Mar 22		As at 31st Mar 21	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	76,82,500	7,68,25,000	76,82,500	7,68,25,000
Issued during the year(Bonus Issue)	1,53,65,000	15,36,50,000	-	-
Issued during the year(Initial Public Offer)	76,95,000	7,69,50,000	-	-
Outstanding at the end of the year	**3,07,42,500**	**30,74,25,000**	**76,82,500**	**7,68,25,000**

b. Issue of equity shares(Bonus Isuue)

The Board at its meeting held on July 8,2021 , approved and recommended the issue of bonus shares . The shareholders approved the issue of bonus shares at the meeting held on July 30,2021 .The company had alloted 1,53,65,000 fully-paid-up equity shares of face value Rs.10 each. A bonus share of 2 equity shares for every 1 equity shares held.

c. Issue of equity shares(Initial Public offer)

The Company has completed Initial Public Offer (IPO) of 76,95,000 Equity shares of Rs.10 each at an issue price of Rs.163 (Including premium of Rs.153 per share).The Equity shares of the company were listed on BSE and NSE on 15.11.2021 .

d. Shareholding of promoters

Particulars	As at 31st Mar 22		% Change during the year	As at 31st Mar 21	
	No of shares	% of holding		No of shares	% of holding
M/s RPS Projects & Developers Pvt .Ltd	75,31,725	24.50%	-8.18%	25,10,575	32.68%
RABINDRA PRASAD SINHA FAMILY TRUST	4,59,960	1.50%	-0.50%	1,53,320	2.00%
AMIT RAJ SINHA FAMILY TRUST	2,96,250	0.96%	-0.32%	98,750	1.29%
AMIT RAJ SINHA	12,95,310	4.21%	-1.41%	4,31,770	5.62%
NITIN RAJ SINHA	6,37,425	2.07%	-0.69%	2,12,475	2.77%
DHARANI DEVI CHIDAMBARANATHAM	7,43,625	2.42%	-0.81%	2,47,875	3.23%
KARTHIKA THAVAMANI CHIDAMBARANATHAM	16,875	0.05%	-0.02%	5,625	0.07%
BHAVANI SHANMUGAM CHIDAMBARANATHAN	16,875	0.05%	0.05%	-	0.00%
CHIDAMBARNATHAN SHANMUGANATHAN	19,40,835	6.31%	-2.11%	6,46,945	8.42%
RABINDRA PRASAD SINHA	15,21,840	4.95%	-1.65%	5,07,280	6.60%
SMITA SINHA	3,10,625	1.01%	-0.32%	1,01,875	1.33%
SUDHA SINHA	85,440	0.28%	-0.09%	28,480	0.37%
BIMLA SHARMA	46,125	0.15%	-0.05%	15,375	0.20%

e. Rights attached to the equity shares

The company has only one class of shares having a face value of Rs. 10/- per share. All equity shareholders rank pari-passu in respect of dividend and voting rights. Each holder of equity shares is entitled to one vote per share.In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of preferential amounts, in proportion to their shareholding.

SIGACHI INDUSTRIES LIMITED

STANDALONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(All amounts in Indian rupees, except share data and where otherwise stated)

Note	Particulars	As at 31st Mar 22	As at 31st Mar 21
15	**NON- CURRENT BORROWINGS**		
	a) Financial Liabilities		
	Secured		
	Vehicle loans	-	11,64,433
	Term loans	1,21,37,188	1,77,04,042
		1,21,37,188	**1,88,68,475**

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 presnt and future) by way of hypothetication of movable fixed assets and also equitable mortgage of immovable fixed assets of the comapany and personal guarantee of Rabindra Prasad Sinha,S Chidambaranathan,Amit Raj Sinha,Vijay Amrutlal Bhavasar,Sudha Sinha and Dharani Devi.

