

**SIGACHI US INC**

**Balance Sheet as at 31st March, 2023**

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

Particulars	Note	As at 31st Mar 23	As at 31st Mar 22
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		-	-
<b>Total non-current assets</b>		-	-
<b>Current assets</b>			
Inventories	1	156,586,788	159,989,713
Financial assets			
Trade receivables	2	88,930,164	119,790,497
Cash and cash equivalents	3	22,959,507	7,504,013
Other financial assets	4	3,181,005	-
<b>Total current assets</b>		<b>271,657,463</b>	<b>287,284,223</b>
<b>TOTAL ASSETS</b>		<b>271,657,463</b>	<b>287,284,223</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital		1,300,800	1,300,800
Other equity		54,221,827	31,897,039
<b>Total Equity</b>		<b>55,522,627</b>	<b>33,197,839</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	5	822,182	1,516,076
Trade payables	6	207,640,528	246,168,135
Other current liabilities	7	7,672,126	6,402,174
<b>Total current liabilities</b>		<b>216,134,836</b>	<b>254,086,384</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>271,657,463</b>	<b>287,284,223</b>

FOR AND BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
Rabindra Prasad sinha  
Director

Sd/-  
C. Bhavani Shanmugam  
Director

**SIGACHI US INC**
**Statement of Profit and Loss for the year ended 31st March, 2023**

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

Particulars	Note	Year ended 31st Mar 23	Year ended 31st Mar 22
Gross Revenue from operations	8	502,159,017	488,559,988
Other income		-	-
<b>Total income</b>		<b>502,159,017</b>	<b>488,559,988</b>
<b>Expenses</b>			
Purchases of stock in trade	9	417,657,411	520,673,080
Changes in inventories of finished goods, work in progress and stock in trade	10	3,402,925	(92,046,253)
Employee benefit expenses	11	20,328,306	10,603,466
Finance costs	12	49,892	155,941
Other expenses	13	26,300,911	11,846,991
<b>Total expenses</b>		<b>467,739,446</b>	<b>451,233,226</b>
<b>Profit/(loss) before tax</b>		<b>34,419,571</b>	<b>37,326,763</b>
Tax expense			
(i) Current tax		9,250,458	6,245,737
(ii) Deferred tax			
<b>Profit/(loss) for the period from continuing operations</b>		<b>25,169,112</b>	<b>31,081,025</b>
<b>Other comprehensive income</b>			
<b>A.</b>			
i) Items that will not be reclassified to profit and loss		-	-
ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>B.</b>			
i) Items that will be reclassified to profit and loss		2,397,960	(7,145,113)
ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Comprehensive income for the period (Comprising profit(Loss) and other comprehensive Income for the period)</b>		<b>27,567,072</b>	<b>23,935,912</b>
<b>Earnings per equity share(for discontinued Operation and continuing operation)</b>			
1) Basic		19.35	23.89
2) Diluted		19.35	23.89
See accompanying notes to the financial statements			

**FOR AND BEHALF OF THE BOARD OF DIRECTORS**

 Sd/-  
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 Director

 Sd/-  
 C. Bhavani Shanmugam  
 Director

**SIGACHI US INC**

**Statement of Cash Flows for the year ended 31st march, 2023**

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

Particulars	Year ended 31st Mar 23	Year ended 31st Mar 22
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	34,419,571	37,326,763
<b>Adjustments to reconcile net loss to net cash provided by operating activities</b>		
Finance costs	49,892	155,941
Forex Difference	2,397,960	(7,145,113)
<b>Changes in Current assets and Current liabilities</b>		
Inventories	3,402,925	(92,046,253)
Trade receivables	25,618,051	(91,205,088)
Trade payables	(38,527,607)	159,630,905
Other assets	(3,181,005)	-
Other liabilities	7,515,689	4,613,532
<b>Cash generated from operations</b>	<b>31,695,476</b>	<b>11,330,687</b>
Income taxes paid	(15,496,195)	(6,245,737)
<b>Net cash flow from operating activities (A)</b>	<b>16,199,281</b>	<b>5,084,950</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	-
<b>Net cash flow used in investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Proceeds/(Repayment) of short-term borrowings (net)	(693,894)	52,003
Finance costs	(49,892)	(155,941)
<b>Net cash flow (used in)/from financing activities (C)</b>	<b>(743,786)</b>	<b>(103,939)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>15,455,495</b>	<b>4,981,011</b>
Cash and cash equivalents at the beginning of the year	7,504,012	2,523,001
<b>Cash and cash equivalents at the end of the year</b>	<b>22,959,507</b>	<b>7,504,012</b>

FOR AND BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
Rabindra Prasad sinha  
Director

Sd/-  
C. Bhavani Shanmugam  
Director

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1 Corporate information**

Sigachi US, Inc. was incorporated on January 20, 2017 under the laws of Virginia with the State Corporate Commission, Richmond and its registered office is situated at 4310 Prince William parkway, Suite 300, Prince William, Virginia-22192. The Company is majorly engaged in the business of trading of Micro Crystalline Cellulose Powder ("MCCP") and other food and pharma active ingredients.

