



SIGACHI INDUSTRIES LIMITED

CIN : U24110TG1989PLC009497

AN EXCIPACT GMP, ISO 9001:2015 & FSSC 22000 CERTIFIED COMPANY



To,

Date: 06.08.2022

**The Manager
BSE Limited
P. J. Towers, Dalal Street
Mumbai-400001
(BSE Scrip Code: 543389)**

**The Manager,
NSE Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai- 400051.
(NSE Symbol: SIGACHI)**

Dear Sir/Madam,

Sub: 33rd Annual Report

Unit: Sigachi Industries Limited

With reference to the subject cited, please find enclosed herewith the 33rd Annual Report of Sigachi Industries Limited. The same is available on the following link:

<https://sigachi.com/Annual/33-annual.pdf>

This is for the information and records of the Exchange, please

Thanking You,

Yours faithfully

For Sigachi Industries Limited

SHREYA Digitally signed by
MITRA SHREYA MITRA
Date: 2022.08.06
16:52:19 +05'30'

**Shreya Mitra
Company Secretary and Compliance Officer**

Encl: As above

Registered Office:
229/1 & 90, 2nd Floor,
Kalyans Tulasiram Chambers,
Madinaguda, Hyderabad - 49,
Telangana State, India.
Email : mktg.gm@sigachi.com
Customer Service +91 40 40114874-76

Unit-1:
Plot No. 20-21
IDA Pasamailaram
Phase I, Sangareddy Dist.
Telangana State, India

Unit-2:
Plot No. Z-16, SEZ Unit
Dahej SEZ Part I
Bharuch Dist.
Gujarat, India

Unit-3:
Plot No. 763/2
Jhagadia GIDC
Bharuch Dist,
Gujarat, India

Annual Report 2021- 22

Sigachi Industries Limited



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Forward-looking statements

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



Read our
Annual Report online at
www.sigachi.com



Scan this code with a
QR reader app on your
smartphones or tablets
and know more about us.

Holistic Value

Innovation + Sustainability = Excellence

The extent and speed of change in the last two years has few parallels in living memory. We remained resilient as well as agile in navigating the new normal, while ensuring holistic and sustainable value for all our stakeholders.

Innovation has always been a cornerstone of our value creation journey to address the unmet needs of our global clients.

The combination of our consistent drive for innovation and our sustainability initiative results in excellence across every aspect of our value chain.

On the one hand, we are de-risking our business and on the other we are leveraging innovation to unlock greater value for our stakeholders.

About us

As one of the world's largest manufacturers of Microcrystalline Cellulose, Sigachi is today among the leading integrated companies that produces key molecules for Pharma Excipients, Nutraceuticals, cosmetics and Food Ingredients industries.

Started in 1989, we have built a robust manufacturing infrastructure backed by efficient supply chain for our customers spread across the globe. With our three manufacturing facilities, one in Telangana and two in Gujarat, and a strong global sales and distribution network, our international business spreads across more than 50 countries across Asia, Australia, American Continent, Europe and the Middle East.

Our in-house research and development (R&D) division is equipped with necessary infrastructure to develop new facets of cellulose-based excipients from concept to commissioning.



Key highlights

Certifications:



EXCI PACT GMP



SGMP



HACCP



EDQM CEP



ISO 9001:2015

Rs 2,503 Mn
Operating income

Rs 531 Mn
Operating EBITDA

Rs 400 Mn
PAT

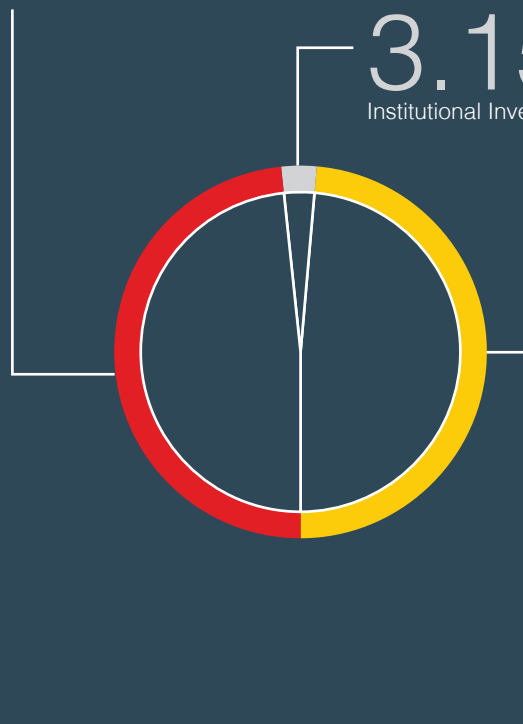
Rs 694 Mn
Cash flow

0.15
Debt-equity ratio

Shareholding pattern

48.48 %
Promoter

3.15 %
Institutional Investor



48.37 %
Public

Our journey



1989

Company incorporated as Sigachi Chloro-Chemicals Private Limited



1990

Sustained business growth resulted in business diversification to manufacture microcrystalline cellulose



1995

Awarded ISO 9001:1994 for robust quality systems



1996

Began in-house manufacture of alpha cellulose, a key raw material for microcrystalline cellulose



2006

Research and Developments (R&D) laboratory received accreditation from Department of Science and Industrial Research ("DSIR") to undertake research and development



2000

- Started manufacturing premium grade microcrystalline cellulose by successfully commissioning a spray drier and a multi-fuel furnace,
- Expanded manufacturing capacity from 720 MTPA to 1080 MTPA



1998

Set international footprint with first export order to Bangkok



2007

Registered its Drug Master File ("DMF") for the first time under the US FDA enabling us to augment our export operations to regulated markets



2008

Set up a unit for manufacturing microcrystalline cellulose at Jhagadia, Gujarat



2009

Set up a 100 % export-oriented unit ("EOU") for manufacturing microcrystalline cellulose in the special economic zone ("SEZ") at Dahej, Gujarat with commercial production beginning in 2010



2012

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



2011

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



2010

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



2014

- Approval received for the scheme of arrangement executed for the merger of Sigachi Cellulos Private Limited and Sigachi Plasticisers Private Limited
- We received a certificate of suitability from the European Directorate of Quality Medicines



2016

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



2017

Commencement of operations of Sigachi Inc. US



2021

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



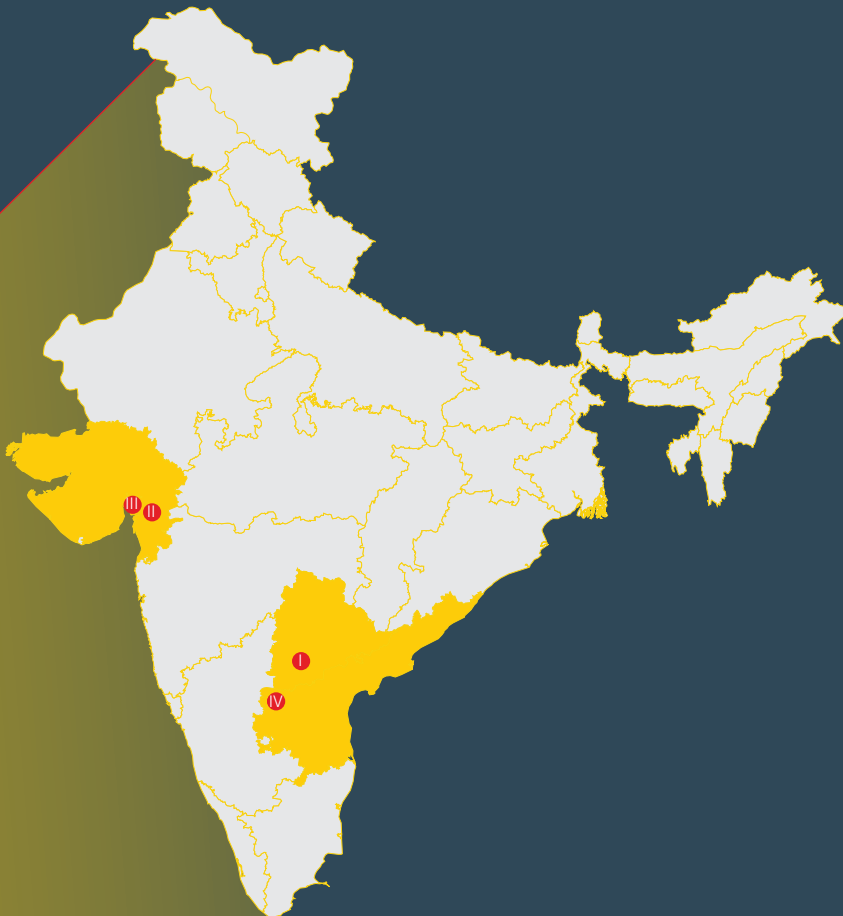
2020

- We received a certificate of registration from United Registrar of Systems for certifying that the quality management systems of all our manufacturing units are in compliance with ISO 9001:2015.
- We received a certificate of registration from TUV NORD CERT GmnH applying management system as per Food Safety System Certification 2000 (Version 4.1) in our manufacturing unit situated in Hyderabad.

Our presence



Map not to scale. Only for representation purpose



Unit – III

Dahej, Gujarat

4,680 MTPA

Installed capacity

4,592 MTPA

Production volume

98.11 %

Capacity utilisation

Unit – I

Hyderabad, Telangana

6048 MTPA

Installed capacity

5,868 MTPA

Production volume

2,500 MTPA

Installed capacity

Unit – IV

Proposed unit

1,800 MTPA

Expected capacity of Kurnool plant

97.02 %

Capacity utilisation

2,411 MTPA

Production volume

96.44 %

Capacity utilisation

Business model

Input



Financial Capital

Rs **2,277** Mn
Equity

Rs **17.84** Mn
Long-term Borrowings



Manufacturing Capital

3 Manufacturing units
Rs **788.01** Mn Gross Block



Natural Capital

6.46 Mn Units Energy consumed
137.56 KLD Water consumed



Human Capital

887 Employees
17,740 hours of Training and development conducted



Social & relationship Capital

Rs **6.56** Mn spent on CSR activities
98,638 Shareholders

Rs **1,278.42** Mn Vendors
235 customers



Intellectual Capital

Rs **37.41** Mn invested in R&D
12 Member R&D team

Value creation process



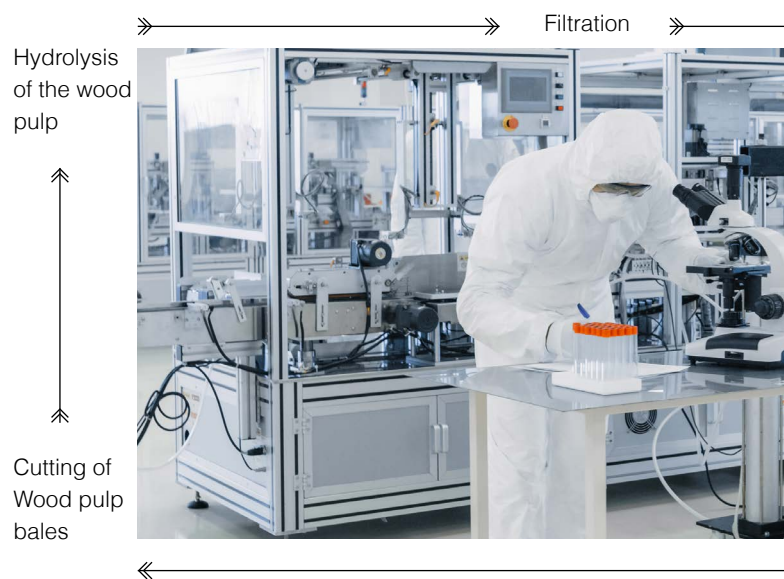
Raw Material



Wood Pulp



Manufacturing Process



Industries Served



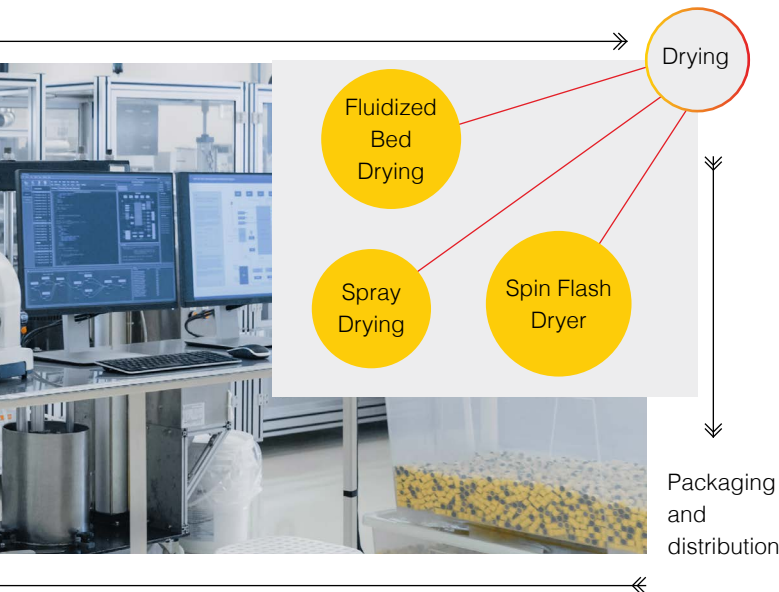
Pharmaceutical



Food and Nutraceutical



HCL



Cosmetic



Chemical

Output



Financial Capital

| | |
|-------------------------------|----------------------------------|
| Rs 2,529 Mn Revenue | Rs 1,786.74 Mn Exports |
| Rs 531 Mn EBIDTA | Rs 400 Mn PAT |



Manufacturing Capital

| | |
|--|---|
| 61 grades of MCC | 97.19 % Average capacity utilization across 3 units |
| 93.27 % Increased blended capacity utilization in FY22 | |



Natural Capital

| |
|---|
| 29.91 KLD Water recycled using ETP plants |
|---|



Human Capital

| | |
|----------------------------|----------------------------------|
| Reduced employee attrition | Inclusive Workplace |
| Safe and healthy workplace | Promoting equality and Diversity |



Social & relationship Capital

| | |
|---|--|
| 270.40 % Premium on listing of shares at stock exchanges | 101.91 times Shares over-subscribed |
| On-time payment to vendors | 74.38 % of revenue generated from customers associated for more than 5 years |
| Rs 8,889.19 Mn Market Capitalisation as on March 31, 2022 | |



Intellectual Capital

| | |
|---------------------------------------|-------------------------|
| 3 Patents Granted / Applied | 46 Trademarks |
|---------------------------------------|-------------------------|

Chairman's message



For us, despite the debilitated economic scenario, 2021-22 proved to be a good year as we registered record sales across our markets. This was primarily due to the demand for micro crystalline cellulose (MCC) that stayed strong across our end-user industries all-round the year.

Dear Shareholders

As we step into the new financial year, I consider it my privilege to present our Annual report for the fiscal 2021-22.

For more than three decades, we have established a legacy of manufacturing cellulose-based excipient on the back of secured supply chains and strong R&D capabilities. We have worked hard to establish our strong presence across the globe. During the year, we continued to strengthen our market position and developing stronger distribution across our markets.

Talking about the macro environment, the global economy saw a significant recovery in the fiscal years 2021–2022. However, the surge in geopolitical tensions towards the end of the fiscal along with the sanctions caused persistent disruptions in the global supply chain and spiking commodity prices.

This led to continued inflationary pressures and a risk of slowing down overall recovery of the economy. In India too, after a year of strong recovery, the near-term economic growth prospects have been dented owing to the challenges of the war.

For us, despite the debilitated economic scenario, 2021-22 proved to be a good year as we registered record sales across our markets. This was primarily due to the demand for micro crystalline cellulose (MCC) that stayed strong across our end-user industries all-round the year. With a further improvement in demand across our domestic and geographical markets due to factors like an increase in consumption of fast growing food and beverage segments, increased social media usage and favorable demographics we anticipate a strengthened demand in our end-user industries. Given that we are the leading manufacturers of MCC,

we believe we are well poised to capitalize the huge growth potential that lies ahead.

As a final word, I would like to thank our team for ensuring efficient operations throughout the year. I will further like to place my heartfelt gratitude to our shareholders for their continued confidence in our abilities. I will also like to thank our suppliers, business partners and all other stakeholders. I am confident that our thought through strategies will enable us to keep achieving record performances in the future and enable us uphold our commitment to bringing growth and opportunities for our fraternity of stakeholders.

Best Regards,

**Mr. RABINDRA PRASAD
SINHA**
Chairman

CFO's message



We continued to sustain our strong performance on the back of strong demand, sound strategy, cost-optimisation measures and streamlined manufacturing.

Dear Shareholder

It gives me great pleasure to present our financial performance for the financial year 2021-22. Financial numbers although are not enough to capture the essence of our company, they surely help us determine our progress in the year.

The last fiscal had numerous headwinds in the economy, which were felt by us as well. However, we steered through the tough environment solidifying our position as a global leader.

We continued to sustain our strong performance on the back of strong demand, sound strategy, cost-optimisation measures and streamlined manufacturing.

During the year under review, total revenue grew by 29.02% YoY to Rs 252.91 crores, from Rs 196.01 crores in the previous year. Our EBITDA stood at Rs 53 crores in FY22 as compared to Rs 38.8 crore in FY21, registering a growth of 37% YoY.

The EBIDTA margin was registered at 21.21%. Our PAT increased from Rs 30 crore in FY21 to Rs 40 crores in FY22.

In recognition of our strong financial performance in the fiscal, the board of directors have decided a dividend pay-out of Rs 1.

Going ahead, we expect sustained financial performance through growth in both cash and capital driven by our strategic investments.

Best wishes,

O. SUBBARAMI REDDY

Chief Financial Officer

MD's message



As we move ahead, we will constantly strive to improve our R&D capabilities and develop cost effective manufacturing processes to maintain our position as a manufacturer of choice with the high quality standards.

Dear Shareholder

In the fiscal 2021-22, despite the difficulties created by the pandemic and war, we continued to deliver value for our customers and our shareholders, producing a resilient financial performance.

During the year, we saw an increase in our export sales as a result of our ongoing efforts to broaden our global clientele and ability to tailor our products to the requirements of our diverse customers. While we did face challenges in the shape of rising input costs towards the end of the financial year, we maintained our margins owing to our ability to shift the cost to customers.

In order to tap the growing demand of MCC, we are aiming to expand our manufacturing capacities at

our Jhagadia and Dahej units by 3,600 MTPA and 3,600 MTPA respectively. Besides MCC, we are also foraying into the production of Croscarmellose Sodium (CCS).

As we move ahead, we will constantly strive to improve our R&D capabilities and develop cost effective manufacturing processes to maintain our position as a manufacturer of choice with the high quality standards. We will continually enhance our market share by researching unexplored markets and introducing innovative value-added products. We will also keep looking for possibilities in different regions and countries throughout the world to expand our geographic reach.

We have delivered much in 2021-22 which has given us the impetus

we need for success in 2022-23 and beyond. Our performance has bolstered my confidence that we have all the building blocks in place to realise our goals.

I would like to convey my heartfelt gratitude to all my colleagues for their utter dedication and hard work. Their tremendous efforts have made us what we are today and I am confident with their collective efforts we will continue to shape a brighter tomorrow.

Warm Regards,

AMIT RAJ SINHA
Managing Director & CEO

Corporate social responsibility

We seek to cultivate and strengthen partnerships with local communities, as well as to support efforts that enhance living circumstances in the places where we operate. We are able to anticipate and respond to new concerns as well as preserve cooperative relationships with ongoing community engagement through periodic meetings on our different initiatives.