For details please refer note no-31.A

Vehicle Loans:

All Vehicle loans are secured by hypothetication of concerned vehicle. **Refer note 31.B**

The details where the comapany has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheetb Date - **NIL**

Note	Particulars	As at 31st Mar 22	As at 31st Mar 21
16	**PROVISIONS**		
	Provision for employee benefits		
	Leave encashment	12,47,831	11,72,022
	Gratuity	79,44,147	66,33,568
		91,91,978	**78,05,590**
17	**DEFERRED TAX LIABILITIES (NET)**		
	The movement on the deferred tax account is as follows:		
	At the start of the year	4,36,12,140	2,85,07,046
	Charge/(credit) to statement of profit and loss (for details refer note 30)	1,08,25,602	1,51,05,094
	At the end of year	**5,44,37,742**	**4,36,12,140**
CURRENT LIABILITIES			
18	**BORROWINGS**		
	Secured:		
	From banks	32,96,80,220	18,16,18,025
		32,96,80,220	**18,16,18,025**

Working capital facilities:

Working capital facilities extended by Kotak Mahindra Bank are secured as mentioned below:

i)Primary security:

Extension of first and exclusive hypothecation charge on all existing and future current assets / moveable fixed assets of the borrower other than any encumbered assets.

For details please refer note no-31.C

The Quaterly returns or statements filed by the company with banks are in agreement with the books of accounts.

Note	Particulars	As at 31st Mar 22	As at 31st Mar 21
19	**TRADE PAYABLES-Other financial liabilities -Current**		
	Due to micro, small and medium enterprises	-	-
	Others	9,56,73,791	7,95,03,139
		9,56,73,791	**7,95,03,139**
Refer Note no. 33.B for trade payables ageing			
20	**OTHER FINANCIAL LIABILITIES-Current**		
	Current maturity of loans:		
	Term loans(Secured)	49,07,011	52,36,225
	Vehicle loans(Secured)	7,91,973	20,82,889
		56,98,984	**73,19,114**
21	**OTHER CURRRENT LIABILITIES**		
	Statutory remittances	50,30,456	11,04,169
	Accrued expense payable	2,84,19,871	1,40,70,607
	Employee benefits payable	2,12,79,760	2,29,24,950
	Advances from customers	37,93,057	51,47,692
		5,85,23,144	**4,32,47,417**
22	**Provisions**		
	Provision for Income tax(Net)	65,88,028	68,39,357
		65,88,028	**68,39,357**

SIGACHI INDUSTRIES LIMITED

STANDLAONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in Indian rupees, except share data and where otherwise stated)

Note	Particulars	Year ended 31 Mar 22	Year ended 31 Mar 21
23	**REVENUE FROM OPERATIONS**		
	Sale of products	2,35,98,76,414	1,75,75,00,898
	Sale of services	13,41,71,063	12,19,22,565
		2,49,40,47,477	**1,87,94,23,463**
	i. Sale of products		
	Export		
	MCCP	1,67,97,26,507	1,24,83,57,013
	Others	9,81,65,621	3,24,60,099
	Domestic		
	MCCP	57,64,44,333	47,66,32,007
	Others	55,39,954	51,779
		2,35,98,76,414	**1,75,75,00,898**
	ii. Sale of services		
	Operational and Maintenance income	13,41,71,063	12,19,22,565
		13,41,71,063	**12,19,22,565**
24	**OTHER INCOME**		
	MEIS Income	-	3,04,91,669
	Scrap Sale	-	8,73,914
	Interest on fixed deposits	68,67,725	7,04,733
	Net gain/(loss) on investments	6,51,841	-
	Interest on electricity deposit	1,21,380	1,60,300
	Net gain/(loss) on foreign currency transactions	1,86,55,132	3,16,936
		2,62,96,078	**3,25,47,552**
25	**COST OF MATERIALS CONSUMED**		
	Opening stock	7,76,33,925	11,67,09,167
	Add:Purchases	1,23,74,55,161	88,40,19,980
	Less: Closing stock	12,14,01,699	7,76,33,924
		1,19,36,87,387	**92,30,95,223**
26	**CHANGES IN INVENTORIES OF WORK-IN-PROCESS AND FINISHED GOODS**		
	Inventories at the end of the year		
	Finished Goods	2,69,51,898	1,27,42,792
	Work-in- process	1,69,99,577	6,35,30,567
		4,39,51,475	**7,62,73,359**
	Inventories at the beginning of the year		
	Finished Goods	1,27,42,792	3,59,05,949
	Work-in- process	6,35,30,567	10,74,56,271
	Net (Increase)/decrease	**3,23,21,884**	**6,70,88,861**
27	**EMPLOYEE BENEFIT EXPENSE**		
	Salaries and wages	13,03,69,021	11,18,94,234
	Contribution to provident and other funds	1,52,01,768	1,28,75,777
	Directors remuneration	4,52,84,100	3,44,40,200
	Staff welfare expenses	93,46,095	91,85,882
		20,02,00,984	**16,83,96,093**
28	**FINANCE COSTS**		
	Interest on borrowings	66,37,863	69,80,145
	Bank Charges	43,56,873	38,53,753
	Interest Expense	18,915	21,876
	Other borrowing costs	5,36,334	7,34,793
		1,15,49,985	**1,15,90,567**

STANDLAONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in Indian rupees, except share data and where otherwise stated)

Note	Particulars	Year ended 31 Mar 22	Year ended 31 Mar 21
29	**OTHER EXPENSES**		
	Manufacturing Expenses		
	Power and Fuel Expenses	4,10,41,440	3,43,87,427
	Stores and Spares	49,86,073	37,93,398
	Repairs and maintenance		
	Building	46,94,258	28,13,456
	Machinery	66,74,284	84,48,842
	Others	69,81,772	1,54,82,138
	Wages and labour charges	11,85,71,177	10,57,47,934
	Lab Expenses	27,66,535	20,18,059
	Water Charges	1,28,60,938	91,80,660
		19,85,76,476	**18,18,71,915**
	Administration ,Selling and Other Expenses		
	Rent	91,17,580	71,85,301
	Electricity charges	4,67,582	4,71,866
	Insurance	1,00,13,174	1,70,07,265
	Rates and taxes	34,69,549	67,41,642
	R&D Expenses	42,98,138	32,45,057
	Printing and stationery	23,61,831	21,76,664
	Selling Expenses	2,21,02,793	1,73,58,676
	Travelling and conveyance	1,74,93,607	1,23,68,323
	Professional & consultancy fees	1,61,73,836	80,99,618
	Remuneration to auditors		
	Statutory audit	3,00,000	1,50,000
	Tax audit	1,00,000	50,000
	Communication expenses	35,18,576	21,26,361
	Carriage Outward	26,28,72,255	8,03,08,649
	Impairement loss recognized / (reveresed) under expected credit loss model	23,92,586	-
	Membership and Subscription Charges	4,73,461	2,47,646
	Security Charges	25,49,814	20,99,101
	Other general Expenses	10,37,369	16,31,057
	CSR (Refer Note no 42)	65,60,998	43,52,127
		36,53,03,149	**16,56,19,353**
	Total	**56,38,79,625**	**34,74,91,268**

SIGACHI INDUSTRIES LIMITED

STANDLAONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in Indian rupees, except share data and where otherwise stated)

30 INCOME TAXES

Income tax expense/ (benefit) recognised in the statement of profit and loss

Particulars	Year ended 31st Mar 22	Year ended 31st Mar 21
Current tax expense	9,88,39,165	6,56,58,204
Deferred tax expense	1,08,25,602	1,51,05,094
Total income tax expense	10,96,64,768	8,07,63,298

Reconciliation of effective tax rate

Particulars	Year ended 31st Mar 22	Year ended 31st Mar 21
Profit before income tax	48,96,55,968	37,11,99,584
Tax rate	29.12%	17.47%
Expected tax expense	**14,25,87,818**	**6,48,55,991**
Adjustments:		
Deduction u/s 10AA(SEZ)-50% of profits	(11,77,66,332)	-
80JJAA Deduction	(72,11,742)	-
Expenses not deductible for tax purpose	4,01,54,454	-
Expenses deductible for tax purpose	(6,87,67,571)	-
Total	(15,35,91,191)	-
Profit after adjustments	33,60,64,777	37,11,99,584
Interest u/s 234C	9,77,102	8,02,213
Income tax expense	9,88,39,165	6,56,58,204
Effective tax rate	20.19%	17.69%