**2 Basis of Preparation and Presentation of Financial Statements**

The financial statements of Sigachi US Inc ("the Company") for the year ended 31st March, 2023 have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

**2.1 Foreign Currency:**

**i. Foreign currency transactions:**

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the consolidated statement of profit and loss in the period in which they arise.

**ii. Foreign Operations:**

Foreign exchange gains and losses arising from a monetary item receivable from a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognised in OCI and presented within equity as a part of foreign currency translation reserve ("FCTR").

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognised in OCI and presented within equity as part of FCTR.

**2.2 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.

### **2.3 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.

### **2.4 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.

### **2.5 Cash and Cash Equivalents**

Cash and Bank balances comprise of cash balance in hand, in current accounts with banks and Bank Fixed Deposits with maturity of 3 months or less than 3 months.

### **2.6 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 asset till it is put to use.

### **2.7 Revenue recognition**

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.

#### **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.

### **2.8 Trade Receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment, if any.

### **2.9 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.

## 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 23	As at 31st Mar 22
<b>1</b>	<b>INVENTORIES</b>		
	Finished Goods	156,586,788	159,989,713
		<b>156,586,788</b>	<b>159,989,713</b>
<b>2</b>	<b>TRADE RECEIVABLES</b>		
	<b>Unsecured</b>		
	Considered good	88,930,164	119,790,497
	Considered doubtful		
		<b>88,930,164</b>	<b>119,790,497</b>
	<i>Less: Allowances for credit losses</i>	-	-
		<b>88,930,164</b>	<b>119,790,497</b>
<b>3</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Balances with banks		
	In Current accounts	22,959,507	7,504,013
		<b>22,959,507</b>	<b>7,504,013</b>
<b>4</b>	<b>OTHER FINANCIAL ASSETS</b>		
	Pre paid Expenses	3,181,004	-
		<b>3,181,004</b>	-
<b>5</b>	<b>BORROWINGS</b>		
	Unsecured Loans	822,182	1,516,076
		<b>822,182</b>	<b>1,516,076</b>
<b>6</b>	<b>TRADE PAYABLES</b>		
	Due to micro, small and medium enterprises		
	Others	207,640,528	246,168,135
		<b>207,640,528</b>	<b>246,168,135</b>
<b>7</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Provision for income tax	-	6,245,737
	Accrued Expenses Payable	7,034,999	
	Employee Benefits Payable	637,127	156,437
		<b>7,672,126</b>	<b>6,402,174</b>

FOR AND BEHALF OF THE BOARD OF DIRECTORS

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Director

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

NOTES	Particulars	Year ended 31 Mar 23	Year ended 31 Mar 22
<b>8</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of products	502,159,017	488,559,988
		<b>502,159,017</b>	<b>488,559,988</b>
<b>9</b>	<b>PURCHASES OF STOCK IN TRADE</b>		
	Add:Purchases	417,657,411	520,673,080
		<b>417,657,411</b>	<b>520,673,080</b>
<b>10</b>	<b>CHANGES IN INVENTORIES OF WORK-IN-PROCESS AND FINISHED GOODS</b>		
	<b>Inventories at the end of the year</b>		
	Finished Goods	156,586,788	159,989,713
		<b>156,586,788</b>	<b>159,989,713</b>
	<b>Inventories at the beginning of the year</b>		
	Finished Goods	159,989,713	67,943,460
	<b>Net (increase)/decrease</b>	<b>3,402,925</b>	<b>(92,046,253)</b>
<b>11</b>	<b>EMPLOYEE BENEFIT EXPENSE</b>		
	Salaries and wages	20,328,306	10,603,466
		<b>20,328,306</b>	<b>10,603,466</b>
<b>12</b>	<b>FINANCE COSTS</b>		
	Interest on borrowings	14,022	-
	Bank Charges	35,871	155,941
		<b>49,892</b>	<b>155,941</b>
<b>13</b>	<b>OTHER EXPENSES</b>		
	<b>Administration ,Selling and Other Expenses</b>		
	Rental	1,785,512	178,800
	Insurance	1,397,406	
	Rates and taxes	3,029,621	1,553,683
	Selling Expenses	7,132,713	4,294,950
	Travelling and conveyance	3,719,993	1,410,457
	Professional & consultancy fees	1,181,273	684,975
	Communication expenses	318,215	178,906
	Warehouse Charges	7,182,194	2,957,137
	Other Expenses	553,985	588,084
	<b>Total</b>	<b>26,300,911</b>	<b>11,846,991</b>

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