Partnering for change

Together, Sigachi Industries Limited (Sigachi) and Aga Khan Rural Support Programme India (AKRSP) have launched a multi-year integrated development programme in the districts of Bharuch and Narmada in Gujarat. Our integrated development programme principally aims to improve the nutrition, drinking water and hygiene conditions, sanitation, and access to renewable energy for 1000+ tribal people spanning across 5 villages.

Additionally, we have conducted technical demonstration training for the water testing kit at Kunvarpara village. We have also endeavoured to repair platforms of Hand Pumps to improve the water supply infrastructure in the community.



65

Beneficiaries

9

Hand pump platforms repaired

Improving access to clean drinking water

At Sigachi, we are empowering communities to plan, design, implement and monitor village drinking water supply schemes as well as organise community ownership for operation and maintenance. In the villages of Andharkachla, we developed two solar-powered drinking water schemes, through which a number of beneficiaries were connected to the public water system. By creating a Pani Samiti, an organisation founded exclusively by women, we are also assuring community ownership to manage these schemes. To better comprehend operations and management, Pani Samiti's women members were also taken on exposure tours.

To ensure maintenance of the quality of water, we have distributed mini water testing kits across villages.

Improving sanitation and hygiene

The advantages of having access to a better supply of drinking water can only be fully realised when there is also access to a better sanitation system and the development of good hygiene practices. In order to improve sanitation, we subsequently installed hand washing stations for children in anganwadis and schools. We have also provided hygiene training to school and anganwadi children in order for them to grasp the importance of hygiene.

To improve sanitation infrastructure even further, we have built several soak pits across our local community villages. A soak pit is a sealed porous hole that is directly linked to a residential or commercial building's primary treatment system and serves the purpose of allowing water to gradually percolate into the ground.

2

Anganwadis and 1 School benefited

37

Soak pits built across 5 villages



Enhancing cultivation

We have made steps to encourage organic farming since it protects the health of the soil, water, air, and flora and fauna while minimising environmental impact. We have promoted organic fertilisers, engaged in kitchen garden activities, and strived to establish a pesticide-free management system. By planting saplings of indigenous plants including brinjal, tomato, and chilli, we have also undertaken vegetable cultivation.

300

Farmers supported with kitchen garden activities

13

Beneficiaries were supported with 1500 vegetable saplings

Improving irrigation potential with renewable energy

We have progressed with our solar power operated well scheme in collaboration with 6 farmers to increase the irrigation area on their lands and in turn increase produce. We have also provided technical training on the management and operation of the solar enabled systems.

9

Acres of irrigation land covered



Enabling capacity building

We are striving towards bridging the gaps in the areas of human resources and institutional capacity, technical skills development and community management. In five project villages, we have trained Charter Business Officers (CBO) members on different topics, including institutional leadership, MGNREGA, social governance, and the role of village leaders.

Additionally, we have provided training for elected members of the three gram panchayats on a variety of subjects, including the panchayat governance system, the significance of the gramme sabha, and the Gram Panchayat Development Plan (GPDP) procedure.

Increasing awareness on government schemes

We are disseminating awareness and information about government programmes in communities through text messages and voice calls under mobile mahiti karyakram. Under this program, old age,

widow, handicapped, Sankat Mochan Yojana, Palak Mata Pita Yojana, social security programs, covid awareness and relevant information have been disseminated.

Through two digital camps, we also raised knowledge about how to access online information schemes, and 25 E-shram cards have been distributed.

Promoting active citizenship

Active citizenship is one of the most important steps towards healthy societies and we want to encourage people getting involved in their local communities and democracy at all levels. To achieve this, a Nagrik Suchna Kendra (NSK) has been established at Jhagadia and under this program, form filling processes for different government schemes have been completed.

63

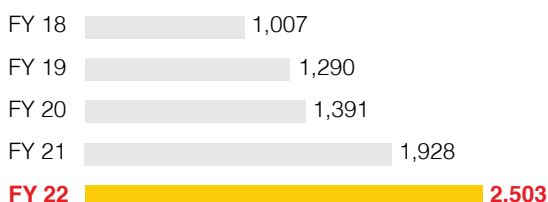
Aadhar cards have been linked with mobile numbers



Financial highlights

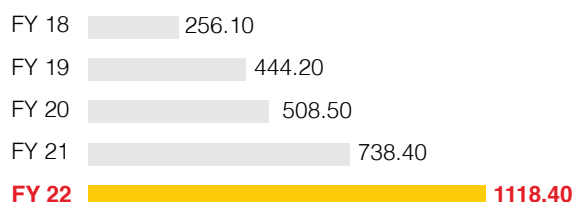
Revenue from Operations **29.82**
(Rs Mn) Y-o-Y %

2,503



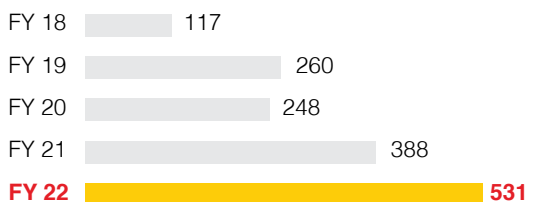
Gross profit **51.46**
(Rs Mn) Y-o-Y %

1,118.40



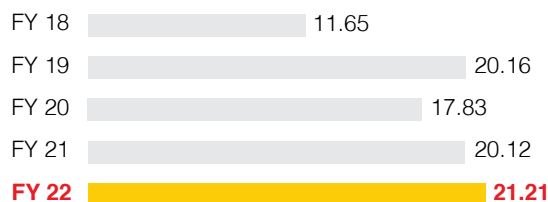
EBITDA **36.85**
(Rs Mn) Y-o-Y %

531



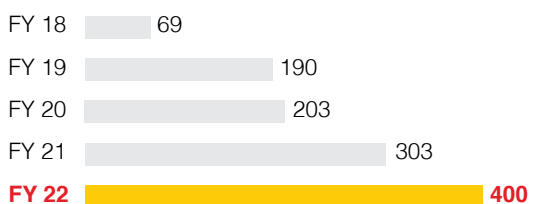
EBITDA margin
(%)

21.21



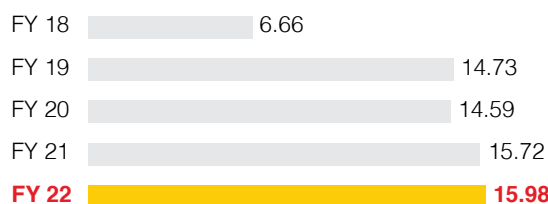
PAT **32.01**
(Rs Mn) Y-o-Y %

400



PAT margin
(%)

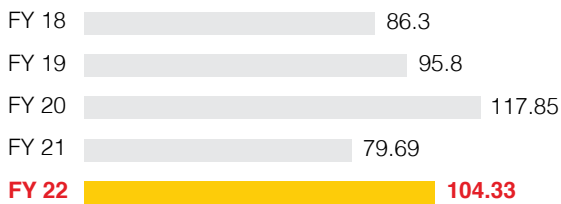
15.98



Cash flow from operations

Cash conversion cycle (Days)

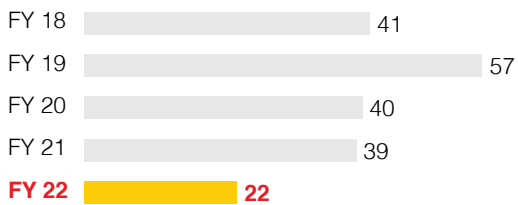
58.50 Mn



ROCE

(%)

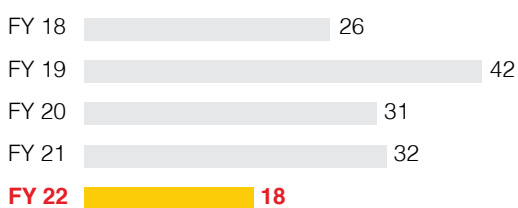
22



ROE

(%)

18



Our excellence

Microcrystalline Cellulose (MCC) is widely utilised in the pharmaceutical, food and beverage, nutraceuticals, and cosmetic industries. We produce MCC in various grades ranging from 15 to 250 microns for the domestic and export markets under the HiCel and AceCel brands. Exports account for 75.43 % of revenue, with domestic businesses accounting for the remaining 24.57%.

61

Grades of MCC

12,871

MTPA

Production of MCC in FY22

75.43%

Export revenue in FY22

24.57%

Indian revenue in FY22

HiCel

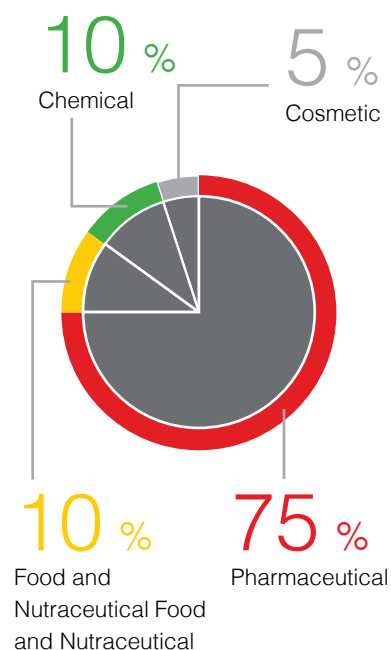
HiCel is a spray-dried product with physical features such as particle size, density, flow, and tableting properties that make it a high-quality product.



AceCel

The bulk drying technique is used to make AceCel. To meet the rising market for co-processed excipients, we also manufacture several grades of this product in combination with other chemicals such as colloidal silicon dioxide, carboxy cellulose sodium, mannitol, and so on.

Revenue breakup



Manufacturing

We have three state-of-the-art manufacturing units situated in Hyderabad, Jhagadia and Dahej, to cater to the growing global demand for MCC. We anticipate an increase in demand for MCC, and we aim to capitalise on this Offering by increasing the MCC production capacity through expansion of the existing capacity of our Units II and III.

We have also proposed a production to manufacture Croscarmellose Sodium (CCS), modified cellulose. The plant is expected to incur a capital expenditure of Rs 32.30 Crore. The plant is expected to commence production in 2024.

Rs 32.30 Crore

Expected CAPEX



Research and Development

Continuous innovation is at the heart of our R&D team's long-term success. Our in-house R&D lab offers the best facilities for conducting all essential trials to discover new compounds from concept to lab to commercialisation.

Our in-house research and development department assists us in recognising and exploring novel aspects of cellulose-based excipients. Our Research & Development division is based in Units II and III, with the goal of implementing a performance-oriented approach using in-house created technologies. With the accreditation of the R&D lab by DSIR, we are scaling up our new product development processes to drive business growth.

12

R&D team

01

Patents

46

Trademarks

Rs 37.41 Mn

R&D expenditure in FY22

Registered Drug Master File (DMF) under the US FDA

Our excellence

Quality

For over three decades, we have continually introduced products that meet dynamic client needs. Our high-quality products are produced with batch-to-batch consistency. Our Quality Control laboratory ensures quality checks across the entire value chain of production. All our manufacturing units are accredited with quality control certifications from recognized international and domestic bodies. Our Quality Division and in-house testing laboratories are equipped with equipment such as tablet hardness tester, tablet friability tester, UV spectrophotometer, etc. for ensuring the quality and compliance in accordance with international standards at all times.

Certifications



EXCiPACT™



HACCP



EDQM CEP



SGMP



ISO 9001:2015



Our workforce

We believe employees to be the key contributors to the long-term sustainability of our business. We promote a healthy working environment through several employee engagement initiatives and employee-friendly policies. We ensure a conducive workplace for our employees to excel in their careers.

887

Workforce

210.80

Employee benefit expenses in FY22



Training and development

At Sigachi, we provide an exceptional opportunity. Our operations span a wide range of areas, and we actively encourage all of our employees to pursue innovative, promising possibilities throughout their careers with us. Fostering our employees' capacities will enable them to provide consistently positive performance.

It is our conviction that investing in people development is an investment in the future of our company. Furthermore, we enable our individuals by giving them a place to develop their skills and knowledge. For business continuity, we believe it is essential to actively develop the skills of our employees. Therefore, we support employee mobility and collaborate with them to meet their requirements for flexibility, training, advancement, and reward.

Employee engagement

One of the most essential indicators for evaluating associate satisfaction and, ultimately, customer satisfaction is employee engagement. When employees are engaged, they are more likely to deliver higher quality of work. Therefore, we seek a culture where our employees feel engaged with our purpose, beliefs, and principles and are treated fairly and with mutual trust.



Our future prospects

Our strengths



Experienced MCC player

With a legacy of more than three decades in the cellulose-based excipient industry, we have made advancements in the development of MCC and are positioned as one of the key manufacturing of MCC globally. With more than 60 grades of MCC, we are increasing our market share in several downstream industries in domestic and market international markets.



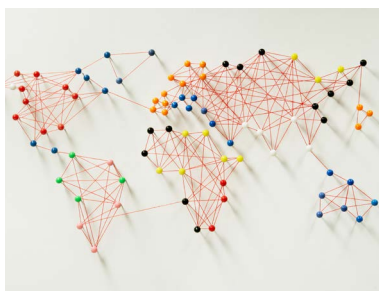
In-house R&D

Our robust culture of innovation is a key element of our sustained business growth. Our in-house R&D team and regular investment in R&D, helps us introduce new products across our portfolio. The two in-house laboratories help us check the quality throughout the process, from raw material to finished goods.



Liquidity

Our robust financial management system has empowered us to maintain liquidity for continuous operations. Our increasing focus on high margin yielding product mix and efficient manufacturing techniques has resulted in a healthy balance sheet and better profitability with strong cash flow.



Global presence

We have created a long-standing market presence in India and across the globe with our premium quality products. Our wholly-owned foreign subsidiary, Sigachi U.S. Inc., is based in Virginia, USA, and assists us in meeting the demands of our international customers. We serve a wide range of customers, including end-users, merchants, distributors, and exporters. We supply our products to over 50 countries including Australia, the United States, South America, the United Kingdom, Poland, Italy, Denmark, China, Colombia, and Bangladesh to name a few.



Comprehensive product portfolio

The non-reactive, free-flowing and versatile nature of MCC enables us to customise the usage and application of products to various industries including pharmaceutical, food, nutraceuticals and cosmetics. To serve these diverse industries, the polymer is available in several grades which vary in their average particle size and bulk density.



Employees

Our employees play a critical role in the operations of our manufacturing units. Our experienced pool of workforce enables us to achieve stellar results and grow sustainably. Our employees' devotion, commitment, and perseverance enable us to succeed in the face of adversity.



Technology

To increase production capacity and accommodate increasing demand, we have implemented modern technology at every stage of the manufacturing process. Our facilities can efficiently handle new product development and meet the growing demand for various products owing to rising intellectual capabilities and cutting-edge technology.



Governance

Our robust corporate governance creates the groundwork for better results. The framework constitutes transparency, accountability, and ethics across operations, enabling to establish relationships with internal and external stakeholders for a long-term business sustainability.



Backward integration

Our integrated business model provides us a competitive edge to optimize manufacturing operations. Our backward integration helps mitigate raw material sourcing and supply chain risks and streamline production within stipulated time.

Our growth strategies



Focus on core business

We specialise in MCC production and have facilities in Hyderabad, Jhagadia, and Dahej. Our enhanced focus on our core business will enable us to extend our domestic and international footprint while also diversifying our product portfolio. In addition, Gujarat Alkalies and Chemicals Limited ("GACL") units are also maintained and operated by us.



Increase market presence

As part of our strategy to broaden our growth potential, we intend to enhance our market share by

researching unexplored markets and introducing innovative value-added products. We will also keep looking for possibilities in different regions and countries throughout the world to expand our geographic reach.



Enhance production capacities

We are constantly striving to increase our production capacity with the expansion of our manufacturing operations. We are expanding the production capacity of our Dahej and Jhagadia plants for MCC products. In order to meet the growing demand, we are also planning to build a new facility in Kurnool. Dahej and Jhagadia's capacity will be increased by 3,600 MTPA and 3,600 MTPA, respectively. In FY22, we boosted our blended

capacity utilisation across all three plants to 93.27%, up from 89.29% in FY21.



Increasing our global Presence

With market presence in 50 countries, we have built a strong international presence, ensuring robust revenues from exports. We intend to expand our global footprint with diverse applications for our products in various industries. The uncompromised quality with certifications from leading bodies has helped us sustain and grow our international market presence.

Sustainability

As a socially responsible company, we are always aiming to achieve success beyond just our financial metrics. We seek to make significant progress in environmental, social, and governance aspects apart. All of our business operations are based on environmentally friendly and safe practices.

Environmental sustainability

As we are involved in manufacturing operations, we are relying on natural resources for our operations. We strive to reduce our carbon footprint through our consistent efforts in energy management, water management and waste management.

Energy management

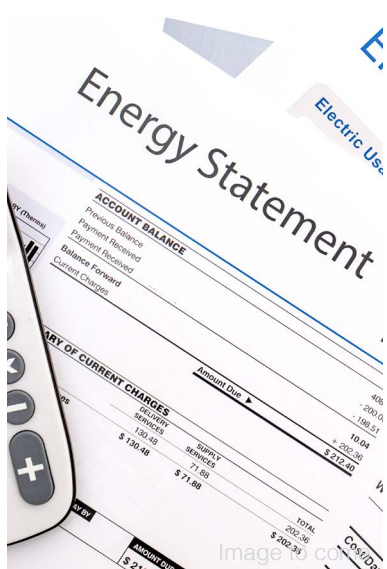
All our plants receive enough power to run their production operations. The respective power corporations provide us with electricity and we have also placed DG sets in all of our industrial facilities in case of a power outage.

In our manufacturing facilities, we have steam boilers and thermic fluid boilers. In addition, hot air generator facilities have been installed in Units I and III to generate hot air throughout the manufacturing process and re-use the steam further in the operations.

64,61,340 **35,58,605**
KWH Kg

Energy consumed

Coal procured



Water management

In Unit I, we obtain water from third-party vendors for our manufacturing operations, whereas in Units II and III, we rely on the Gujarat Industrial Development Corporation's water supply for our day-to-day operations. In Unit I and Unit III, we also installed a RO plant and a demineralized water plant. Before it can be used in our production process, the water that is sourced by or delivered to our units is treated in a RO plant in a demineralized water plant.

137.56 KLD

Water consumed

Waste management

For the treatment of wastewater generated during the manufacturing process, we have constructed effluent treatment plants in all of our manufacturing units. We have a zero-liquid discharge (“ZLD”) effluent treatment system installed in Units I and II, allowing us to treat all wastewater generated in-house.

We use final treated water for irrigation and gardening at both ZLD plants, which meets all Pollution Control Board standards. For the methodical disposal and processing of hazardous waste generated in all of our industrial facilities, our company has entered into numerous agreements with third parties.

2

ZLD units

18,653
Kg/annum

Waste generated

29.91 KLD

Water treated

140 LTR

Hazardous waste generated



CSR activities

As responsible corporate citizens, we are committed to implementing various development projects as part of our Corporate Social Responsibility (“CSR”) efforts aimed at enhancing the quality of life of the underprivileged and other stakeholders.

₹65,60,998

CSR Spent

[Provide details of various CSR activities conducted during the reporting period]



Governance

To propagate ethical ideals and preserve stakeholders’ interests, we believe in a strong and transparent governance system. We have identified the business’s regulatory concerns and put in place a strong governance structure.

4

Audits conducted in FY22

2

Independent Directors

31

Shareholder complaints in FY22
none pending

91 %

Average attendance of the Board in meetings conducted in FY22



Awards and accolades

We are honoured to be awarded the top 100 SME Award 2022 from India SME Forum out of 37,134 participating SME companies. This award stands as a testimony to our ability to scale up our business and create a niche position for ourselves in this rapidly evolving market landscape.