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 31st Mar 22	Year ended 31st Mar 21
Deferred tax (assets)/liabilities:		
Property, plant and equipment	1,11,21,075	1,50,65,972
Current liabilities & provisions	(5,92,530)	(1,27,318)
Actruial gain	2,97,057	1,66,441
Net deferred tax liabilities	1,08,25,602	1,51,05,095

Movement in deferred tax assets and liabilities during the years ended 31st Mar 2022 and 31st Mar 2021

Particulars	As at 31st Mar 2021	Charge/(credit) to profit or loss	As at 31st Mar 2022
Deferred tax (assets)/liabilities:			
Property, plant and equipment	1,50,65,972	(39,44,897)	1,11,21,075
Current liabilities & provisions	(1,27,318)	(4,65,212)	(5,92,530)
Actruial gain	1,66,441	1,30,616	2,97,057
Net Deferred tax Liabilities	1,51,05,095	(42,79,493)	1,08,25,602

31.A Details of indian rupee term loans from banks as under:

Particulars	Terma Loan 1	Terma Loan 2
Bank Name	Kotak Mahindra bank	Kotak Mahindra bank
Outstanding as on 31.03.2022	1,70,44,199	-
Non Current:	1,21,37,188	-
Current:	49,07,011	-
Outstanding as on 31.03.2021	2,22,33,128	7,07,139
Non Current:	1,77,04,042	-
Current:	45,29,086	7,07,139
Sanction amount	2,46,38,620	74,00,000
No.of installments	60	31
Commencement of installments	25-Jun-20	31-Dec-18
Effective interest rate	As on 31.03.2022 Repo of 4% plus spread 3.5% (March 31, 2021 :Repo of 4% plus spread 3.5%)	As on 31.03.2021 MCLR of 4 % plus spread 3.5%

31.B Details of indian rupee vehicle loans from banks as under:

Particulars	Vehicle Loan 1	Vehicle Loan 2	Vehicle Loan 3	Vehicle Loan 4	Vehicle Loan 5
Bank Name	ICCI Bank	Kotak Mahindra bank	Kotak Mahindra bank	Kotak Mahindra bank	Kotak Mahindra bank
Sanctioned amount	16,10,000	12,73,962	11,78,000	10,24,791	14,50,000
Outstanding as on 31.03.2022	2,83,813	2,63,240	-	2,44,920	-
Non Current:	-	-	-	-	-
Current:	2,83,813	2,63,240	2,44,920	-	-
Outstanding as on 31.03.2021	6,36,256	5,68,581	3,52,611	7,33,914	9,55,960
Non Current:	2,78,525	2,16,960	1,711	3,43,914	3,23,323
Current:	3,57,731	3,51,621	3,50,900	3,90,000	6,32,637
No.of installments	60	47	47	36	48
Commencement of installments	1-Jan-18	5-Dec-18	8-Jan-19	5-Jul-20	22-Oct-19
Effective interest rate	8.40%	10.34%	10.34%	6.50%	9.50%

STANDLAONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in Indian rupees, except share data and where otherwise stated)

31.C Details of indian rupee working capital loans from banks are as under:

Particulars	Outstanding as on 31.03.2022	Outstanding as on 31.03.2021	Effective Interest Rate as on 31.03.2022	Effective Interest Rate as on 31.03.2021
Loans repayable on demand-Secured				
Kotak Mahindra Bank Cash CC	12,66,62,764	9,22,02,214	7.50%	7.00%
Kotak Mahindra Bank- Packing Credit	14,03,96,746	8,34,79,229	2.50%	2.50%
Foreign Bill Discounting - Kotak	-	59,36,583	2.50%	2.50%
Kotak Mahindra Bank- Buyers Credit	6,26,20,709	-	2.50%	-