Board of directors

Independent, Non-Executive



M C M

Mr. Swami Das Nigam

Non-Executive Director

- Holds a Bachelor's degree in Engineering (Electrical) from Birla Engineering College, Pilani.
- Holds experience of more than 4 decades in Business Operations at Senior Management positions for diverse businesses.
- He has played an instrumental role in management of Projects from Concept to Commissioning and also strong acumen in fields of Regulatory, Technical Audits, Energy Conservation and Cost Control.



C M

Mr. RPSinha Sinha

Chairman

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



M M

Mr. S. Chidambaranathan

Executive Vice Chairman

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



M M M C C

Mr. Amit Raj Sinha

Managing Director & CEO

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

Board Committees

C Chairman **M** Member

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

Board of directors

Independent, Non-Executive



M M

Ms. Dhanalakshmi Guntaka

Independent Director

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



C C M M M M

Mr. Sarveswar Reddy Sanivarapu

Independent Director

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

Board Committees

C Chairman **M** Member

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



DIRECTOR'S REPORT

To
The Members,
SIGACHI INDUSTRIES LIMITED

Your directors are pleased to present the 33rd Annual Report together with the audited financial statements for the year ended 31st March 2022. The consolidated performance of the Company and its subsidiary has been referred to wherever required.

FINANCIAL SUMMARY/ HIGHLIGHTS:

A summary of the Company's financial results for the Financial Year 2021-22 is as under:

(Rs In Lakhs)

| Particulars | 2021-22 | | 2020-21 | |
|--|------------------|-----------------|-----------------|-----------------|
| | Consolidated | Standalone | Consolidated | Standalone |
| Total Revenue | 25,291.94 | 25,203.44 | 19,601.10 | 19,119.71 |
| Total Expenses | 20,132.07 | 20,306.88 | 15,752.67 | 15,407.71 |
| Profit before depreciation, amortization and tax | 5,450.34 | 5,187.04 | 4,079.47 | 3,943.09 |
| Depreciation and amortization | 290.48 | 290.8 | 231.09 | 231.09 |
| Profit before tax | 5,159.87 | 4,896.56 | 3,848.37 | 3,711.99 |
| Tax Expense | 1,156.13 | 1,093.68 | 822.34 | 805.96 |
| Profit after Tax | 4,003.73 | 3,802.88 | 3,026.02 | 2,906.02 |
| Net Profit for the Year | 4,003.73 | 3,802.88 | 3,026.02 | 2,906.02 |
| Opening balance of retained earnings | 7,746.38 | 7,786.05 | 4,872.83 | 5,029.51 |
| Net profit for the year | 4,003.73 | 3,802.88 | 3,026.02 | 2,906.02 |
| Dividend paid during the year | 230.48 | 230.48 | 76.82 | 76.82 |
| Tax on Dividend paid | - | - | - | - |
| Transfer to General Reserve | 95.83 | 95.07 | 75.65 | 72.65 |
| Bonus Issue | 1,371.96 | 1,371.96 | - | - |
| Closing balance of Retained earnings | 10,051.85 | 9,891.43 | 7,746.38 | 7,786.05 |

REVIEW OF PERFORMANCE:

STANDALONE

During the year under review, members will notice that the total income has increased to Rs 25,203.44 lakhs from Rs 19,119.71 lakhs of the previous year 2020-21. Your company reported a Net Profit of Rs 3,802.88 lakhs (Previous Year of Rs 2,906.02 lakhs) after providing for Income Tax and Deferred Tax of Rs 1,093.68 lakhs (Previous Year of Rs 805.96 lakhs).

CONSOLIDATED

During the year under review, total income has increased to Rs 25,291.94 lakhs from 19,601.05 lakhs of the previous year 2020-21. The Net profit stood at Rs 40,037.32 as against previous year's net profit of Rs 30,260.3.

BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:

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

INITIAL PUBLIC OFFERING:

The Company's Initial Public Offering (IPO) for 76,95,000 equity shares of face value of Rs10 each (the "Equity Shares") of the Company for cash at a price of Rs163 per Equity Share aggregating up to Rs12,542.85 Lacs.

There was a tremendous response from the market for the IPO of the company which opened on Monday, November 1, 2021 and closed on Wednesday, November 3, 2021. The issue was subscribed 101.91 times, with the QIB portion getting subscribed by 86.51 times, the non-institutional portion by 172.43 times and the retail portion by 86.51 times.

The Main Objects of the IPO are as follows:

- Expansion of production capacity for microcrystalline cellulose ("MCC") at Dahej, Gujarat;
- Expansion of production capacity for microcrystalline cellulose ("MCC") at Jhagadia, Gujarat;
- To manufacture Croscarmellose Sodium ("CCS"), a modified cellulose used as excipient at Kurnool, Andhra Pradesh; &
- For general corporate purposes.

The trading of Equity Shares of the Company commenced on BSE Limited and National Stock Exchange of India Limited on November 15, 2021. The success of IPO reflects the trust, faith and confidence that investors, customers, business partners and markets have reposed in your Company.

AMOUNTS TRANSFERRED TO RESERVES:

During the year under review, your Company transferred a sum of Rs 95.07 lakhs being 2.5% of the Profit after Tax of the Financial Year to the general reserve. An amount of Rs 9,891.43 lakhs is proposed to be retained in the profit and loss account.

DIVIDEND:

Based on Company's performance, your directors have declared interim dividend of Re. 1 per share (10%). The interim dividend will be paid to the registered members of the Company as on the record date fixed by the Board of the Directors. i.e., 03.08.2022. The Board noted that payment of final dividend for 2021-22 was an honest omission due to oversight. Therefore, towards its continuous commitment to Investors, the Board has declared Interim Dividend as a compensation for Final Dividend for FY 2021-22.

In terms of Regulation 43A of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Dividend Distribution Policy was adopted to set out parameters and circumstances that will be taken into account by the Board while determining the distribution of dividend to the shareholders. The Policy is available on the website of the Company under the weblink www.sigachi.com and same is annexed as **Annexure I** to this Report.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

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

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

CHANGE IN THE NATURE OF THE BUSINESS, IF ANY:

During the period under review and as on the date of this Board's Report, there was no change in the nature of Business.

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

There are no major material changes and commitments affecting the financial position of the Company after the end of the financial year and up to date of this report (i.e., 22.07.2022)

SHARE CAPITAL:

The paid-up Equity Share Capital as at March 31, 2022 stood at Rs 3074.25 Lakhs and the authorized share capital as at March 31, 2022 was Rs 3,200.00 Lakhs.

FURTHER ISSUE OF SHARE CAPITAL

During the year under review, your Company has increased its authorized share capital from Rs 12,00,00,000 divided in to 1,20,00,000 equity shares of Rs 10/- each to Rs 32,00,00,000/- divided into 3,20,00,000 equity shares of Rs 10/- each in the extra-ordinary general meeting held on 30th July 2021.

In the extra-ordinary general meeting held on 30th July 2021 and the approval of the Board in its meeting held on 30th July 2021, the company issued and allotted 1,53,65,000 equity shares of Rs10/- each to the holders of existing equity shares of the Company in the proportion of 2 (two) equity shares for every 1 (one) existing equity share held by the Members.

There are no Equity Shares held in trust by the Company for the benefit of employees where the voting rights are not exercised directly by the employees.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

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

REVISION OF FINANCIAL STATEMENTS

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

HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

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

In the financial year ended March 31, 2022, there have not been any instances, wherein companies which have become or ceased to be subsidiaries, associates and joint ventures.

The company incorporated a wholly owned subsidiary in Dubai by the name of "**Sigachi MENA FZCO**" in the relevant financial year. This subsidiary is registered as a Free Zone Company.

DEPOSITS:

The Company has not accepted/renewed any deposits from the public/members under Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 during the

financial year ended March 31, 2022 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

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

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2022, there has been no non-compliance with the requirements of the Act.

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

The Company has complied with this requirement within the prescribed timelines.

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

Ms. Kanika Singal, vide resignation letter dated 17th October 2021, stepped down from the Board as an Independent Director due to her own personal pre-occupations. The Board in its meeting held on 18th October 2021 acknowledged and accepted her resignation and placed on record its sincere appreciation for the services rendered by her during her tenure.

In the Board meeting held on 18th October 2021, the Board appointed Ms. Dhanalakshmi Guntaka as an additional Independent Director and her appointment was regularized in the Extra-Ordinary General Meeting of the company held on 4th April 2022.

Further in the same Extra-Ordinary General Meeting of the company held on 4th April 2022 special resolution was passed for the continuation of Mr. Swami Das Nigam (DIN 02669472) as a Chairman and Non-Executive Non- Independent Director of the Company, who had attained the age of Eighty (80) years."

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

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

KEY MANAGERIAL PERSONNEL:

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

INDEPENDENT DIRECTORS:

The Board in its meeting held on 18th October 2021 appointed Ms. Dhanalakshmi Guntaka as an Additional Independent Director for a period of five years w.e.f. 18th October 2021, subject to the approval of the Members at the Annual General Meeting.

At the Adjourned Extra-Ordinary General Meeting of the Company held on 4th April 2022, Ms. Dhanalakshmi Guntaka's appointment was regularized and was appointed as an Independent Director of the Company for the period of 5 years w.e.f. 18.10.2021.

The necessary declaration with respect to the independence has been received from all the Independent Directors of the Company. In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The Independent Directors are in compliance with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

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

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

Code of Conduct for Directors and senior management personnel under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the website of the company's the link to which is as below: <https://www.sigachi.com/Policies/1.pdf>

CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

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

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

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

MEETINGS OF THE BOARD:

Thirteen (13) Board Meetings were held during the financial year ended 31st March 2022. The details of the Board Meetings with regard to their dates and attendance is as below: and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

| Sl. No. | Date of Meeting | Total No. of Directors on the Date of the Meeting | No. of Directors attended | % of the Attendance |
|---------|-----------------|---|---------------------------|---------------------|
| 1. | 07/04/2021 | 8 | 8 | 100% |
| 2. | 08/07/2021 | 8 | 8 | 100% |
| 3. | 30/07/2021 | 8 | 8 | 100% |
| 4. | 06/08/2021 | 8 | 7 | 87.5% |
| 5. | 11/10/2021 | 8 | 7 | 87.5% |
| 6. | 14/10/2021 | 8 | 6 | 75% |
| 7. | 18/10/2021 | 8 | 7 | 87.5% |
| 8. | 22/10/2021 | 8 | 8 | 100% |
| 9. | 08/11/2021 | 8 | 6 | 75% |
| 10. | 10/11/2021 | 8 | 7 | 87.5% |
| 11. | 27/12/2021 | 8 | 7 | 87.5% |
| 12. | 03/02/2022 | 8 | 8 | 100% |
| 13. | 03/03/2022 | 8 | 8 | 100% |

COMMITTEES OF THE BOARD:

1. Audit Committee

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

2. Nomination & Remuneration Committee:

The Nomination and Remuneration Committee of the Company was duly constituted in line with the provisions of Regulation 19(1) of SEBI (LODR) Regulations read with Section 178 of the Companies Act, 2013 and is included in the Corporate Governance report, which forms part of this report.

3. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee of the Company was duly constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations read with Section 178 of the Companies Act, 2013 and is included in the Corporate Governance report, which forms part of this report.

4. IPO Committee:

The Company has constituted an IPO Committee. It consists of one Independent Director with Mr. Amit Raj Sinha as the Chairperson, Mr. Rabindra Prasad Sinha, Mr. S. Chidambaranathan, Mr. Sarveswar Reddy Sanivarapu and Mr. Swami Das Nigam as Members.

5. Risk Management Committee

The Company had been undertaking the activity of identifying key business and sustainability risks and taking actions to mitigate such risks from time to time. The matters related to risks and their management has been shared with the Board of Directors from time to time. However,

a structured process is now felt necessary in the light of global sustainability risks faced by all businesses in the light of the challenges that have unfolded over the last 15 months. The Company has put in place a Risk management Policy and has constituted a Risk Management Committee of the Board. The details of constitution of the Committee and its terms of reference are set out in the Report on Corporate Governance. The Company has formulated a Risk Management Policy under which various risks associated with the business operations is identified and risk mitigation plans have been put in place.

INTERNAL AUDIT AND FINANCIAL CONTROLS:

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

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

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

Disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 in prescribed form is enclosed as **Annexure III** to the Directors Report. During the financial year 2021-22, the Company has spent Rs65.61 lakhs towards various CSR activities in line with the requirements of Section 135 of Companies Act, 2013. Areas of Activities taken by the Company are Eradicating hunger, poverty and malnutrition & making available safe drinking water.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS

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

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

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

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

POLICY ON NOMINATION AND REMUNERATION:

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

The salient features of the NRC Policy are as under:

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

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

PERFORMANCE EVALUATION:

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

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

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

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

- A) For Independent Directors:
- Knowledge and Skills
 - Professional conduct
 - Duties, Roles and Functions
 - Fulfillment of the Independence criteria and his / her independence from the management.
- B) For Executive Directors:
- Performance as Team Leader/ Member
 - Evaluating Business Opportunity and analysis of Risk Reward Scenarios
 - Key Set Goals and Achievements
 - Professional Conduct and Integrity
 - Sharing of Information with the Board

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2021-22, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

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

LOANS, GUARANTEES OR INVESTMENTS:

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

AWARDS AND RECOGNITIONS

The Company is pleased to inform that as a result of the Company's unparalleled work on building world-class products and providing excellent services to customers worldwide, it was honored with Top 10 SME Award 2022 by Shri Bhanu Pratap Singh Verma, Minister of State for MSME, Government of India.

AUDITORS:

a) Statutory Auditors

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

The Auditors' Report for fiscal 2022 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for both Standalone and Consolidated audited financial results of the Company for the Financial Year ended March 31, 2022 from the statutory auditors of the Company.

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

b) Cost Auditor

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

Due to sudden demise of Mr. N V S Kapardhi, former cost auditor, the Board of Directors on the recommendation of the Audit Committee in their meeting held on 3rd March 2022, has approved the appointment of M/s. MPR & Associates (Registration No. 000413), Cost Accountants to fill the casual vacancy on the same remuneration and terms and conditions, to carry out the cost audit of products included under CTA CODES 7204, 7228, 7326, 7503, 7602, 8108, 8401, 8482, 8483, 8487, 8803 and 9306 in relation to the financial year ending 31st March 2022. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The Cost Auditors have confirmed that they are not disqualified to be appointed as the Cost Auditors of the Company for the year ending 31st March 2022.

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

c) Secretarial Auditor

Pursuant to the provisions of Section 134(3) (f) & Section 204 of the Companies Act, 2013, the Board has appointed Ms. Aakanksha, Practicing Company Secretary, as the Secretarial Auditor of the Company. She has undertaken Secretarial Audit of the Company for financial year ending 31st March 2022.

d) Internal Auditor

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditor of the Company, M/s PSRV & Co. LLP, Chartered Accountants for the Financial Year 2021-22.

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

The Board has re-appointed by PSRV & Co. LLP, Chartered Accountants, Hyderabad as Internal Auditors for the Financial Year 2022-23.

SECRETARIAL AUDIT REPORT:

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed Ms. Aakanksha, Company Secretary in practice as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2022.

The Secretarial Audit was carried out by Ms. Aakanksha, Company Secretary in practice for the financial year ended March 31, 2022.

The Board has duly reviewed the Secretarial Audit Report for the year ended March 31, 2022 on the Compliances according to the provisions of Section 204 of the Companies Act, 2013 and noted that the company has not passed the Special Resolution for continuation of Mr. Swami Das Nigam, Chairman and Non-Executive Director exceeding 80 years of age.

However, the same was passed in the Adjourned Extra Ordinary General Meeting held on 04.04.2022.

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

ANNUAL SECRETARIAL COMPLIANCE REPORT

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

The Company has filed the Annual Secretarial Compliance Report for the year 2021-22 with the BSE Ltd and National Stock Exchange of India Limited, the report was received from a Practicing Company Secretary and filed within the stipulated time as specified under Regulation 24A of the SEBI (LODR) Regulations.

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

During the Financial Year 2021-22, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

RISK MANAGEMENT:

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

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

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

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

Major risks identified for the Company by the management are Currency fluctuation, Compliance, Regulatory changes,

Manufacturing & Supply. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM:

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Company promotes ethical behavior and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may report their genuine concerns to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that we have selected such accounting policies and applied them consistently and made
- c. judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- d. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- e. that the annual accounts have been prepared on a going concern basis;

- f. that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and

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

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

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

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

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

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

CONSTITUTION OF COMMITTEE:

| Name | Designation |
|-------------------|--------------------|
| Ms. Shreya Mitra | Presiding Officer |
| Mr. Subramanian A | Member |
| Mr. Jaideep Rao | Member |
| Ms. Monika Tomar | Member |
| Mr. Mihir Puranik | Member |
| Ms. Chitra Sathoo | External Member |

All employees are covered under this policy. During the year 2021-2022, there were no complaints received by the Committee.

BUSINESS RESPONSIBILITY REPORT:

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

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

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

INSURANCE:

The properties and assets of your Company are adequately insured.

CREDIT & GUARANTEE FACILITIES:

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

ANNUAL RETURN:

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

COMPLIANCE WITH SECRETARIAL STANDARDS:

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

CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of your Company for the year ended March 31, 2022 have been prepared in accordance with the provisions of Section 129(3) of the Companies Act and applicable Accounting Standards and form part of this report.

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

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

Insolvency proceedings have not been initiated against our Company under the Insolvency and Bankruptcy Code, 2016 (IBC).

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

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

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

The Management Discussion and Analysis Report, for the year under review as stipulated under Regulation 34 (e) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and Segment-wise operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems is appended as **Annexure IX** for information of the Members.

POLICIES:

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

ENVIRONMENTS AND HUMAN RESOURCE DEVELOPMENT:

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

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

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

STATUTORY COMPLIANCE:

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

CEO/ CFO CERTIFICATION:

The Managing Director cum CEO and CFO certification on the financial statements under regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 for the year 2021-22 is annexed in this Annual Report as **Annexure X**.

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

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

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

RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Mr. Amit Raj Sinha, Managing Director of the Company to the median remuneration of the employees is 1:0.12 respectively, that of Mr. Rabindra Prasad Sinha and Mr. Chidambaranathan Shanmuganathan is 1:0.014, respectively.

CODE OF CONDUCT COMPLIANCE:

All Members of the Board and Senior Management have affirmed compliance to the Code of Conduct for the Financial Year 2021-22. A declaration signed by the Managing Director affirming compliance with the Company's Code of Conduct by the Board of Directors and Senior Management for the Financial Year 2021-22 as required under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Corporate Governance Report which is appended as **Annexure 'XII** and forms part of this Report.

EVENT BASED DISCLOSURES:

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

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA

6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA
8. Rights Issue of Shares: The company allotted 1,53,65,000 equity shares of Rs10/- each to the holders of existing equity shares of the Company in the proportion of 2 (two) equity shares for every 1 (one) existing equity share held by the Members on 30th July 2021.

CREDIT RATING:

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

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

ACKNOWLEDGEMENTS:

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

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

(Rabindra Prasad Sinha)

Executive Chairman

DIN: 00413448

Place: Hyderabad

Date: 22.07. 2022

ANNEXURE - I

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

The Board of Directors (the "Board") of Sigachi Industries Limited ("Sigachi" or the "Company") understand the importance of shareholders' confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest or any apprehension in the minds of its shareholders, the Board of the Company, has adopted the Dividend Distribution Policy ("Policy") and procedures with respect to Dividends declared/ recommended by the Company in accordance with the provisions of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time.

Since Sigachi is amongst the top Thousand listed entities as per the market capitalization criteria as on 31st December 2021, a dividend distribution policy has been formulated with the approval of the Board.

This policy lays down the general framework for considering and deciding the distribution of dividend to the Company's shareholders and/or retaining of earnings for sustained growth.

2. PURPOSE

The purpose of this Policy is to facilitate the process of dividend recommendation or declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long-term capital appreciation for all stakeholders of the Company.

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend.

The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business. The Board will refer to the Policy while declaring/ recommending dividends on behalf of the Company.

3. AUTHORITY

This Policy has been adopted by the Board of the Company at its Meeting held on 03rd February 2022. The Policy shall also be displayed in the Annual Report and on the website of the Company.

4. FORMS OF DIVIDENDS

• Interim Dividend

The interim dividend may be declared by the Board one or more times in the financial year as may be deemed fit.

• Final Dividend

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the Annual General Meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

• Special Dividend

The Board may declare / recommend special dividend as and when it deems fit.

5. PER SHARE BASIS

The dividend will be declared on per share basis only.

6. DIVIDEND DISTRIBUTION

The Board of Directors shall endeavour to take a decision for Dividend Distribution with an objective to enhance shareholders value. However, the decision regarding pay-out is subject to several parameters which form part of this Policy.

The Dividend once declared or approved will be paid/ distributed within the statutory period permitted by law.

7. DECLARATION OF DIVIDEND

Dividend shall be declared or paid only out of –

- 1) Current financial year's profit:
 - a. after providing for depreciation in accordance with law;
 - b. after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion and as per applicable law; OR
- 2) The profits for any previous financial year(s) after providing for depreciation in accordance with law and remaining undistributed; OR

- 3) Out of 1) & 2) both.

In case of inadequacy or absence of profits in any financial year, the Company may also declare/ pay Dividend out of the accumulated profits earned by it in previous years and transferred by the Company to the reserves, provided such declaration/ payment of dividend shall be made only in accordance with the provisions of the Companies Act, 2013 and rules specified therein.

8. FINANCIAL PARAMETERS CONSIDERED WHILE DECLARING DIVIDEND

The financial parameters that may be considered before declaring dividend are profitability, cash flow and future growth and profitability outlook of the company.

9. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY NOT EXPECT DIVIDEND/ OR WHEN THE DIVIDEND COULD NOT BE DECLARED BY THE COMPANY SHALL BE FOR THE REASONS STATED HEREIN, BUT ARE NOT LIMITED TO, THE FOLLOWING REASONS ONLY.

- a. Due to operation of any other law in force;
- b. Due to losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year;
- c. Due to any restrictions and covenants contained in any agreement as may be entered with the Lenders;
- d. Uncertainty of the earnings/ financial results of the Company; and
- e. The availability of opportunities for reinvestments of surplus funds;
- f. Any other corporate action resulting in cash outflow

10. FACTORS AFFECTING DIVIDEND DECLARATION:

a) External Factors to be considered while recommending/ declaring dividend

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or of its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.

b) Internal Factors to be considered while recommending/ declaring dividend

Apart from the various external factors, the Board shall take into account various internal factors including the financial parameters while declaring dividend, which inter alia will include:

- Expected cash requirements of the Company including working capital, capital expenditure
- Quarterly and Annual results
- Investments including Mergers and Acquisitions (M&A)
- Free cash flow generation
- Buy-back of shares
- Funds required to service any outstanding loans;

c) Retained Earnings

Retained earnings would be used to further the company's business priorities. If there are excess reserves beyond the medium to long term business requirements, the retained earnings would be distributed to shareholders via Dividends or other means as permitted by applicable regulations.

d) Parameters that shall be adopted with regard to various classes of shares

Currently, the Company does not have different classes of shares and follows the 'one share, one vote' principle. If the Company has more than one class of shares in future, dividend for each class would be subject to prescribed statutory guidelines as well as terms of offer of each class to the investors of that class of shares.

11. AMOUNT OF DIVIDEND

The company would endeavour to maintain a total dividend pay-out ratio not exceeding 20% of the annual standalone net profits of the company (profit after tax) determined in accordance with financial statements prepared under Indian Account Standards.

12. REVIEW, INTERPRETATION & AMENDMENT

Any word used in this Policy shall have the same meaning as defined under the Companies Act, 2013, SEBI LODR Regulations and any other applicable statutory regulations.

This Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient considering the law for the time being in force.

In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

ANNEXURE - II

Annexure to the Directors' Report

FORM No. AOC-1[Pursuant to first proviso to sub-section 3 of Section 139 read with
Rule 5 of Companies (Accounts) Rules, 2014]Salient Features of Financial Statements of Subsidiary/Associate Companies/Joint
Ventures as per Companies Act, 2013**Part "A": SUBSIDIARIES**

| S No | Particulars | |
|------|---|---------------------|
| 1 | Name of the Subsidiary | Sigachi US, Inc |
| 2 | Date since when subsidiary was acquired | 20.01.2017 |
| 3 | Reporting Period for the subsidiary concerned, if different from the holding company's reporting period | January to December |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries | US\$ @ INR 75.80 |
| 5 | Share Capital | INR 13,00,800 |
| 6 | Reserves & Surplus/ (Accumulated Loss) | INR 3,18,97,039 |
| 7 | Total Assets | INR 28,72,84,223 |
| 8 | Total Liabilities | INR 25,40,86,384 |
| 9 | Investments | NIL |
| 10 | Turnover | INR 48,85,59,988 |
| 11 | Profit Before Taxation | INR 3,73,26,763 |
| 12 | Provision for Taxation | INR 62,45,737 |
| 13 | Profit After Taxation | INR 3,10,81,025 |
| 14 | Proposed Dividend | NIL |
| 15 | Extent of Shareholding (in percentage) | 100% |

Additional Information:

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

Part "B": Associates/Joint Ventures-NIL

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

Additional Information:

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

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

(Rabindra Prasad Sinha)

Executive Chairman

DIN: 00413448

Date: 22.07. 2022

Place: Hyderabad

ANNEXURE - III

REPORT ON CSR ACTIVITIES

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

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

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

2. Composition of CSR Committee:

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

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

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

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

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

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

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

The average net profit of the Company for the last three financial years as per Section 135 of the Companies Act, 2013 was Rs 29,32,08,762.45/-

| Sl. No. | Particulars | Amount (in Rs) |
|---------|--|----------------|
| (a) | Two percent of average net profit of the company as per section 135(5) | 58,64,175 |
| (b) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | NIL |
| (c) | Amount required to be set off for the financial year, if any | NIL |
| (d) | Total CSR obligation for the financial year (7a+7b-7c). | 58,64,175 |

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

| Total Amount Spent for the Financial Year. (in Rs) | Amount Unspent (in Rs) | | | |
|--|--|---------|-------------------|--|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | Amount. | Date of transfer. | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). Name of the Fund Amount. Date of transfer. |
| Rs65,60,998/- | | NIL | | NIL |

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

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | | |
|--------------|---|---|----------------------|--------------------------|-----------|--|---|--|-------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Amount spent for the project (in Rs). - Direct (Yes/No). | Mode of implementation - Through implementing agency. | | |
| | | | | State. | District. | | Name. | CSR registration number. | |
| 1. | Safe water drinking facility – Initiative | Eradicating hunger, poverty and malnutrition & making available safe drinking water | YES | Hyderabad & | Gujarat | 18.71 Lakhs | Yes | - | - |
| 2. | Integrated Development Project | Eradicating hunger, poverty and malnutrition & making available safe drinking water | YES | Gujarat | | 46.90 Lakhs | No | Aga Khan Rural Support Programme (India) | CSR00004229 |
| Total | | | | | | Rs65.61 Lakhs | | | |

(d) Amount spent in Administrative Overheads- *NIL*

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- Rs 65.61 Lakhs

(g) Excess amount for set off, if any

| Sl. No. | Particulars | Amount (in Rs) |
|---------|---|----------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 58,64,175 |
| (ii) | Total amount spent for the Financial Year | 65,60,998 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 6,96,823 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 6,96,823 |

9. (a) Details of Unspent CSR amount for the preceding three financial years: *NIL*

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): *NIL*

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – *No Capital asset Acquired*

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): *N.A.*

For and behalf of the Board
Sigachi Industries Limited

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

Amit Raj Sinha
(Managing Director & CEO, Member)

Place: Hyderabad
Date: 25.04.2022

ANNEXURE - IV
FORM No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: **NIL**
2. Details of material contracts or arrangements or transactions at arm's length transactions:

| Nature of transaction | Name of the related party | Year ended 31st Mar 2022 |
|-----------------------|---------------------------|--------------------------|
| Sales | Sigachi US, INC | 47,97,09,514 |
| Rent | Amit Raj Sinha | 17,64,600 |

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

(Rabindra Prasad Sinha)
Executive Chairman
DIN: 00413448

Date: 22.07. 2022
Place: Hyderabad

ANNEXURE - V

FORM MR-3

SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

To
The Members of
Sigachi Industries Limited
Hyderabad.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Sigachi Industries Limited** (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Sigachi Industries Limited** ("The Company") for the financial year ended on 31st March, 2022 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guideline prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2021-22: -
 - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - ii. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event-based disclosures, wherever applicable.**
 - iii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., www.sigachi.com**
 - iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **The Company has filed Draft Red herring Prospectus and Red herring Prospectus and final Prospectus for issue of 76,95,000 Equity shares with BSE Limited, National Stock Exchange of India Limited, Securities Exchange and Board of India and the Registrar of Companies and was listed on both the Exchanges with effect from 15.11.2021. Further, the minimum contribution of the Promoter's shares and the entire pre issue paid up capital held by other than promoters are locked in accordance with Regulation 16 and 17 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.**
 - v. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
 - vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company has not issued any debt securities during the year under review.**
 - vii. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has Bigshare Services Private Limited as its Share Transfer Agent.**
 - viii. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
 - ix. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**

x. Other applicable laws include the following:

- The Payment of Gratuity Act, 1972
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Employees State Insurance Act, 1948
- Income Tax Act, 1961
- Indian Stamp Act, 1899
- Minimum Wages Act, 1948
- Payment of Bonus Act, 1965
- Payment of Wages Act, 1936
- Shops and Establishments Act, 1948
- Drugs and Cosmetics Act, 1940
- Factories Act, 1948

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

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

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

- a) During the year the Company has conducted 13 meetings of the Board of Directors, 5 meetings of the Audit committee, 1 Meetings of Stakeholder Relationship Committee, 3 meeting of Nomination Remuneration Committee and 1 meeting of Independent Directors and 5 Meetings of IPO Committee.
- b) As per the information and explanations provided by the Company, its officers, agents

and authorized representatives during the conduct of secretarial audit, we report that

(i) The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

- External Commercial Borrowings were not attracted to the Company under the financial year under review;
- Foreign Direct Investment was not attracted by the company during the financial year under review;
- Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

(ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- i. Mr. Subbarami Oruganti Reddy is the Chief Financial Officer and Ms. Shreya Mitra is the Company Secretary and Compliance Officer of the Company.
- ii. The Company has internal auditors namely M/s. PSRV & Co. LLP cost auditors namely M/s. MPR & Associates.
- iii. The website of the company contains applicable policies as specified by SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the provisions of Companies Act, 2013.
- iv. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were the following changes in the composition of the Board of Directors during the period under review.

| S. No. | Name of the Director | Designation | Event |
|--------|-------------------------|----------------------|----------------------------|
| 1. | Ms. Kanika Singal | Independent Director | Resigned w.e.f 18.10.2021 |
| 2. | Ms. Dhanlakshmi Guntaka | Independent Director | Appointed w.e.f 18.10.2021 |

v. Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance or on shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.

vi. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

vii. We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

viii. We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- ix. We further report that during the year under report, the company has not passed the Special Resolution for continuation of Mr. Swami Das Nigam, Chairman and Non-Executive Director exceeding 80 years of age and further paid the penalty of Rs 1,10,920/- (including GST) each as levied by BSE Limited and National Stock Exchange of India Limited.
- x. The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

However, the concerned resolution was passed in the Adjourned Extra Ordinary General Meeting held on 04.04.2022.

Date: 22.07.2022
Place: Hyderabad

Aakanksha
Practicing Company Secretary
C.P. No. 20064
UDIN: A049041D000670090

Annexure to the Secretarial Audit Report

To
The Members of
Sigachi Industries Limited

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

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

Date: 22.07.2022
Place: Hyderabad

Aakanksha
Practicing Company Secretary
C.P. No. 20064
UDIN: A049041D000670090

ANNEXURE-VI

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

FORM – A

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

- a. Energy conservation measures taken during the year:

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

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

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

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

| Particulars | For the year ended March 31, | |
|---|------------------------------|-------------|
| | 2022 | 2021 |
| a. Power and Fuel Consumption | | |
| i. Electricity | | |
| Purchased Units | 56,97,316 | 54,48,289 |
| Total Amount (Rupees) | 3,30,73,409 | 3,25,12,776 |
| Rate/Unit (Rupees) | 5.80 | 5.97 |
| ii. Own Generation (Through Diesel Generator) | | |
| Units generated | 29,208 | 39,480 |
| Total Amount (Rupees) | 7,59,430 | 8,71,740 |
| Units per litre | 3.85 | 3.85 |
| Cost per Unit (Rupees) | 26.00 | 22.08 |
| b. Consumption per unit of Production | | |
| Production (MTs) | 11,241 | 9,143 |
| Power Consumption in Rupees/MT | 3009.77 | 3,651.37 |

FORM – B**Technology, Research and Development**

Form for disclosure of particulars with respect to technology absorption

Research & Development

| | |
|--|--|
| 1. Specific areas in which R&D undertaken | <ol style="list-style-type: none"> Development of BARETab family of excipients as Ready to use premix for Nutraceutical tablets, premix for Quick dissolving tablet matrix and Self lubricated excipient Development of excipients for capsule filling and Super functionality excipients for pharma industry Development of Dietary fibre and anti-caking agent for food industry Development of excipient that is stabilizer for emulsions in cosmetic industry Application studies of excipients with various API's like L-Glycine, Thiamine HCl, Pyridoxine HCl, Cetirizine HCl, Vitamin B1, Vitamin B6, Amoxicillin, Magaldrate, Ascorbic Acid |
| 2. Benefits derived as a result of the above R & D | <ol style="list-style-type: none"> Product superiority established over peer products in the market Diversified portfolio of products catering to Pharma, Nutra, Food and Cosmetic industries Application data generated during R&D trials benefits the customers and overall Pharma community for better development |
| 3. Future / further Plan of Action | <ol style="list-style-type: none"> New product development for Pharma: Ready to use for capsule formation and Mega disintegrate for oral solid dosage forms Premix for Ice Cream, Beverages, Health Drinks & Confectionery New Application Study <ol style="list-style-type: none"> HiCel MCC, HiCel MCG and Premix applications in food products New Nutra product application studies |

Research & Development

4. Expenditure on R & D Rs 374.11 Lakhs
5. Technology imported Nil, No technology has been imported and absorbed

FORM – C**Particulars of Foreign Exchange Earning and Outgo**

| Particulars | For the year ended March 31, (in Rs) | |
|----------------------------|--------------------------------------|---------------|
| | 2022 | 2021 |
| i. Foreign Exchange Earned | | |
| Export of Goods | 177,78,92,127 | 128,08,17,112 |
| ii. Foreign Exchange Outgo | | |
| a. Import of Raw Material | 89,07,35,334 | 80,95,85,675 |
| b. Travel Expenses | 19,71,074 | NIL |
| c. Others | NIL | NIL |

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

(Rabindra Prasad Sinha)

Executive Chairman
 DIN: 00413448

Date: 22.07.2022
 Place: Hyderabad

ANNEXURE VII

BUSINESS RESPONSIBILITY REPORT

Overview:

Sigachi strives for innovation and has been engaged in sustainable practices to ensure unparalleled quality of products and customer service worldwide.

Section A: General Information about the Company

| | |
|--|--|
| 1. Corporate Identity Number (CIN) of the Company | U2411TG1989PLC009497 |
| 2. Name of the Company | SIGACHI INDUSTRIES LIMITED |
| 3. Registered address | 229 / 1 & 90, Kalyan's Tulsiram Chambers, Madinaguda-500 049, Telangana |
| 4. Website | www.sigachi.com |
| 5. E-mail id | cs@sigachi.com |
| 6. Financial Year reported | April 1, 2021 to March 31, 2022 |
| 7. Sector(s) that the Company is engaged in (industrial activity code-wise) | NIC Code of product / service: 21001 Description: Manufacture of pharmaceuticals, medicinal chemical and botanical products |
| 8. List three key products/services that the Company manufactures/provides (as in balance sheet) | HiCel AceCel BareTab |
| 9. Total number of locations where business activity is taken by the Company | <ul style="list-style-type: none"> • There are 3 manufacturing facilities & one R&D centre. • Sigachi Inc., US, a subsidiary of the company, has its office at 371 Chamborley Dr.Reisterstown MD 21136, USA. • Unit 1, a manufacturing facility, situated at Plot No. 20-21, IDA Pasamailaram, Phase I, Sangareddy District, Telangana, India. • Unit 2, a manufacturing facility, situated at Plot No. Z-16, SEZ Unit, Dahej SEZ Part I, Bharuch Dist., Gujarat, India. • Unit 3, a manufacturing facility, situated at Plot No. 763 / 2, Jhagadia GIDC, Bharuch Dist., Gujarat, India. • R&D Centre situated at Plot No. Z-16, SEZ Unit, Dahej SEZ Part I, Bharuch Dist., Gujarat, India |
| 10. Markets served by the Company- Local / State / National / International | The company, in addition to marketing its products domestically, also markets its products globally to around 50 countries. Around 71% of sales are generated from international markets. |

Section B: Financial Details of the Company

| | |
|--|--|
| 1. Paid-up Capital | Rs 30,74,25,000/- divided into 3,07,42,500 equity shares of Rs 10/- each. |
| 2. Total turnover | Rs 2,50,28,97,951 |
| 3. Total Profit After Tax | Rs 40,03,73,187 |
| 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | CSR spending during the financial year 2021-22 was Rs 65,60,998/- (2.24) % of last three years average profit after tax on standalone basis. |
| 5. List of activities in which expenditure in 4 above has been incurred | <ul style="list-style-type: none"> • Education • Health & Sanitation • Rural development |

Section C: Other Details

| | |
|--|--|
| 1. Does the Company have any Subsidiary Company/ Companies? | Yes, the company has two subsidiaries located in the United States of America and Dubai. |
| 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) | No, the parent company undertakes majority of the BR initiatives. |
| 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? | No. |

Section D: BR Information

1. Details of Directors responsible for BR a) Details of Directors responsible for implementation of the BR policies:

| No. | Particulars | Details |
|-----|----------------------------|--|
| 1 | DIN Number (if applicable) | 01263292 |
| 2 | Name | Amit Raj Sinha |
| 3 | Designation | Managing Director & CEO |
| 4 | Telephone number | 040 – 40114874 / 76 |
| 5 | e-mail id | ars@sigachi.com |

- b) Details of the BR head: Same as above

2. Principle-wise (As per NVGs) BR Policy / Policies

Details of Compliance: The Company was listed on 15.11.2021. The company did not have adequate time to formalize specific BR initiatives in place as it gained the status of top 1000 companies based on market capitalization within just few days of getting listed. However, the company is in the process of identifying and undertaking adequate steps to implement all the applicable provisions of BR initiative and furnish the same in the subsequent Annual Report.