32 EMPLOYEE BENEFITS

a. Defined contribution plan

Employees contribution to provident fund and Employees statre insurance are recognised as expenditure in statement of profit and loss account,as they are incurred. There are no other obligation other than the contribution payable to aforesaid respective Trust/ Government Authorities.

b. Defined benefit plan

i.Gratuity:

The Company has provided gratuity liability as per the actuarial valuation provided by actuarial valuer. The benefits are determined and carried out at each Balance Sheet date.The company is in the process of seeting up gratuity trust as per IT act 1961.

ii. Leave Encashment:

The Company has created provision for leave encashment liability for eligible employees. The benefits are determined and carried out at each Balance Sheet date.
The disclosure for defined benefit plan (Gratuity) as per Ind AS 19 are given here under:

The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

i. Changes in the present value of obligation

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Defined benefit obligation as at beginning of the year	66,33,568	58,39,870
Current service cost	12,44,088	9,68,158
Interest cost	4,51,083	3,97,111
Actuarial (gain)/loss	(3,84,592)	(5,71,571)
Benefits paid	-	-
Defined benefit obligation as at the end of the year	79,44,147	66,33,568

iii. Fair value of assets and obligations

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Fair value of plan assets as at the beginning of the year	-	-
OB difference	-	-
Investment income	-	-
Employer contribution	-	-
Expenses	-	-
Benefits paid	-	-
Return on plan assets	-	-
Fair value of plan assets as at the end of the year	-	-

iii. Fair value of assets and obligations

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Fair value of plan assets	-	-
Present value of obligation	79,44,147	66,33,568
Amount recognized in balance sheet	(79,44,147)	(66,33,568)

iv. Expenses recognised during the year

Particulars	Year ended 31st Mar 22	Year ended 31st Mar 20
In Income statement		
Interest cost/(income)	4,51,083	3,97,111
Current service cost	12,44,088	9,68,158
Expenses recognised in the income statement	16,95,171	13,65,269
In other comprehensive income (OCI)		
Actuarial (gain)/loss		
Experience Variance	(10,20,114)	(5,71,571)
Others	-	-
Return on plan assets	-	-
Net (income)/expense recognised in OCI	(10,20,114)	(5,71,571)

v. Actuarial assumptions

Particulars	As at 31st Mar 2022	As at 31st Mar 2021
Discount rate (per annum)	7.18%	6.80%
Salary growth rate (per annum)	5.00%	5.00%

(All amounts in Indian rupees, except share data and where otherwise stated)

vi.Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	As at 31st Mar 22		As at 31st Mar 21	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	83,28,203	66,72,326	74,61,081	59,41,876
Change in rate of salary increase	62,17,000	89,24,671	55,12,975	80,24,875
Change in rate of attrition	64,70,918	82,42,042	57,71,989	73,95,752
Change in rate of mortality	74,06,145	74,48,295	66,14,021	66,53,040

33 EARNINGS PER SHARE

Particulars	Year ended 31st Mar 22	Year ended 31st Mar 21
Profit after tax attributable to equity shareholders	38,02,88,258	29,06,02,727
Weighted average number of equity shares for Basic EPS	2,59,33,125	2,30,47,500
Weighted average number of equity shares for Diluted EPS	2,59,33,125	2,30,47,500
Basic earnings per share	14.66	12.61
Diluted earnings per share	14.66	12.61

Earning per share caluclations are in accordance with Indian Accounting Stanadard 33-Earning Per Share ,notified under section 133 of the companies act ,2013,read together with paragraph 7of 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 proprotionate change in the no.of equity shares outstanding as if the event has occurred at the beginnig of the earliest period reported. In case of new issue of shares , for the purpose of caluclating basic earning per share, the number of ordinary shares shall be the weighted average no.of ordinary shares outsatnding during the period.