| No. Questions | P1 Ethics | P2 Product Lifecycle sustainability | P3 Employee Wellbeing | P4 Stakeholder Engagement | P5 Human Rights | P6 Environment | P7 Policy Advocacy | P8 Community Development (CSR) | P9 Customer Value |
|---|---|-------------------------------------|--|--|-----------------------|--|--------------------|--|-------------------|
| 1. Do you have a policy for | Yes | No | Yes | Yes. Our Environment, Occupational Health and Safety policy addresses stakeholder engagement | No formal policy yet. | Yes | No | Yes. | No |
| 2. Has the policy being formulated in consultation with the relevant stakeholders? | Yes | N.A. | Yes | Yes | N.A. | Yes | N.A. | Yes | N.A. |
| 3. Does the policy conform to any national / international standards? If yes, specify? | Yes. We have adopted a code of conduct policy which covers all the stakeholders and conforms to international and national standards | N.A. | Yes. We abide by all the labour laws in India | Yes. We abide by all the labour laws in India | N.A. | Yes. The policy is in line with the national standards | N.A. | Yes. The policy is in line with the national standards | N.A. |
| 4. Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Policies mandated by statutory requirements are approved by the Board. All other policies are approved by the MD of the company. | N.A. | Policies mandated by statutory requirements are approved by the Board. All other policies are approved by the MD of the company. | Policies mandated by statutory requirements are approved by the Board. All other policies are approved by the MD of the company. | N.A. | Policies mandated by statutory requirements are approved by the Board. All other policies are approved by the MD of the company. | N.A. | Policies mandated by statutory requirements are approved by the Board. All other policies are approved by the MD of the company. | N.A. |
| 5. Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation, of the policy? | Yes. | N.A. | Yes. | Yes. | N.A. | Yes. | N.A. | Yes. | N.A. |

| No. Questions | P1 Ethics | P2 Product Lifecycle sustainability | P3 Employee Wellbeing | P4 Stakeholder Engagement | P5 Human Rights | P6 Environment | P7 Policy Advocacy | P8 Community Development (CSR) | P9 Customer Value | |
|---------------|--|---|-----------------------|---|--|----------------|--|--------------------------------|--|------|
| 6 | Indicate the link for the policy to be viewed online? | www.sigachi.com | N.A. | Intranet | www.sigachi.com | N.A. | www.sigachi.com | N.A. | www.sigachi.com | N.A. |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes. | N.A. | Yes. | Yes. | N.A. | Yes. | N.A. | Yes. | N.A. |
| | | All the policies are uploaded on website | | All the policies are uploaded on website | All the policies are uploaded on website | | All the policies are uploaded on website | | All the policies are uploaded on website | |
| 8 | Does the company have in-house Structure to implement the policy/ policies. | Yes | Yes | Yes | N.A. | Yes | N.A. | Yes | N.A. | |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Yes | Yes. | Yes | N.A. | Yes | N.A. | Yes | N.A. | |
| | | The Co. has a dedicated officer i.e, Company Secretary and Compliance Officer | | The Co. has a dedicated officer i.e, Company Secretary and Compliance Officer | | | | | | |
| 10. | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | No | No | No | N.A. | No | N.A. | No | N.A. | |

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company:

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR report forms part of the Annual Report of the Company which is published annually and it can be viewed on www.sigachi.com

Section E: Principle-wise Performance

Principle 1- Ethics

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Currently, the policy relating to ethics, bribery and corruption cover only the company. However, the Company has adopted a Code of Conduct policy which is applicable to all senior management personnel and board of directors of the company including the key managerial personnel but does not cover vendors / others.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

We interact with relevant stakeholders including customers and suppliers regularly to address any concerns. We have not received any complaints related to ethics, bribery, or corruption from any stakeholders in the last financial year.

The company has received 31 investor complaints and all of them have been resolved satisfactorily and no complaint is pending for resolution as on March 31, 2022.

Principle 2- Product Life Cycle Sustainability

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - HiCel**
 - AceCel**
 - BareTab**
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)
 - Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**
 - Reduction during usage by consumers (energy, water) has been achieved since the previous year?**
- Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.

We have always emphasized on sustainable sourcing and ensured more than 95% of the raw materials and finished goods shipments are through sea with very minimal requirement of air shipments that reduces emissions. In addition, as a standard operating procedure, our supply chain team practices volume consolidation to import multiple raw material in a single shipment. Lead time and minimum order quantities are evaluated well in advance in order to minimize the number of shipments and get the shipments through sea. We also try and reuse transportation containers for up to 5 to 10 shipments so as to minimize the requirement for containers.

- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The Company needs to follow certain procedures in terms of sourcing of materials and based on the availability, preference will be given for the domestic sources.

- Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the company has a mechanism to recycle or dispose waste materials. All in-house organic waste are used as manure for plantations. Year on year, we have tried increasing green cover of our sites. Additionally, the Scrap that gets generated is segregated based on it's type i.e. Recyclable, land refill and scrapable. Depending on the segregation, forward processing takes place. Waste management & recycling is at the center of our company's sustainability objective.

Principle 3- Employee Wellbeing

- Please indicate the Total number of employees
887
- Please indicate the Total number of employees hired on temporary/contractual/casual basis
167
- Please indicate the Number of permanent women employees
39
- Please indicate the Number of permanent employees with disabilities
0
- Do you have an employee association that is recognized by management?
No
- What percentage of your permanent employees is members of this recognized employee association?
Nil
- Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending, as on the end of the financial year.
Nil

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

| | Head Office, Hyderabad | Unit-1 | Unit-2 | Unit-3 |
|---|---------------------------|--------|--------|--------|
| Permanent Employees | 10% | 40% | 10% | 45% |
| Permanent Women Employees | 10% | 40% | N.A. | 100% |
| Casual / Temporary /Contractual Employees | N.A. | 30% | 10% | 45% |
| Employees with disabilities | N.A. | N.A. | N.A. | N.A. |

Principle 4- Stakeholder Engagement

- Has the company mapped its internal and external stakeholders?
Yes.
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?
Yes.
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

We believe businesses must enhance their capabilities to fulfill stakeholder aspirations through greater engagement. We strive to build lasting bonds with all our stakeholders and protect their interests. The company implements all special protection rights such as Whistle Blower mechanism, minority shareholders' rights, etc. and implements all corporate governance practices with highest standards so that all stakeholders get their due share of benefit.

Principle 5- Human Rights

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
The company is yet to implement the formal policy.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
NIL.

Principle 6- Environment

- Does the policy cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?
The Company and its subsidiary.
- Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?
As part of global warming and climate change, Company complies with avoiding use of ozone depleting chemicals.
- Does the company identify and assess potential environmental risks?
Yes. We being an ISO-22000:2018, ISO/TS 22002-1:2009 (Unit 2 & EOU) certified Company, undertake Hazard Identification and Risk Assessment for various processes. Apart from internal audits, we are also subject to various audits and inspections by the statutory authority from time to time.
- Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
No
- Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.?
Yes. Year on year, we have tried optimizing power and water requirements. We have placed extensive KPI's and checkpoints to ensure our sustainability goals in terms of power & water are met. Additionally, all sites have inbuilt rainwater harvesting pits to recharge the earth water.
- Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?
Yes.
- Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as at the end of financial year.
Nil.

Principle 7- Policy Advocacy

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.
 - **The Federation of Telangana Chambers of Commerce and Industry (FTCCI)**
 - **Federation of Telangana Small (MSME) Industries Associations**
 - **India SME Forum**
 - **Confederation of Indian Industry (CII)**
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas.

No, while we participate on these platforms and advocate public good in general by implementing various CSR activities, we have not lobbied through the same.

Principle 8- Community Development (CSR)

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy? If yes details thereof.

Promoting health, education, and sanitation. The company collaborated with Aga Khan Rural Support Programme for an integrated development project at Narmada & Bharuch districts of Gujarat. The project focuses on the following major areas:

 - **Drinking water, hygiene & sanitation**
 - **Renewable Energy**
 - **Land improvement**
 - **Food & Nutritional Security**
 - **Irrigation facilities**
 - **Governance**
2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO / government structures/any other organization?

In-house team and and external NGO.
3. Have you done any impact assessment of your initiative?

We have started community development initiatives through our partner organizations in FY 21 hence it is too early to have a meaningful impact assessment right now.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

**Rs 65, 60,998/.
Detailed CSR Projects have been provided in the Board's report which forms part of Annual Report.**
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes

Principle 9- Customer Value

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

NIL
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

Based on specific customer requirement.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behavior during the last five years and pending as on end of financial year?

NIL
4. Did your company carry out any consumer survey / consumer satisfaction trends?

Yes. We conduct annual consumer satisfaction survey.

ANNEXURE VIII

CERTIFICATE ON CORPORATE GOVERNANCE

To The Members

Sigachi Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Sigachi Industries Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para-C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date: 22.07.2022

Place: Hyderabad

Aakanksha

Practicing Company Secretary

C.P. No. 20064

UDIN: A049041D000670145

ANNEXURE IX

MANAGEMENT DISCUSSION & ANALYSIS

Global economic review

The global economy grew by 6.1 percent in 2021 registering a strong recovery from previous year. However, the momentum has weakened and uncertainty has increased. The fault lines opened up by COVID-19 are looking more persistent—near-term divergences are expected to leave lasting imprints on medium-term performance.

Some commodity-exporting emerging market and developing countries have better near-term prospects, somewhat offsetting the slowing growth rate. The rapid spread of Delta – the new covid variant, as well as the potential of additional varieties, has raised doubts about how quickly the pandemic can be contained. With less freedom to manoeuvre, policy decisions have grown more challenging.

The near-term outlook for global growth is significantly poorer, and worldwide inflation is higher, than originally predicted, due to war-induced commodity price increase, broadening price pressures, higher food and energy costs, and more acute supply disruptions. Furthermore, policymakers in the EMDE face heightened inflationary pressures, spill overs from anticipated advanced-economy monetary tightening, and

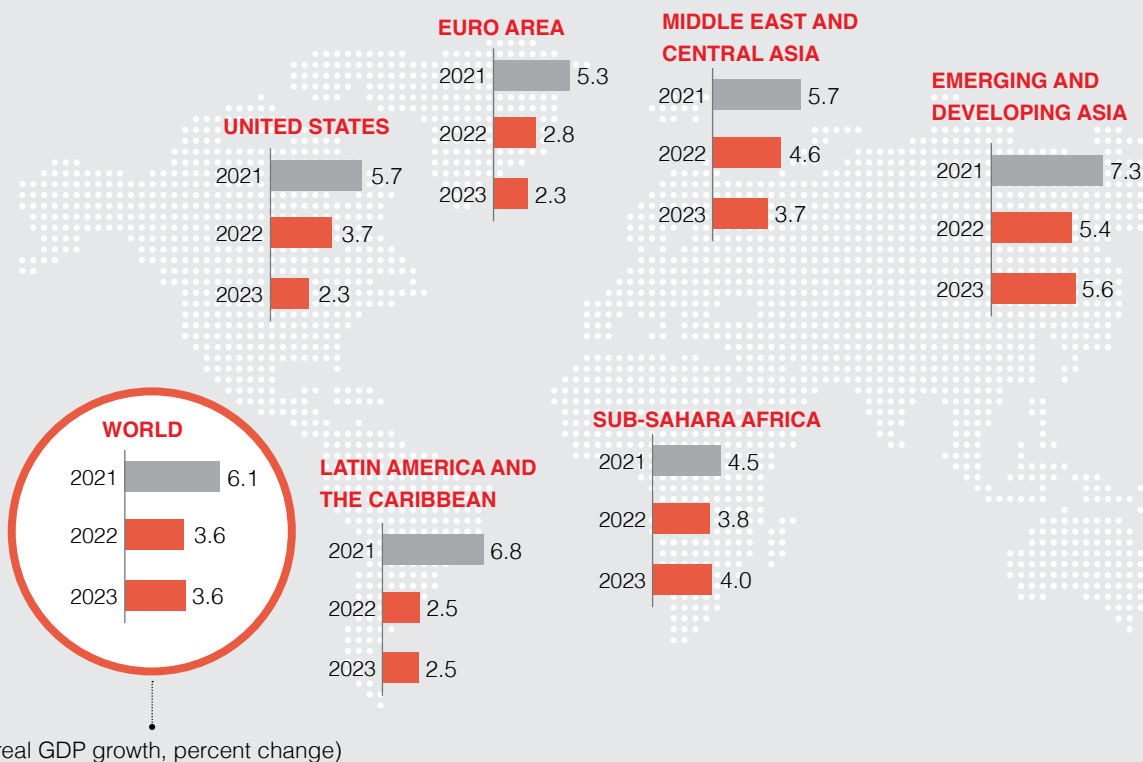
limited budgetary space. Despite fiscal restraint, many EMDEs' debt levels are expected to rise due to persistent income issues, which are already at record highs.

Outlook

The conflict in Ukraine has generated an expensive humanitarian disaster that must be resolved peacefully. At the same time, the conflict's economic consequences will cause a considerable slowdown in global economy in 2022, as well as an increase in inflation. Fuel and food prices have risen significantly, disproportionately affecting vulnerable populations in low-income countries. Over the medium run, global growth is expected to slow to around 3.3 percent after 2023.¹

Inflation predictions for 2022 are 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies, respectively. Multilateral actions are critical in responding to the humanitarian crisis, preventing further economic fragmentation, maintaining global liquidity, managing financial distress, combating climate change, and ending the pandemic.

Global GDP growth rate (in %)



Source: IMF WEO April 2022

¹ <https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>

Indian economic overview

According to preliminary estimates, the Indian economy is expected to grow by 9.2% in FY22 after contracting in FY21.¹ This suggests that overall economic activity has recovered to pre-pandemic levels. Agriculture and allied industries have been the least affected by the pandemic and is predicted to rise by 3.9% in FY22 after growing by 3.6% the previous year.²

With the waning of the Omicron scare towards the end of the fiscal year, the Indian economy gradually began to recover, especially the non-contact sectors. However, inflation remained elevated owing to high commodity prices, global supply chain issues and the Russia-Ukraine war.

Total consumption is predicted to grow by 7.0% in FY22, bolstered by significant government spending.² Both goods and service exports have been robust so far in FY22, but imports have rebounded significantly as a result of rising local demand and higher international commodity prices.

Despite the effects of the global pandemic, India's balance of payments has been in surplus for the past two years. The RBI

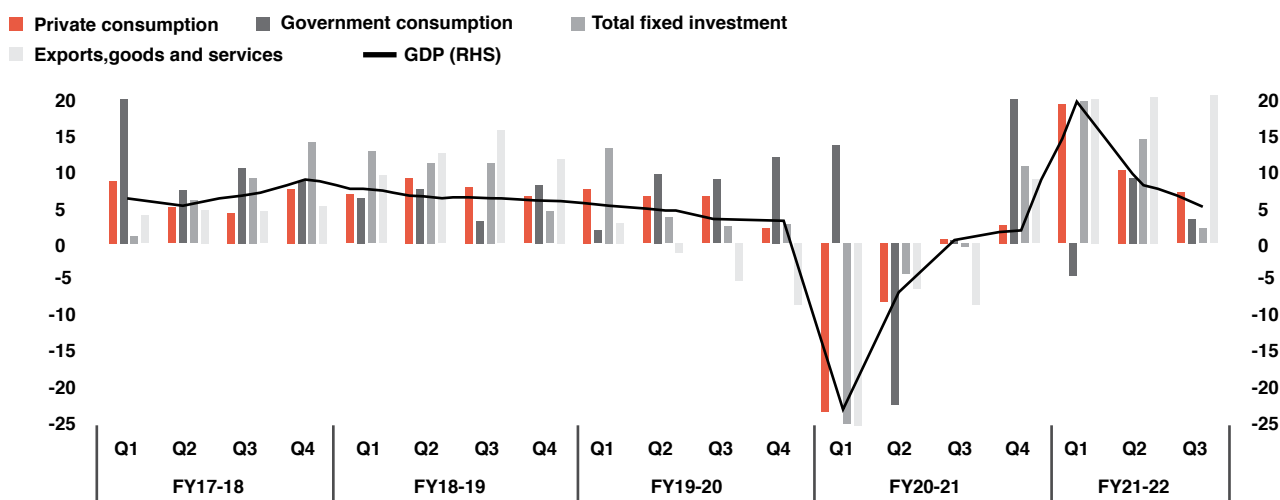
was able to continue building up its foreign exchange reserves as a result of this.²

The macroeconomic stability indicators show that India's economy is positioned well to tackle the difficulties that lie ahead. One of the reasons for India's success is the country's unique reaction plan. Another feature of India's response has been a focus on supply-side adjustments rather than total reliance on demand management.

Outlook

India's GDP growth is expected to be between 7.5% and 8.0% percent in FY23, and between 6.7% and 7.1% in FY24. Additionally, higher food and oil prices has had a negative impact on consumers' moods and wallets, and considerable delay is expected in pick-up of pent-up demand. Growth is expected to increase in the second quarter of FY23 as uncertainties fade. Capital outflows and rapid depreciation of the currency are possible outcomes of geopolitical conflicts, however both are expected to recover by the end of 2022.

Indian economic scenario



Source: <https://www2.deloitte.com/xe/en/insights/economy/asia-pacific/india-economic-outlook.html>

Industry overview

Global pharmaceutical industry

While the performance of the pharmaceutical industry worldwide has been mixed this past year, the underlying performance and outlook for the sector is healthy. The growth of many companies was buoyed by COVID-19 therapeutics, with the majority of others remaining fairly immune to some of the pandemic impacts.

The global pharmaceuticals market is expected to grow from USD 1454.66 billion in 2021 to USD 1587.05 billion in 2022 at a compound annual growth rate (CAGR) of 9.1%.³

New medications are constantly being developed, approved and marketed, resulting in significant market growth. Other market growth drivers include the aging population, as seniors use more medicines per capita and there is a rise in the prevalence and treatment of chronic diseases. The population profile of most countries is becoming older. According to the

² <https://www2.deloitte.com/xe/en/insights/economy/asia-pacific/india-economic-outlook.html>

³ <https://www.globenewswire.com/news-release/2022/03/04/2396935/0/en/Pharmaceuticals-Global-Market-Report-2022.html>

World Health Organisation (WHO), by 2030, one in every six people on the planet will be above 60 years.

At an annual growth rate of 8%, the market is estimated to reach USD 1700.97 billion in 2025.⁴

The pharmaceuticals market consists of sales of pharmaceuticals and related services by entities that create pharmaceuticals used to treat diseases (organisations, sole traders, and partnerships). Pharmaceuticals can be any form of medicine that is used to treat disorders for therapeutic purposes. Establishments that generate biologics and pharmaceutical medications are included in this industry. The pharmaceuticals industry is divided into two categories: pharmaceutical medications and biologics.

North America dominates the worldwide pharmaceutical business, accounting for about half of the market size.⁴ Middle East is expected to be the fastest-growing region in the forecast period. However, the industry faces other problems, including regulatory impediments, rising R&D expenditures, and generic and bio-similar competition.

The biologics market growth was limited due to severe shortage of skilled workforce for developing biologics drugs that require specialised skill sets. These skill sets are limited to some research organisations and medical equipment companies in the USA and Europe.

Market predictions

- The worldwide generic medication industry is expected to expand from USD 411.6 billion in 2020 to USD 650.3 billion in 2025, with a compound annual growth rate (CAGR) of 9.6% from 2020 to 2025.⁴
- The global market for orphan pharmaceuticals is expected to rise at a compound annual growth rate (CAGR) of 5.4% from USD 190.8 billion in 2021 to USD 248.2 billion in 2026.⁵
- The global market for cancer drugs is expected to increase at a compound annual growth rate (CAGR) of 12.1% from USD 177.4 billion in 2021 to USD 313.7 billion in 2026.⁵

Indian pharmaceutical industry

The Indian pharmaceutical industry is expected to grow at a rate of 9-11% in FY22,⁷ thanks to a push from domestic and emerging markets in the coming quarters, according to credit rating agency ICRA. In the second quarter of FY22, revenue growth for ICRA's sample of 21 Indian pharmaceutical companies was moderate, at 6.4%, down from 16% in the first quarter.⁵ The credit rating agency stated that normalisation of the base and broadening price pressures in the US market were key causes for the decreasing growth momentum in Q2 FY22, even if growth in domestic and emerging markets remained solid.

Domestic revenues increased 15.3% year-over-year (YoY) in the sample set, compared to 14.6% YoY growth in the Indian pharmaceutical markets (IPM).⁷ A combination of continuous normalisation of hospital footfalls and field force operations (because of relatively lower restrictions on account of Covid-19), continuing traction in acute therapies, and better pricing supported healthy revenue growth across companies.

Price stability is projected to be aided by improved product mix in the future. In general, ICRA anticipates mid to high single digits price erosion in FY2022. Specialty goods, injectables, and complicated generics, including first-to-file prospects, are being targeted by companies to boost margins in the US market, which has been hit hard.

The emerging markets were the star performer clocking a robust 30.6% YoY growth in Q2 FY2022. Growth for the sample set was primarily led by new launches, low base, strong demand and INR depreciation. The companies in the sample set witnessed healthy YoY revenue growth of 12.3% from the Europe business.⁷ This was mainly driven by improving demand for non-Covid products in addition to new product introductions, INR depreciation and expanding market coverage. This was despite heightened competitive intensity in some geographies.

The Europe business saw a solid YoY revenue growth of 12.3% for the enterprises in the sample group.⁷ Improved demand for non-Covid items, as well as new product releases, INR devaluation, and expanded market coverage, all contributed to this.

The operational profit margins (OPM) were 23.7% in Q2 FY22 and 24.0% in H1 FY22. Due to the turnaround of one player's operations, the sample set's margins improved marginally in H1 FY2022 compared to H1 FY2021.⁷ On a year-on-year basis, the margins remained steady excluding the same. In Q2 FY22, margins decreased by 50 basis points to 23.7% due to higher raw material prices and logistic costs. The full impact of input price hikes are expected to be seen in H2 FY2022 due to the lag effect.⁷

As companies continue to focus on complicated generics, first to file chances, and specialty products, which require higher R&D spending, ICRA anticipates R&D expenses to stabilise at present levels and remain in the range of 6.5-7.5%⁷ of revenues for its sample set. Over the medium run, stable investments in R&D to develop such items will support growth and margin improvement.

The pharmaceutical industry's prognosis is stable, thanks to healthy sales growth and margins. Given the strong cash levels, ICRA expects the sample set's capital structure and coverage measures to remain comfortable despite rising capex and R&D expenses.

⁴ <https://www.businesswire.com/news/home/20220314005621/en/Global-Pharmaceuticals-Industry-2021-2022-and-Beyond---Huge-Opportunities-in-Precision-and-Genomic-Medicine---ResearchAndMarkets.com> (ResearchAndMarkets.com)

⁵ <https://www.businesstoday.in/industry/pharma/story/indian-pharma-industry-estimated-to-grow-by-9-11-in-fy22-icra-317859-2022-01-04> (Report by ICRA)

⁶ <https://www.globenewswire.com/news-release/2022/01/25/2372129/0/en/Food-And-Beverage-Services-Global-Market-Report-2022.html> (reportlinker)

⁷ <https://www.globenewswire.com/news-release/2022/01/25/2372129/0/en/Cosmetics-Market-to-Worth-USD-415-29-Billion-by-2028-Global-Cosmetics-Industry-Analysis-Share-Revenue-and-Growth-Report-by-Fortune-Business-Insights.html> (Fortune business Insights)

⁸ <https://www.mordorintelligence.com/industry-reports/india-cosmetics-products-market-industry>

Global food and beverage industries

The global food and beverage services market is predicted to develop at a compound annual growth rate (CAGR) of 13.8% from \$3,232.94 billion in 2021 to \$3,678.61 billion in 2022.⁶ The increase is primarily due to companies reorganising their operations and recovering from the impact of Covid-19, which had previously resulted in restrictive containment measures such as social distancing, remote working, and the closure of commercial activities, all of which created operational challenges. At a CAGR of 9.2%, the market is estimated to reach \$5,235.52 billion in 2026.⁸

In 2021, Asia Pacific was the largest market for food and beverage services. In the food and beverage services sector, North America was the second-largest region. Asia-Pacific, Western Europe, Eastern Europe, North America, South America, the Middle East, and Africa are the regions covered in this research. The increased digitalisation of food services is likely to boost the food and beverage services business.

Consumers are increasingly choosing to order food online and have it delivered to their homes. According to KPMG, the average annual spend per person in the UK on food takeaways increased by 42% in two years, from £452 (\$506) in 2019 to £641 (\$721) in 2021.⁸

During the forecast period, this trend is predicted to continue, moving the food and beverage services market forward. Modernising restaurant technology boosts restaurant sales by increasing customer happiness. Self-ordering touchscreen kiosks, mobile apps for personalised orders and quick payment, and digital entertainment such as gaming are all being introduced by businesses in the industry.

Restaurants and mobile food services, bars and cafés, catering services, and food contractors are the most common forms of food and beverage services. Catering is the business of providing food service in a remote or specific place, such as a hotel, hospital, pub, airline, cruise ship, park, filmmaking set or studio, entertainment area, or event venue.

Future trends

- Technology will continue to advance at a breakneck speed in the food and beverage business, permeating every sector and process.
- Frozen foods are thriving and growing, despite the stigma of frozen foods being associated with poor quality and poor health in the past.
- Outdoor eating, delivery, and ghost kitchens will continue to be popular restaurant trends.
- Direct-to-consumer will continue to outperform all other avenues of distribution.

Indian food and beverage industry

The Covid-19 outbreak flipped the food and beverage business upside down, and the industry is slowly getting back on track. As the rest of the globe adjusts to a new normal, restaurants are scrambling to meet client needs while adhering to established safety measures.

- **Innovation is mainstay:** Restaurants have changed their menus to cater to the country's desire for comfort food. In the new normal, people were far more comfortable eating in the safety of their own homes, thus takeaway menus were devised to compensate for closed eateries. Ghost kitchens, also known as cloud kitchens or dark kitchens, quickly became one of the many emerging business innovations.
- **Safety is key:** While most eateries were closed throughout the lockdown, things started to look up in 2021, when the vaccination rollout saw a decrease in Covid cases. However, safety became a critical priority in the new normal, and precautionary steps became mandatory. Restaurants implemented more severe hygiene standards in food preparation, and temperatures of both employees and guests was recorded on a daily basis.
- **Technology is the future:** Growing concerns about catching the virus from contaminated surfaces led to the rise of contactless payments. Restaurants and hotels all around the world quickly adopted this policy. Menus were digitised, and to access the menus and place orders, a QR code had to be scanned.
- **The rise of conscious eaters:** The pandemic resulted in people adopting healthier lifestyle choices and healthier diet. Conscientious eating took centre stage and brands across the Food and Beverage industry adjusted their products to meet these expectations.
- **Ensuring portion control:** On a daily basis, the pandemic has changed and influenced people's perspectives, experiences, and expectations. To tackle the problem of food wastage, the focus shifted from over serving to portion control. Individual plating became more prevalent during the pandemic, with safety precautions in mind.
- **The rise of home chefs:** During the epidemic, many people reignited their enthusiasm for cooking and fine-tuned their culinary talents as a result of the 'work from home' concept. Many aspiring home chefs have turned to entrepreneurship in the last year.

Global cosmetics market

According to Fortune Business Insights, the global cosmetics market is expected to gain momentum by reaching USD 415.29 billion by 2028 from USD 287.94 billion in 2021 while exhibiting a CAGR of 5.0% between 2021 and 2028.⁷ The demand for cosmetics and skincare products has risen considerably in recent years. It is used by both men and women to improve their overall appearance. Consumers are also being drawn by the rising demand for anti-aging creams and serums, as well as the development of enhanced instruments and novel packaging. Besides, the emerging trend of tailored cosmetics for a specific person is gaining traction. Manufacturers are also attempting to pique consumers' interest with environmental-friendly packaging and chemical-free products.

The market is likely to be dominated by Asia Pacific. The primary contributors to the market's growth in this region are increasing urbanisation, better standard of living and an increasing number of working women.

North America, on the other hand, is predicted to rise as a result of rising disposable income and high spending power among the region's population. Furthermore, an increase in the number of beauty product outlets in the region is one of the primary factors driving the market's growth throughout the projection period.

Indian cosmetics market

During 2021-26, the Indian cosmetics products market is expected to develop at a CAGR of 4.23%.⁸ While the cosmetics sector may be relatively solid when compared to other consumer groups, sales have been low. However, it is predicted that this industry will continue to be attractive in the future. Rather of breaking new ground, the pandemic-related crises will highlight existing industry patterns, such as an increase in Ecommerce usage. Almost all segments of this industry had a comparable drop in sales during COVID-19 as a result of the closure of offline retailers in various places around the country.

In India, the online market for the purchasing of consumer goods has grown rapidly in the previous three to four years as internet access has increased. This category has attracted a few vertical specialists who are capitalising on the growing popularity of e-commerce to compete for a piece of the online cosmetics pie.

Skin care has become a powerhouse for new product development, and manufacturers are using a variety of product launches and aggressive marketing methods to persuade customers to follow a skin care regimen. Due to the numerous variations, facial care products dominate the market. The oral care market in India, on the other hand, is divided into five segments which is dominated by the toothpaste market.

The rapid rise of the fragrance sector can be linked to the introduction of functional items such as perfumes and deodorants. Deodorants have a stronghold on the market, whereas perfume, along with its innovations, is rapidly expanding. In terms of production, consumption, and imports, India's fragrance market is one of the largest, and it is growing.

Key market trends

Inclination towards vegan and cruelty-free cosmetics: The cruelty-free (no animal testing), vegetarian (no animal by-products), and vegan (no animal components at all) beauty sector has flourished in recent years around the world, and it's now making inroads in India.

Rising penetration of colour cosmetic products in the country: Colour cosmetics is one of India's fastest-growing businesses, thanks to an increase in the acceptance of western culture. India is one of the fastest-growing countries in Asia for the colour cosmetic industry. Due to rising demand across vast segments of Indian society, Indian enterprises are moving into organic colour cosmetics.

Global MCC market

Microcrystalline Cellulose (MCC) is an important ingredient in the food, pharmaceutical, and cosmetics sectors, as well as

a variety of other industries. MCC is a cellulose derivative that is derived from wood and plant fibres. Cotton linters and rags, cellulose pulp from coniferous tree wood, fabric waste, cotton plant stalks, water hyacinths, and wool are the most prevalent sources of MCC.

Despite the Covid-19 dilemma, the global market for Microcrystalline Cellulose (MCC), which was forecast to be worth USD 1.1 billion in 2022, is expected to increase to USD 1.5 billion by 2026, with a CAGR of 8% throughout the analysed period.⁹

After a detailed examination of the pandemic's commercial ramifications and the resulting economic crisis, the non-wood segment's growth is revised to 9.5% CAGR for the next seven years.¹¹ Despite price fluctuation and the availability of cheaper alternatives, wood will continue to be the primary source of MCC. Hardwood species, such as conifers, spruce, pine, and fir trees, still make up the majority of commercial wood pulp used to extract MCC. Due to economic advantages, the food industry and pharmaceutical industries are increasing demand for non-wood-based MCC derived from plant waste/agricultural recycling.

The market in the US is expected to reach \$290.3 million in 2022, while China is expected to reach \$225.1 million by 2026.¹¹ In the year 2022, the MCC market in the US is expected to be worth USD 290.3 million.¹¹

China, the world's second largest economy, is expected to reach a market size of USD 225.1 million by 2026, representing an 11 percent CAGR¹¹ throughout the study period. Japan and Canada are two more important geographic markets, with predicted growth rates of 5.8% and 6.6%,¹¹ respectively, for the year under review. Germany is expected to expand at a CAGR of around 6.2% in Europe.¹¹

Growth drivers

MCC, a high-quality chemical utilised as a binding agent, emulsifier, softener, suspending aid, thickening, or stabiliser in personal care products, pharmaceuticals, food & drinks, detergents, paints, and other industries, has a lot of potential.

- Demand for MCC in food additives and modifiers will increase as consumer preferences shift toward processed and ready-to-eat foods.
- The expanding popularity of cosmetics and the rising use of pharmaceuticals would benefit MCC's use as a process enhancer in these industries.
- The most common dosage forms using MCC as a primary inactive medicinal ingredient are pellets, capsules, sachets, and tablets.
- Novel dosage forms such as sustained release and quick release tablets, effervescent tablets, chewable tablets, liquid dosage formulations, matrix tablets and multi particulate dosage forms, and topical formulations all use MCC as a key excipient, and the growing popularity of easy-to-use specific dosage formulations is expected

to boost MCC's growth in the pharmaceutical segment, rendering the industry the fastest-growing end-use of MCC.

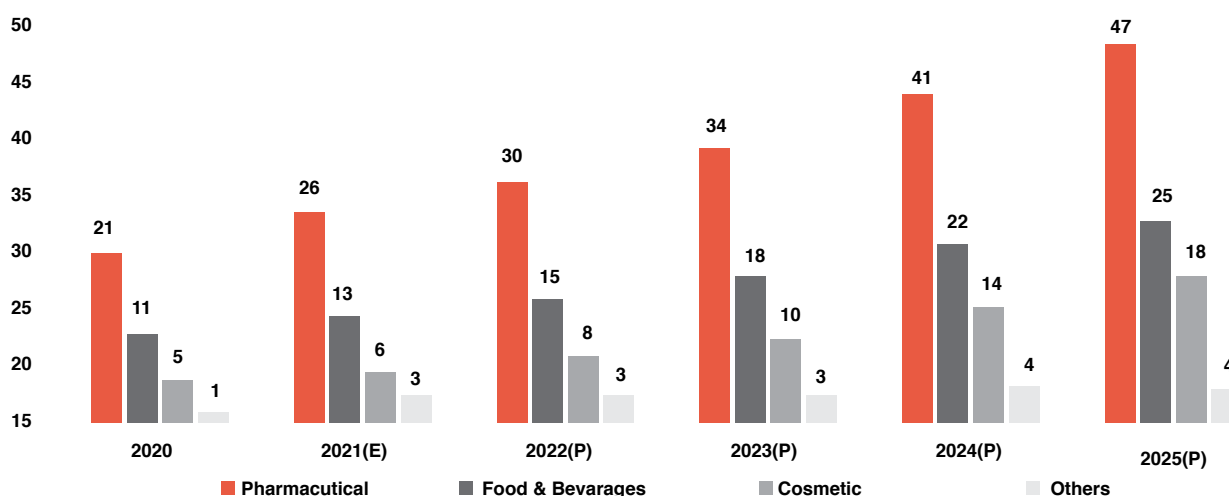
- Increasing research and development effort, global investments, and various formulations have positioned the pharmaceutical industry as the top end user of MCC, with newer formulations driving market growth.
- The growing use of biological leavening agents is driving up demand for MCC as an excipient.
- Another important factor boosting MCC demand in the pharmaceutical industry is the growing number of geriatric

patients who seek innovative pharmaceutical products with easy-to-use dose formats.

Indian MCC market

The microcrystalline cellulose (MCC) market size in India is projected to reach USD 93 million by CY25, registering a CAGR of 13.84% from CY21 to CY25.¹⁰ The growth of the MCC market is primarily triggered by the increasing demand for processed food and growing production of pharmaceutical, cosmetics and personal care products. In line with the global trend, pharmaceutical will be major growth segment followed by food & beverages and cosmetic for MCC market in India.

MCC Market in India,(USD mn)



Source: CARE Advisory

Global CCS market overview

CCS is a modified sodium carboxymethyl cellulose used as a disintegrant in pharmaceutical formulations and provides longterm stability. It is an insoluble and hydrophilic polymer which aids in the dissolution of the dietary supplements and pharmaceutical tablets, granules, and capsules. CCS is used in various industries such as pharmaceutical, food, nutraceutical, textile. The mechanism of action of croscarmellose sodium in a tablet starts when it swells, which is highly dependent on the penetration of a liquid into the tablet. The swelling breaks the tablet's binding forces, causing it to disintegrate and thereby accelerating the dissolution of the active pharmaceutical ingredient (API). Its level of use ranges from 0.5 to 5 percent, but 0.5 to 2 percent is sufficient in most formulations. CCS is used with binders as greater the amount of binder in the tablet, the stronger it becomes.

The global croscarmellose sodium market was valued at USD 76.46 & USD 81.96 million, in CY2019 and CY2020 and is expected to reach USD 116.04 million by CY2025, registering a CAGR of 5.96% during CY2021-2025.

The demand for croscarmellose sodium is mainly driven by its increasing use in the pharmaceutical industry for tablet coating and drug delivery purposes. Additionally, the growing demand for convenience foods has led to an increase in the use of croscarmellose sodium as a thickener and stabilizer in food products such as ice creams, jams & jellies, bakery items, etc.

Global chemical market

In 2022, global chemical production (excluding medicines) is predicted to expand by 3.5%, less than the previous year (6.1%),

⁹ <https://www.prnewswire.com/news-releases/global-microcrystalline-cellulose-mcc-market-to-reach-1-5-billion-by-2026--301508600.html> (report by Global Industry Analysts Inc., (GIA))

¹⁰ Care Advisory

¹¹ <https://www.offshore-energy.biz/ccs-market-to-reach-7-blm-by-2028-bolstered-by-increased-investments-fortune-business-insight-says> (Report by Fortune Business Insights)

¹² <https://report.basf.com/2021/en/managements-report/forecast/economic-environment/chemical-industry.html>

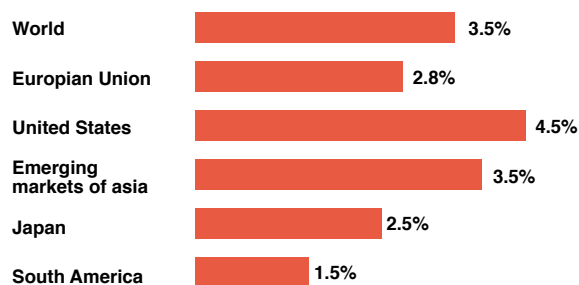
¹³ <https://atradiuscollections.com/global/reports/industry-trends-overview-of-opportunities-and-challenges-facing-the-global-chemicals-industry.html>

but still higher than the average for the years preceding the coronavirus pandemic.¹² 3.1% growth in advanced economies (2021: 3.9 percent), is forecasted, which is higher than the pre-crisis norm. The rate of growth in emerging markets is likely to decline significantly.