33.A Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 years	More than 3 Years	Total
(1) Undisputed Trade receivables - Considered good	69,83,56,051	1,55,00,059	10,71,343	6,88,213	1,22,02,684	72,78,18,351
(2) Undisputed Trade receivables - Significant increase in credit risk	-	2,25,116.00	2,14,269.00	1,37,643.00	18,15,559.00	23,92,587.00
(3) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
(4) Disputed Trade receivables - Considered good	-	-	-	-	-	-
(5) Disputed Trade receivables - Significant increase in credit risk	-	-	-	-	31,24,891.00	31,24,891.00
(6) Disputed Trade receivables - Credit impaired	-	-	-	-	-	-

33.B Trade payables ageing schedule

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 years	More than 3 Years	Total
(1) MSME	-	-	-	-	-
(2)Others	9,36,23,940	20,49,851	-	-	9,56,73,791
(3) Disputed dues- MSME		-	-	-	-
(3) Disputed dues- Others	-	-	-	-	-

34 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
Key management personnel	Mr.R.P Sinha	Executive chairman
	Mr.S. Chidambaranathan	Executive vice chairman
	Mr.Amit Raj Sinha	MD & CEO
	Mr.Vijay Bhavsar	Director
Relatives of KMP	Mr.C .Bhavani Shanmugam	Son of director
Entities controlled by KMP	RPS Industries Private Limited	

b. Transactions with Related parties

Nature of transaction	Name of the related party	Year ended 31st Mar 22	Year ended 31st Mar 21
Managerial remuneration	Mr.R.P Sinha	1,44,80,000	1,17,00,000
	Mr.S.Chidambaranathan	1,44,80,000	1,17,00,000
	Mr.Amit Raj Sinha	1,71,50,000	1,29,00,000
	Mr.Vijay Bhavsar	12,00,000	12,00,000
Salary	Mr. C. Bhavani Shanmugam	-	22,64,100
Rent	Mr.Amit Raj Sinha	17,64,600	14,96,083
Sales	Sigachi US,Inc	47,97,09,514	25,99,55,960

STANDLAONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in Indian rupees, except share data and where otherwise stated)

c. Balances as at 31st Mar 2022

Nature of transaction	Name of the related party	As at 31st Mar 2022	As at 31st Mar 2021
Managerial remuneration	R.P Sinha	3,03,024	18,25,000
	S.Chidambaranathan	1,26,662	-
	Amit Raj Sinha	13,50,000	-
	Vijay Bhavsar	85,000	85,000
Salary payable	C. Bhavani Shanmugam	-	-
Rent payable	Amit Raj Sinha	1,33,340	-
Sales receipts	Sigachi US,Inc	23,58,15,502	8,65,24,038

34.A 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 subsiadry company in which one of the director is a director as stated above). Maximum amount outstanding from the above - 23,58,15,502.

35 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 commisssioner of central tax(Service tax) for the period August 2014 to June 2017 demanding service tax of Rs. 5,59,20,813/- (including penalty of Rs.2,50,47,324/-) .The Company believes that the claim is untenable and, accordingly, has filed appeals with the Appellate Tribunal regional bench Hyderabad against the aforesaid notice which is in progress and pending disposal.

b.Bank Guarantees:

The Bank Guarantees as at 31st March 2022 are Rs. 1,03,92,565/- and as at 31st March 2021 are Rs.83,49,313/- .

36 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.

37 MSME :

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	Amount In Rs
Principal amount due as on 31.03.2022	-
Interest on above and unpaid interest	-
Interest paid	-
Payment made beyond the appointed date	-
Interest due and payable for the period of delay	-
Interest accrued and remaining unpaid at the year end	-
Amount of further interest due and payable in succedding Year	-

37.A The Company has no amount due to suppliers under the Micro,Small,and Medium enterprises Development act,2006, as at 31st march,2022.

38 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 catogories as of **31st Mar 22** are as follows

Particulars	Carrying value	Level of input used in			Fair value
		Level 1	Level 2	Level 3	
Financial assets					
At Amortised cost					
Investments*	-	-	-	-	-
Trade receivables	72,23,00,874	-	-	-	72,23,00,874
Cash and cash equivalents	28,33,01,869	-	-	-	28,33,01,869
Other bank balances	40,30,21,562	-	-	-	40,30,21,562
Other financial assets	12,78,03,877	-	-	-	12,78,03,877
Financial liabilities					
At Amortised cost					
Borrowings	34,18,36,323	-	-	34,18,17,408	34,18,17,408
Trade payables	9,56,73,791	-	-	-	9,56,73,791
Other financial liabilities	56,98,984	-	-	-	56,98,984

The carrying value and fair value of financial instruments by catogories as of **31st Mar 21** are as follows

Particulars	Carrying value	Level of input used in			Fair value
		Level 1	Level 2	Level 3	
Financial assets					
At Amortised cost					
Investments*	-	-	-	-	-
Trade receivables	42,05,43,546	-	-	-	42,05,43,546
Cash and cash equivalents	15,64,69,834	-	-	-	15,64,69,834
Other bank balances	2,11,71,562	-	-	-	2,11,71,562
Other financial assets	9,99,70,994	-	-	-	9,99,70,994
Financial liabilities					
At Amortised cost					
Borrowings	20,05,08,377	-	-	20,04,86,501	20,04,86,501
Trade payables	7,95,03,139	-	-	-	7,95,03,139
Other financial liabilities	73,19,114	-	-	-	73,19,114

* 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.

STANDLAONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in Indian rupees, except share data and where otherwise stated)

39 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 31,2022	March 31,2021
Non current borrowings	1,21,37,188	1,88,68,475
Current borrowings	33,53,79,204	18,89,37,139
Total debts	**34,75,16,392**	**20,78,05,615**
Less: Cash and cash equivalents	28,33,01,869	15,64,69,834
Other bank balances	72,21,21,562	2,11,71,562
Adjusted net debts	**(65,79,07,040)**	**3,01,64,218**
Equity	30,74,25,000	7,68,25,000
Other equity	1,96,43,73,030	87,21,11,015
Total equity	**2,27,17,98,030**	**94,89,36,015**
Adjusted net debt to equity ratio	**-0.29**	**0.03**

40 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 Commitee 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 comapny manages liquidity risk by maintaining adequate reserves ,banking facilities and reserve borrowing facilities, by continiously 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
31-Mar-22			
Non current borrowings	56,98,984	1,21,37,188	-
Current borrowings	32,96,80,220	-	-
Trade payables	9,56,73,791	-	-
Other payables	5,85,23,144	-	-
	48,95,76,139	**1,21,37,188**	-
31-Mar-21			
Non current borrowings	73,19,114	1,35,88,645	52,79,830
Current borrowings	18,16,18,025	-	-
Trade payables	7,95,03,139	-	-
Other payables	4,32,47,417	-	-
	31,16,87,696	**1,35,88,645**	**52,79,830**

c. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices such as commodity prices, foreign currency exchange rates and other market changes.

d. Exchange rate risk

The company's foreign exchange arises from its foreign operations, foreign currency revenues and expenses, (Primarly in US Dollars).Consequently, the company is exposed to foreign exchange risk through its sales and purchases to/from overseas customers/suppliers in various foregin currencies.

The foreign currency exposures were as follows:

Particulars	March 31,2022	March 31,2021
	USD	USD
Assets		
Cash and bank balances in USD	57,648	3,231
Trade receivables	60,41,424	37,15,678
Other assets	-	-
Total	**60,99,072**	**37,18,909**
Liabilities		
Trade payables	54,141	4,56,977
Other liabilities	-	-
Total	**54,141**	**4,56,977**
Net Exposure	**60,44,932**	**32,61,932**

SIGACHI INDUSTRIES LIMITED

STANDLAONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in Indian rupees, except share data and where otherwise stated)

Sensitivity analysis

A reasonably possible Strenthing/(Weaking) of the Indian Rupee against US dollars at March 31 would have effected the measurement of financial statements denominatted 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-22

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement USD	60,449	(60,449)	-	-
	60,449	(60,449)	-	-

31-Mar-21

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% movement USD	32,619	(32,619)	-	-
	32,619	(32,619)	-	-

e. Interest rate risk

Interest rate ris can be either fair value interest rate risk or cash flow interest rate risk.Fair value interest rate risk is the risk changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. The company's exposure to the risk of changes in the market interest rate relates primarily to the company's long term debt obligations with floating interest rates.the company's interest rate exposure is mainly related to variable interest rates debt obligations.the company manages the liquidity and fund requirements for its day to day operations like working capital,suppliers /buyers credit.

The Interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the comapany is as follows:

Particulars	March 31,2022	March 31,2021
Floating rate instruments		
Financial liabilities		
Term loans from banks	1,70,44,199	2,29,40,267
Working capital facilities from bank	32,96,80,220	18,16,18,025
Total	**34,67,24,419**	**20,45,58,292**

Cash flow sensitivity analysis for variable -rate instruments

The risk estimates provided assume a change of 25 basis points interest rate for the interest rate benchmark as applicable to the borrowing summarised above.This caluclation assumes that the change occurs at the balance sheet date and has been caluclated on risk exposures outstanding as at that date assuming that all other variables ,in particular foreign currency exchange rates,remain constant.The period end balances are not necessarily representative of the average debt outstanding during the period.

Cash flow sensitivity (net)	Profit or loss	
	25 bp increase	25 bp decrease
31-Mar-22		
Variable rate loan instruments	8,66,811	(8,66,811)
31-Mar-21		
Variable rate loan instruments	5,11,396	(5,11,396)

41 Ratios

Particulars	March 31,2022	March 31,2021
Current ratio	3.55	2.74
Debt -Equity Ratio	0.15	0.22
Debt Service Coverage ratio	1.54	1.95
Return on Equity ratio	0.17	0.31
Inventory turnover ratio	0.07	0.09
Trade Receivables Turnover ratio	0.29	0.22
Trade payables Turnover ratio	12.92	11.12
Net Capital Turnover Ratio	1.10	1.98
Net Profit Ratio	0.15	0.15
Return on Capital Employed	40.80%	44.01%

42 Corporate Social Responsibility (CSR):

Particulars	Amount
Amount Required to be spent by the company during the year	58,64,175.00
Amount of Expenditure Incurred	65,60,998.00
Shortfall at the end of the Year	-
Total of Previous years shortfall	-
Reason for Shortfall	NA
Nature of CSR activities	Eradicating hunger , poverty and malnutrition ,Promoting Education, promoting gender equality.
	Support to community during Covid
	Safe water drinking Facility

42.A The company does not hold any benami properties.

The company has not declared as wilful defaulter by any bank or financial institution or other lender.

The Company does not have any transactions with companies struck off under section 248 of the companies act 2013.

The company does not have any transactions which were not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961.

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

SIGACHI INDUSTRIES LIMITED

STANDLAONE NOTES FORMING PART OF THE FINANCIAL STATEMENTS
(All amounts in Indian rupees, except share data and where otherwise stated)

43 Estimation uncertainty relating to the global health pandemic on COVID-19

The Covid-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a decrease in the economic activities. Given the virulent nature of the pandemic situation, the carrying value of the company's receivables as at 31st March, 2022, have been effected by the severity and duration of the outbreak and resulted in credit loss; however the Company believes that it has taken into account all the possible impact of known events arising out of Covid-19 pandemic in the preparation of financial results resulting out of fair valuation of these receivables. However, the impact assessment of Covid-19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes in this regard.

44 Confirmation of balances

Confirmation of balances from the parties for the amounts due from them have benn confirmed by the parties.No material discrepancies are observed.

Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

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

Y.P Rao
Partner
Membership No. 025266
Place: Hyderabad
Date: 13.05.2022

For and on Behalf of the Board of Directors

Rabindra Prasad sinha
Executive Chairman

S Chidambaranathan
Executive Vice Chairman

Amit Raj Sinha
Managing Director and CEO

O.Subbarami Reddy
Chief Financial Officer

Shreya Mitra
Company Secretary