A significantly smaller growth is expected in chemical production of 4.0% in China, the world's largest chemical market, as base effects from the previous year level off.¹⁴ Chemical demand growth in the consumer goods and electronics industries is likely to slow. Chemical production is expected to rise by 2.8% in the EU (6.0% in 2021).¹⁴ A considerable recovery in the automobile industry is projected, which will boost chemical demand growth. Following the weather-related production disruptions in the previous year, we expect much stronger growth in chemical output in the United States (2022: 4.5 percent; 2021: 1.8 percent).¹⁴

Global Chemical Market :

Real change Compared with previous year



Source: <https://report.basf.com/2021/en/managements-report/forecast/economic-environment/chemical-industry.html>

■ Growth Drivers:

Growth in the agrochemicals sector

The biggest demand for agrochemicals is predicted to be in Asia Pacific, where agriculture has a long history. Agriculture and allied sectors are extremely important for India, Sri Lanka, China, and Vietnam's economic growth. An increase in mergers and acquisitions (M&A) activity has been a prominent trend in the agrochemicals sector in recent years. The focus on consolidating by industry players worldwide is contributing to volume losses in some areas while also producing some huge powerhouses.

Growth in the speciality chemicals sector

The demand for high-performance and function-specific chemicals is driving this rise. Coatings, adhesives, sealants, and elastomers, which make up the CASE market, are also proving to be lucrative. Between 2020 and 2027, construction chemicals are predicted to become one of the most important product groups, with considerable growth estimates.

Growth in the consumer chemicals sector

Consumer chemicals are expected to increase at a healthy rate, notably in the cosmetics and scent industries. Aroma chemicals have the greatest regional market in Asia Pacific. The global market for aroma chemicals was worth USD 5.5 billion in 2019 and is predicted to increase at a compound yearly growth rate of 5.8% between 2020 and 2027.¹³

Indian chemical market

India's chemical sector is extremely diverse, with over 80,000 commercial items. Bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilisers are some of the categories. India benefits from economies of scale due to its closeness to the Middle East, which is the world's largest supplier of petrochemical feedstock.

India is a significant worldwide dye supplier, accounting for roughly 16% of global dyestuff and dye intermediate production.¹⁴ Except for a few hazardous substances, India's chemical sector has been de-licensed.

By 2025, the market for chemicals and petrochemicals is expected to exceed \$300 billion.¹⁶ India is ranked 11th in the world for chemical exports (excluding pharmaceutical items) and 6th for chemical imports (excluding pharmaceutical products).

In the fiscal year 2021-22 (up to October 2021), total exports of Major Chemicals and Major Petrochemicals climbed to INR 81.95/- thousand crores from INR 57.21/- thousand crores, while imports increased to INR 94.53/- thousand crores from INR 50.09/- thousand crores.¹⁶

¹⁴ <https://www.investindia.gov.in/sector/chemicals>

■ Growth drivers:

- Chemical industry growth is fuelled by rising disposable income, population age, urbanisation, and increasing penetration and demand from rural areas.
- Increased demand for Chemicals and Petrochemicals due to a shift in production and consumption towards Asian and Southeast Asian countries in many industries.
- Consumer attitudes are shifting toward a healthy lifestyle and eco-friendly products.
- By 2023, there is the potential to manufacture \$111 billion worth of chemical products for domestic use.
- The Atmanirbhar Bharat Abhiyaan's Production Linked Incentives scheme for manufacturing is also generating growth.

Company overview

Sigachi Industries Limited (the Company/Sigachi) is one of the major producer and distributor of MCC (cellulose based excipients) in India, with over 30 years of expertise and well renowned for their premium quality products. The Company currently offers 59 distinct grades of MCC through its two state-of-the-art manufacturing facilities in Hyderabad and Gujarat, with a total installed capacity of 11,880 MTPY. Microcrystalline cellulose (MCC) is commonly utilised in the pharmaceutical sector as an excipient for finished doses. MCC's non-reactive, free-flowing, and adaptable character makes it useful in the pharmaceutical, food, nutraceutical, and cosmetic industries.

| Particulars | FY 2021-22 | FY 2020-21 | YoY Change |
|-------------------------|------------|------------|------------|
| Revenue from operations | 25,028.98 | 19,275.58 | 29.82% |
| EBITDA | 5,304.44 | 3,878.97 | 36.86% |
| PAT | 4,003.73 | 3,026.03 | 32.01% |

Key Ratios

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

| | FY 2021-22 | FY 2020-21 | % of change |
|------------------------------------|------------|------------|-------------|
| Debtors Turnover (no. of days) | 87.68 | 67.71 | 29.49 |
| Inventory Turnover (no. of days) | 46.92 | 42.85 | 9.50 |
| Interest Coverage Ratio (in times) | 78.73 | 50.93 | 54.58 |
| Current Ratio (in times) | 3.5 | 2.71 | 29.15 |
| Debt Equity Ratio (in times) | 0.15 | 0.22 | (31.82) |
| Operating Profit Margin (in %) | 20.86 | 20.27 | 2.91 |
| Net Profit Margin (in %) | 15.98 | 15.72 | 1.65 |
| Return on Net Worth (in %) | 17.58 | 32.12 | (45.27) |

Debtors Turnover

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

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

Inventory Turnover

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

Interest Coverage Ratio

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

The interest coverage ratio has increased as there has been a increase in gross profit and decrease in interest.

Current Ratio

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

The Current Ratio has increased as there has been significant increase in cash and cash equivalents due to initial public issue and other current assets due to better financial performance and business growth.

Debt Equity Ratio

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

Debit Equity ratio has reduced as there has been significant increase in total equity due to proceeds of initial public issue and increased earnings.

Operating Profit Margin

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

Net Profit Margin

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

Return on Net Worth

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

Return on Net Worth has reduced as there has been significant increase in total equity due to initial public issue, the expansion activities are in progress and returns from this is yet to come.

Human resources

The Company believes that investing in people development is an investment in the future of our company. It actively encourages its employees to pursue innovative, promising possibilities throughout their careers with the Company. It seeks a culture where its employees feel engaged with its purpose, beliefs, as well as principles and are treated fairly and with mutual trust.

Internal Control and Adequacy

Internal controls must be adequate to reduce the risk of financial loss. It aids in the accuracy, completeness, and trustworthiness of financial accounts. Your organisation has an excellent internal financial control system in place. Internal control systems, including internal financial controls, are sufficient and working effectively and are consistent with the nature of the Company's business and the scale and complexity of its activities. The Audit Committee examines the Company's internal control system for sufficiency and effectiveness, particularly internal financial control. The Company has improved its risk-based supervision mechanisms and guarantees they are constantly monitored. As required by numerous legislations, your organisation has taken sufficient care to maintain acceptable accounting records.

Risk management

Risk management aims to detect and then manage dangers that might seriously harm or bring down the business regarding turnover, market share, goodwill, profitability, competitiveness, technology obsolescence, investments, and human resources. This risk management planning policy ("Policy") was adopted by the board of directors of Sigachi Industries Limited ("Company") at its meeting on January 9, 2020.

Identifying risks affecting the Company's business through a systematic process of risk determined by the Board of Directors of the Company (the "Board") or audit committee of executive management; formulating a risk management strategy that includes risk minimization and risk optimization; putting the system into practice, and evaluating the strategy regularly are the goals of risk management. Every employee's job will include effectively managing risks thanks to implementing an enterprise-wide risk management framework.

Risk monitoring and management

In the process of managing risk, the likelihood of a risk assumption is calculated using the facts and information currently available, and suitable risk management strategies are developed in the following areas:

- The political environment;
- The competitive environment;
- The economic environment and market circumstances;
- Revenue Concentration;
- Inflation and Cost Structure;
- Technological Obsolescence;
- Financial Reporting;
- Legal;
- Compliance with Local Laws;
- Project Management;
- Human Resource Management.

Risk Management Measures

The Company has taken several steps to reduce the risk associated with the different categories included in the above description, including but not limited to the following.

- A laid out organizational structure
- Defining the information flow to prevent misunderstandings or conflicts. Hierarchical support staff to prevent work interruptions when functional heads are absent or unavailable.
- Financial planning with specific annual business plans discussion and implementation.
- Comprehensive examination and discussion of periodic budgets
- Measures to safeguard loss in foreign exchange transactions owing to unjustified rate changes;
- Cash management services prevent any loss of interest on collections.
- Systems for determining whether future and current contractors, subcontractors, dealers, vendors, and end-users are creditworthy.
- Provision for dubious and harmful debts management and monitoring of the recovery.
- A written recruitment strategy Periodically implement a well-defined assessment system.
- Training and development initiatives for employees.
- The resolution of labour disputes via mediation and negotiation.
- Worker and employee welfare initiatives, such as ESI, EPF, and gratuity programmes
- Policy for Vigil Mechanism (Whistle Blower Policy).
- Insurance for fixed assets is periodically reviewed for sufficiency, pricing, and risks under professional guidance.
- The use of licenced software, ongoing IT-related system maintenance, upgrades, and protection for data integrity through access control and restriction.
- All legal and contractual papers are vetted, reviewed, and finalized by internal and external legal professionals and consultants.
- Internal control mechanisms for fraud detection, resolution, and prevention.

Disclosure of accounting treatment

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.

Disclaimer

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, a global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

ANNEXURE X**CERTIFICATE BY THE CEO AND CFO OF THE COMPANY**

To
The Board of Directors
Sigachi Industries Limited

Dear Sir/Madam,

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 22 and to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for Financial Reporting and we have evaluated the effectiveness of these internal control systems of the Company pertaining to financial reporting. Deficiencies noted, if any, are discussed with the Auditors and Audit Committee, as appropriate, and suitable actions are taken to rectify the same.
4. There have been no significant changes in the above-mentioned internal controls over financial reporting during the relevant period.
5. That there have been no significant changes in the accounting policies during the relevant period.
6. We have not noticed any significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

Place: Hyderabad
Date: 13.05.2022

Sd/-
Amit Raj Sinha
Managing Director & CEO

Sd/-
O. Subbarami Reddy
Chief Financial Officer (CFO)

ANNEXURE XI (a)**STATEMENT SHOWING THE NAMES OF TOP TEN EMPLOYEES PURSUANT TO SEC. 197 READ WITH RULE 5 (1) (2) and (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014****1. The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.**

(Amount in INR)

| Director | Total Remuneration | Ratio to median remuneration |
|-----------------------|--------------------|------------------------------|
| Rabindra Prasad Sinha | 1,44,80,000 | 1:0.014 |
| S. Chidambaranathan | 1,44,80,000 | 1:0.014 |
| Amit Raj Sinha | 1,71,50,000 | 1:0.012 |
| Vijay Bhavsar | 12,00,000 | 1:0.17 |

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

(Amount in INR)

| Name | Designation | Remuneration | | Increase/ (Decrease) % |
|-----------------------|-------------------------|--------------|-------------|------------------------|
| | | FY 2021-22 | FY 2020-21 | |
| Rabindra Prasad Sinha | Whole-Time Director | 1,44,80,000 | 1,17,00,000 | 23.76% |
| S. Chidambaranathan | Whole-Time Director | 1,44,80,000 | 1,17,00,000 | 23.76% |
| Amit Raj Sinha | Managing Director & CEO | 1,71,50,000 | 1,29,00,000 | 32.94% |
| Vijay Bhavsar | Whole-Time Director | 12,00,000 | 12,00,000 | - |
| O. Subbarami Reddy | Chief Financial Officer | 72,38,460 | 58,17,059 | 24.44% |
| Shreya Mitra | Company Secretary | 10,74,196 | 6,48,012 | 65.77% |

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

(Amount in INR)

| Particulars | Remuneration | | Increase/ (Decrease) % |
|---|--------------|------------|------------------------|
| | FY 2021-22 | FY 2020-21 | |
| Median Remuneration of all the employees per annum* | 2,09,474 | 2,04,504 | 2.43% |

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

4.

| Particulars | Number |
|--|--------|
| The number of employees on the rolls of the company as on March 31, 2022 | 887 |

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration

| Particulars | Increase/ (Decrease) % |
|---|------------------------|
| Average percentage increase in the remuneration of all Employees* (Other than Key Managerial Personnel) | 13.56% |
| Average Percentage increase in the Remuneration of Key Managerial Personnel | 28.4% |

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

6. Affirmation that the remuneration is as per the remuneration policy of the company.

The Company is in compliance with its remuneration policy.

ANNEXURE – XI (b)**Statement showing the names of the Top ten Employees in terms of Remuneration drawn as per Rule 5 (3) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014**

(Amount in Rs)

| S No. | Name of the Employee | Designation of the employee | Remuneration received | Nature of employment whether contractual or otherwise | Qualification and experience of the employee | Date of commencement of employment | The age of the employee | The last employment held by such employee before joining the Company | The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. | Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager |
|-------|--------------------------|-----------------------------|-----------------------|---|--|------------------------------------|-------------------------|--|---|---|
| 1 | M.E. Elanghovan | Vice President | 32,04,460 | Permanent | M.Tech 32 years of experience | 01.10.2020 | 50 | Sreepathi Lab Private Limited | Nil | No |
| 2 | Rajendra Ramdas Choudari | Vice President | 21,36,432 | Permanent | B. Tech 32 years of experience | 27.10.2015 | 56 | GASL | Nil | No |
| 3 | Bijay Kumar Sahu | Senior Vice President | 20,31,480 | Permanent | MBA 35 years of experience | 09.11.2018 | 64 | Euro Life Healthcare Private Limited | Nil | No |
| 4 | Jaideep Jagadeeshwar Rao | Vice President | 18,98,244 | Permanent | B.E. 6 years of experience | 01.04.2020 | 31 | Tarkeybein Education Foundation | Nil | No |
| 5 | Chezhan Chellathurai | Assistant General Manager | 18,07,704 | Permanent | B.E. 17 years of experience | 25.04.2019 | 39 | Evertogen Life Sciences Limited | Nil | No |
| 6 | K Sudheer Kumar | Deputy General Manager | 16,58,772 | Permanent | M.Sc 19 years of experience | 01.09.2017 | 43 | First Source Laboratories Solutions LLP | Nil | No |
| 7 | Arvind Kumar Chaubey | General Manager | 14,39,072 | Permanent | B.Sc. 32 years of experience | 17.06.2022 | 55 | Kumar Organic Products Limited | Nil | No |
| 8 | Ram D Raikohad | Senior Manager | 13,20,024 | Permanent | MBA 14 years of experience | 16.12.2019 | 37 | Nitika Pharmaceutical Specialities Private Limited | Nil | No |
| 9 | Dr. Ajay Kumar Singh | General Manager | 11,89,923 | Permanent | PhD 25 years of experience | 06.08.2012 | 50 | Kumar Organic Products Limited | Nil | No |
| 10 | Dr. Kumar Rohit Raj | Deputy General Manager | 12,04,008 | Permanent | PhD 10 years of experience | 31.07.2012 | 36 | N.A. | Nil | No |

ANNEXURE – XII**DECLARATION ON CODE OF CONDUCT AS REQUIRED BY SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Amit Raj Sinha, Managing Director of Sigachi Industries Limited (**“the Company”**) hereby state and affirm Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management of the company during Financial Year 2021-2022

For and On Behalf of the Board of Directors

Place: Hyderabad
Date: 22.07.2022

(Amit Raj Sinha)
Managing Director
DIN: 01263292

ANNEXURE XIII**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Sigachi Industries Limited
Hyderabad

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Sigachi Industries Limited** having registered office at 229/1 & 90, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad - 500049 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of Appointment in Company |
|---------|------------------------------------|----------|--------------------------------|
| 1. | Mr. Rabindra Prasad Sinha | 00413448 | 19/01/1990 |
| 2. | Mr.Sarveswar Reddy Sanivarapu | 00459605 | 26/08/2020 |
| 3. | Mr. Chidambarnathan Shanmuganathan | 00485497 | 30/06/1990 |
| 4. | Mr. Amit Raj Sinha | 01263292 | 29/11/2014 |
| 5. | Mr. Swami Das Nigam | 02669472 | 18/09/2014 |
| 6. | Ms. Dhanalakshmi Guntaka | 09363100 | 18/10/2021 |
| 7. | *Mr. Lijo Stephen Chacko | 07593064 | 10/07/2021 |
| 8. | *Mr. Amrutlal Bhavsar | 01768165 | 28/09/2020 |

*resigned on 08.06.2022

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 22.07.2022
Place: Hyderabad

Aakanksha
Practicing Company Secretary
C.P. No. 20064
UDIN: A049041D000670112

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2022. The Report is updated as on the date of the report wherever applicable.

2. BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a

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

3. BOARD OF DIRECTORS:

A. COMPOSITION OF THE BOARD

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

The Board has been enriched with the advices and skills of the Independent Directors. The composition of the Board of Directors and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:

Dates on which Board meetings were held: 07.04.2021, 08.07.2021, 30.07.2021, 06.08.2021, 11.10.2021, 14.10.2021, 18.10.2021, 22.10.2021, 08.11.2021, 10.11.2021, 27.12.2021, 03.02.2022, 03.03.2022.

| Name | Category | Attendance at the AGM held on 20.09.2021 | Attendance in Board Meetings | | No. of Directorships in other companies (Name of the listed company to be mentioned) | | No. of committee positions held in other public companies | |
|--|--------------------------------------|--|------------------------------|---------|--|----------|---|--------|
| | | | Held | Present | Chairman | Director | Chairman | member |
| 1. Mr. Swami Das Nigam | Director | Yes | 13 | 13 | - | 1 | - | - |
| 2. Mr. Rabindra Prasad Sinha | Promoter and Whole-Time Director | Yes | 13 | 13 | - | 3 | - | - |
| 3. Mr. Shanmuganathan Chidambaranathan | Promoter and Whole-Time Director | Yes | 13 | 13 | - | 3 | - | - |
| 4. Mr. Amit Raj Sinha | Promoter, CEO and Managing Director | Yes | 13 | 13 | - | 4 | - | - |
| 5. Mr. Vijay Amrutlal Bhavsar*** | Whole-Time Director | Yes | 13 | 11 | - | 1 | - | - |
| 6. Mr. Sarveswar Reddy Sanivarapu | Non-Executive - Independent Director | Yes | 13 | 13 | - | 2 | - | - |
| 7. Ms. Kanika Singal* | Non-Executive - Independent Director | Yes | 6 | 3 | - | - | - | - |
| 8. Mr. Lijo Stephen Chacko*** | Non-Executive - Independent Director | Yes | 13 | 10 | - | - | - | - |
| 9. Ms. Dhanalakshmi Guntaka** | Non-Executive - Independent Director | NA | 7 | 7 | - | - | - | - |

*Resigned w.e.f 17.10.2021

** Appointed w.e.f. 18.10.2021

*** resigned w.e.f. 08.06.2022

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

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

C. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:

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

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

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

E. INDEPENDENT DIRECTORS:

The Company has complied with the definition of Independence as per Regulation 16(1) (b) of the SEBI (LODR), Regulations, 2015 and according to the Provisions of Section 149(6) of the Companies Act, 2013.

The Company has also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

During the year under review, Ms. Kanika Singal was resigned as Independent Director of the Company w.e.f. 17.10.2021.

Further, Mr. Lijo Stephen Chacko was also resigned as an Independent Director of the Company due to the personal reasons and professional aspirations, w.e.f 08.06.2022 and has also confirmed that there are no other material reason other than those provided.

F. INDEPENDENT DIRECTORS' MEETING:

As per Clause 7 of the Schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent Directors) was held on 02.03.2022, and discussed the following:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;

2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company eligible to attend were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

G. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

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

The details of familiarization programme held in FY 2021-22 are also disclosed on the Company's website at www.sigachi.com.

H. DECLARATION BY BOARD:

The Board has confirmed that in its opinion, the Independent Directors fulfills the conditions specified in in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

4. COMMITTEES OF THE BOARD:

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

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors.

Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided in this report below:

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

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

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

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment, remuneration and terms of appointment, fixation of audit fee and approval for payment for any other services;
- iii. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding Rs 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- iv. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- v. Review with the management, the annual financial statements and Auditor's Report before submission to the Board with particular reference to:
 - (a) Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- vi. Review of the quarterly financial statements with the management before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- xviii. Review the functioning of the whistle blower mechanism;
- xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate
- xx. Review of the following information:
 - (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (c) Internal audit reports relating to internal control weaknesses;
 - (d) The appointment, removal and terms of remuneration of the Chief Internal Auditor;

(e) Statement of deviations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

xxii. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus in terms of Regulation 32(7) of the Listing Regulations.

xxii. Carrying out any other function as may be referred to the Committee by the Board. xxii. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

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

B. COMPOSITION, MEETINGS & ATTENDANCE

There were five (5) Audit Committee Meetings held during the year on 07.04.2021, 08.07.2021, 11.10.2021, 03.02.2022, and 03.03.2022.

| Name | Designation | Category | Number of meetings during the year 2021-22 | |
|--------------------------------|-------------|-------------------------------|--|---------|
| | | | Held | present |
| Mr. Sarveswar Reddy Sanivarapu | Chairman | Independent and Non-Executive | 5 | 5 |
| Ms. Kanika Singal* | Member | Independent and Non-Executive | 3 | 2 |
| Mr. Amit Raj Sinha | Member | Managing Director & CEO | 5 | 5 |
| Ms. Dhanalakshmi Guntaka** | Member | Independent and Non-Executive | 2 | 2 |

*resigned w.e.f.17.10.2021

**appointed w.e.f 18.10.2021

C. Previous Annual General Meeting of the Company was held on 20.09.2021, Mr. Sarveswar Reddy Sanivarapu, Chairman of the Audit Committee for that period, attended previous AGM.

2. NOMINATION AND REMUNERATION COMMITTEE

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

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

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE

To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director,

and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.
- devising a policy on diversity of board of directors;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

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

There was three (3) Nomination and Remuneration Committee Meeting held during the financial year on 08.07.2021, 18.10.2021 and 27.12.2021.

| Name | Designation | Category | Number of meetings during the year 2021-22 | |
|--------------------------------|-------------|--------------------------------|--|---------|
| | | | Held | present |
| Mr. Sarveswar Reddy Sanivarapu | Chairman | Independent, Non-Executive | 3 | 3 |
| Mr. Swami Das Nigam | Member | Non-Independent, Non-Executive | 3 | 3 |
| Mr. Lijo Stephen Chacko* | Member | Independent, Non-Executive | 3 | 3 |
| Ms. Dhanalakshmi Guntaka** | Member | Independent, Non-Executive | -- | -- |

*resigned w.e.f 08.06.2022

**appointed as member w.e.f 08.06.2022

C. REMUNERATION POLICY:

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

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

1. Scope:

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

2. Terms and References:

- 2.1 "Director" means a Director appointed to the Board of a Company.
- 2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.3 "Independent Director" means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a

board with diverse background and experience that are relevant for the Company's operations.

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

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfil the following requirements:

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

Act, 2013, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

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

3.2 Criteria of Independence

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

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

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

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the listed entity;
- (ii) who is not related to promoters or Directors of the Company its holding, subsidiary or associate Company
- c. who, apart from receiving director's remuneration, who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Director, during the three immediately preceding financial year or during the current financial year;
- d. none of whose relative
 - (A) is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
 - (B) is indebted to the listed entity, its holding, subsidiary or associate company or their

promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;

(C) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or

(D) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income:

Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.

- e. who, neither himself nor any of his relative-
 - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the Company or holding, subsidiary or associate Company or any company belonging to the promoter group of the listed entity in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;

Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment
 - (ii) Is or has been an employee or proprietor or a partner, in any of the three-finance year immediately preceding the financial year in which he is proposed to be appointed of-
 - (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
 - (i) holds together with his relatives two per cent or more of the total voting power of the Company;
- or

- (ii) is a chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the Company any of its promoters,

Directors or its holding subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or

- (iii) is a material supplier, service provider or customer or a lesser or lessee of the Company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the Company's business.
- g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age
- i. Who is not a non-independent Director of another company on the Board of which any non-independent director of the listed entity is an independent director.

3.2.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

3.3 Other Directorships/ Committee Memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The NR Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed Company.

3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds Directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the companies Act, 2013 shall be excluded.

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

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

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

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

1. Scope:

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

2. Terms and Reference:

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

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

2.2 "key managerial personnel" means

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

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

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

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

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

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

(i) Basic pay

(ii) Perquisites and Allowances

(iii) Stock Options

(iv) Commission (Applicable in case of Executive Directors)

(v) Retrial benefits

(vi) Annual performance Bonus

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

3.2 Remuneration to Non – Executive Directors

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

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

3.3. Remuneration to other employees

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

D. MECHANISM FOR EVALUATION OF THE BOARD

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

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

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

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

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

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

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

E. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

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

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

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

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- v. Such other matter as may be specified by the Board from time to time.
- vi. Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations. During the Financial Year April 2021 to March 2022, one (1) Stakeholders Relationship Committee Meeting was held on 03.02.2022.

B. COMPOSITION AND ATTENDANCE FOR MEETINGS:

| Name | Designation | Category | Number of meetings during the year 2021-2022 | |
|--------------------------------|-------------|-----------------------------------|--|---------|
| | | | Held | present |
| Mr. Swami Das Nigam | Chairman | Non-Independent and Non-Executive | 1 | 1 |
| Mr. Sarveswar Reddy Sanivarapu | Member | Independent and Non-Executive | 1 | 1 |
| Mr. Amit Raj Sinha | Member | Managing Director & CEO | 1 | 1 |

C. NAME AND DESIGNATION OF COMPLIANCE OFFICER

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

D. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2021-22

INVESTOR COMPLAINTS

| Particulars | Year ended 31.03.2022 |
|---|-----------------------|
| Pending at the beginning of the year | 0 |
| Received during the year | 31 |
| Disposed of during the year | 31 |
| Remaining unresolved at the end of the year | 0 |

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

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

- To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- To monitor the CSR policy of the Company from time to time;
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

B. COMPOSITION AND ATTENDANCE FOR MEETINGS:

During the Financial Year April 2021 to March 2022, Two (2) Corporate Social Responsibility Committee Meeting was held on 08.07.2021 and 01.12.2021.

| Name | Designation | Category | Number of meetings during the year 2021-2022 | |
|-------------------------------------|-------------|--------------------------------------|--|---------|
| | | | Held | present |
| Mr. Rabindra Prasad Sinha | Chairman | Whole-Time Director | 2 | 2 |
| Mr. Chidambaranathan Shanmuganathan | Member | Whole-Time Director | 2 | 2 |
| Mr. Amit Raj Sinha | Member | Managing Director & CEO | 2 | 2 |
| Mr. Lijo Stephen Chacko* | Member | Independent & Non-Executive Director | 2 | 2 |
| Mr. Sarveswar Reddy Sanivarappu** | Member | Independent & Non-Executive Director | -- | -- |

*resigned on 08.06.2022

**appointed as member w.e.f 08.06.2022

5. IPO COMMITTEE:

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

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

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

- (u) Severally authorizing Mr. Rabindra Prasad Sinha & Mr. Amit Raj Sinha ("Authorized Officer"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer considers necessary, desirable or expedient, in connection with the Issue, including, without limitation, engagement letters, memoranda of understanding, the listing agreement with the stock exchange, the registrar's agreement, the depositories' agreements, the issue agreement with the book running lead manager (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the cash escrow agreement, the share escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue, the book running lead manager, syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;
- (v) Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, without limitation, applications to, and clarifications or approvals from the GoI, the RBI, the SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be;
- (w) Severally authorizing the Authorized Officers, for and on behalf of the Company, to execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officer may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and the Company, as the case may be; and
- (x) Executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as the IPO Committee may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing."

B. COMPOSITION AND ATTENDANCE FOR MEETINGS:

During the Financial Year April 2021 to March 2022, Five (5) IPO Committee Meeting were held on 07.08.2021, 09.08.2021, 14.10.2021, 22.10.2021 and 29.10.2021

| Name | Designation | Category | Number of meetings during the year 2021-2022 | |
|-------------------------------------|-------------|--|--|---------|
| | | | Held | present |
| Mr. Amit Raj Sinha | Chairman | Managing Director & CEO | 5 | 5 |
| Mr. Rabindra Prasad Sinha | Member | Whole-Time Director | 5 | 5 |
| Mr. Chidambaranathan Shanmuganathan | Member | Whole-Time Director | 5 | 5 |
| Mr. Sarveswar Reddy Sanivarapu | Member | Independent & Non-Executive Director | 5 | 5 |
| Mr. Swami Das Nigam | Member | Non-Independent & Non-Executive Director | 5 | 2 |

6. RISK MANAGEMENT COMMITTEE:

Risk Management Committee was constituted on 03.02.2022 constituted pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

No meeting in the relevant FY was held.

B. COMPOSITION AND ATTENDANCE FOR MEETINGS:

| Name | Designation | Category | Number of meetings during the year 2021-2022 | |
|-----------------------------------|-------------|--------------------------------------|--|---------|
| | | | Held | present |
| Mr. Amit Raj Sinha | Chairman | Managing Director & CEO | 0 | 0 |
| Mr. Lijo Stephen Chacko* | Member | Independent & Non-Executive Director | 0 | 0 |
| Mr. O. Subbarami Reddy | Member | Chief Financial Officer | 0 | 0 |
| Mr. Sarveswar Reddy Sanivarappu** | Member | Independent & Non-Executive Director | -- | -- |

* resigned w.e.f. 08.06.2022

** appointed as member w.e.f 08.06.2022

7. REMUNERATION OF DIRECTORS

| Name of the Director | Remuneration (Rs) | Sitting Fee (Rs) | Total (Rs) | No. of Shares held |
|-------------------------------------|-------------------|------------------|-------------|--|
| Mr. Swami Das Nigam | - | 6,00,000 | 6,00,000 | - |
| Mr. Rabindra Prasad Sinha | 1,44,80,000 | - | 1,44,80,000 | 15,21,840 |
| Mr. Chidambaranathan Shanmuganathan | 1,44,80,000 | - | 1,44,80,000 | 19,40,835 |
| Mr. Amit Raj Sinha | 1,71,50,000 | - | 1,71,50,000 | 12,95,310 |
| Mr. Vijay Amrutlal Bhavsar*** | 12,00,000 | - | 12,00,000 | 8,16,660 |
| | | | | (in the capacity of Karta of Vijay Amrutlal Bhavsar HUF) |
| Mr. Lijo Stephen Chacko*** | - | 6,90,000 | 6,90,000 | - |
| Mr. Sarveswar Reddy Sanivarapu | - | 8,40,000 | 8,40,000 | 5,000 |
| Ms. Dhanalakshmi Guntaka** | - | 2,70,000 | 2,70,000 | - |
| Ms. Kanika Singal* | - | 2,40,000 | 2,40,000 | - |

*Resigned w.e.f 17.10.2021

** Appointed w.e.f. 18.10.2021

*** resigned w.e.f. 08.06.2022

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

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

8. GENERAL BODY MEETINGS:

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

| Financial Year | Date | Time | Venue | Special Resolution |
|----------------|----------------|----------|---|--------------------|
| 2018-19 | AGM 28.09.2019 | 10:00 AM | 229 / 1 & 90, 4th Floor, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049 | Yes |
| 2019-20 | AGM 28.09.2020 | 11:30 AM | 229 / 1 & 90, 4th Floor, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049 | Yes |
| 2020-21 | AGM 20.09.2021 | 11:30 AM | 229 / 1 & 90, 4th Floor, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049 | Yes |

B. PASSING OF RESOLUTIONS BY POSTAL BALLOT:

There were no resolutions passed by the Company through Postal Ballot during the Financial Year 2021-22.

a. 9. MEANS OF COMMUNICATION:

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

b. 10. GENERAL SHAREHOLDERS INFORMATION:

| | |
|---|---|
| Company Registration Details | The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U24110TG1989PLC009497 |
| Date | 29.08.2022 |
| Time | 11:00 AM |
| Venue of AGM | Through video conference |
| Financial Year | 2021-22 |
| Dividend payment date (for interim dividend) | On or before 21.08.2022 |
| Tentative Schedule for considering Financial Results: | |
| For the Quarter ending June, 2022 | July/August, 2022 |
| For the Quarter ending September, 2022 | October/ November, 2022 |
| For the Quarter ending December, 2022 | January/ February, 2022 |
| For the Quarter/year ending March, 2023 | April/ May, 2023 |
| Date of Book Closure | 03.08.2022 (for interim dividend) |
| Name and address of each stock exchange(s) at which the Company's securities are listed | BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400023 National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051 |
| Confirmation of Payment of annual listing fees to stock exchanges | Paid to BSE Limited & National Stock Exchange of India Limited, where the shares of the Company are listed |
| Stock Code | BSE: 543389 NSE: SIGACHI |
| commodity price risk or foreign exchange risk and hedging activities | N.A. |
| ISIN Number for NSDL & CDSL | INE0DOK01014 |

| | |
|--|--|
| In case the securities are suspended from trading, the directors report shall explain the reason thereof | The securities of the Company are not suspended from trading by the BSE Limited and National Stock Exchange of India Limited. |
| In case the securities are suspended from trading, the directors report shall explain the reason thereof | |
| Branch Offices /Plant Locations | Unit 1-Plot No. 20-21, IDA Pasamailaram, Phase I, Sangareddy District, Telangana, India Unit 2- Plot No. Z-16, SEZ Unit, Dahej SEZ Part I, Bharuch Dist., Gujarat, India Unit 3-Plot No. 763 / 2, Jhagadia GIDC, Bharuch Dist., Gujarat, India |
| Address for correspondence: | 229 / 1 & 90, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049 Website: www.sigachi.com |
| Investor Correspondence / Query on Annual Report, etc. | Shreya Mitra Company Secretary and Compliance Officer 229 / 1 & 90, Kalyan's Tulsiram Chambers, Madinaguda, Hyderabad- 500 049 Ph. 040-40114874 Website: www.sigachi.com |

A. Registrars & Share Transfer Agents:

Bigshare Services Private Limited
Address: Office No. S6-2, 6th Floor, Pinnacle Business Park,
Mahakali Caves Road, Andheri (East), Mumbai-400093
Ph No. 022-62638200
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com

B. Share transfer system:

Effective April 1, 2019, SEBI has amended Regulation 40 of the SEBI Listing Regulations, which deals with transfer, transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

All the Equity Shares of the Sigachi Industries Limited are in Dematerialized Form.

C. MARKET PRICE DATA:

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

BSE Limited:

(in Rs)

| Sl. No | Month | Open Price | High Price | Low Price | Close Price |
|--------|--------|------------|------------|-----------|-------------|
| 1 | Apr-21 | NA | NA | NA | NA |
| 2 | May-21 | NA | NA | NA | NA |
| 3 | Jun-21 | NA | NA | NA | NA |
| 4 | Jul-21 | NA | NA | NA | NA |
| 5 | Aug-21 | NA | NA | NA | NA |
| 6 | Sep-21 | NA | NA | NA | NA |
| 7 | Oct-21 | NA | NA | NA | NA |
| 8 | Nov-21 | 575 | 648 | 400 | 410.95 |
| 9 | Dec-21 | 417 | 459.90 | 361 | 398.65 |
| 10 | Jan-22 | 404 | 411 | 331 | 337 |
| 11 | Feb-22 | 346.95 | 405.55 | 275.35 | 301 |
| 12 | Mar-22 | 298.90 | 318.35 | 270.05 | 289.15 |

National Stock Exchange of India Limited:

(in Rs)

| Sl. No | Month | Open Price | High Price | Low Price | Close Price |
|--------|--------|------------|------------|-----------|-------------|
| 1 | Apr-21 | NA | NA | NA | NA |
| 2 | May-21 | NA | NA | NA | NA |
| 3 | Jun-21 | NA | NA | NA | NA |
| 4 | Jul-21 | NA | NA | NA | NA |
| 5 | Aug-21 | NA | NA | NA | NA |
| 6 | Sep-21 | NA | NA | NA | NA |
| 7 | Oct-21 | NA | NA | NA | NA |
| 8 | Nov-21 | 472.50 | 494 | 399 | 411.95 |
| 9 | Dec-21 | 399.80 | 403.65 | 395.80 | 398.90 |
| 10 | Jan-22 | 344 | 348 | 335.10 | 337.40 |
| 11 | Feb-22 | 294 | 302 | 285.80 | 301.30 |
| 12 | Mar-22 | 294.10 | 296 | 288.10 | 289.15 |

D. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2022:**Consolidated Distribution Schedule - Consolidated As on 31-03-2022**

| Category (Amount) | No. of Cases | % of Cases | Total Shares | Amount | % of Amount |
|-------------------|--------------|------------|-----------------|------------------|-------------|
| 1-5000 | 98307 | 98.5643 | 4691559 | 46915590 | 15.2608 |
| 5001- 10000 | 884 | 0.8863 | 668884 | 6688840 | 2.1758 |
| 10001- 20000 | 337 | 0.3379 | 493133 | 4931330 | 1.6041 |
| 20001- 30000 | 86 | 0.0862 | 221876 | 2218760 | 0.7217 |
| 30001- 40000 | 28 | 0.0281 | 100421 | 1004210 | 0.3267 |
| 40001- 50000 | 22 | 0.0221 | 102423 | 1024230 | 0.3332 |
| 50001- 100000 | 25 | 0.0251 | 198527 | 1985270 | 0.6458 |
| 100001& Above | 50 | 0.0501 | 24265677 | 242656770 | 78.9320 |
| Total | 99739 | 100 | 30742500 | 307425000 | 100 |

E. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2022:**Shareholding of Promoter and Promoter Group**

| Category | Category & Name of the Shareholder | No of fully paid-up equity shares held | Shareholding as a % of total no of shares | Number of Shares pledged or otherwise encumbered | As a % of total Shares held | Number of equity shares held in dematerialized form |
|----------|--|--|---|--|-----------------------------|---|
| | (I) | (IV) | (VIII) | (XIII) | | (XIV) |
| (1) | Indian | | | | | |
| (a) | Individuals/Hindu undivided Family | | | | | |
| | Rabindra Prasad Sinha | 15,21,840 | 4.95 | - | - | 15,21,840 |
| | Chidambaranathan Shanmuganathan | 19,40,835 | 6.31 | - | - | 19,40,835 |
| | Amit Raj Sinha | 12,95,310 | 4.21 | - | - | 12,95,310 |
| | Nitin Raj Sinha | 6,37,425 | 2.07 | - | - | 6,37,425 |
| | Dharani Devi Chidambaranathan | 7,43,625 | 2.42 | - | - | 7,43,625 |
| | Karthika Thavamani Chidambaranathan | 16,875 | 0.05 | - | - | 16,875 |
| | Bhavani Shanmugam | 16,875 | 0.05 | - | - | 16,875 |
| | Chidambaranathan | | | | | |
| | Smita Sinha | 3,10,625 | 1.01 | - | - | 3,10,625 |
| | Sudha Sinha | 85,440 | 0.28 | - | - | 85,440 |
| | Bimla Sharma | 46,125 | 0.15 | - | - | 46,125 |
| (b) | Central Government/State Government(s) | | | | | |
| (c) | Financial Institutions/Banks | | | | | |

| Category | Category & Name of the Shareholder | No of fully paid-up equity shares held | Shareholding as a % of total no of shares | Number of Shares pledged or otherwise encumbered | As a % of total Shares held | Number of equity shares held in dematerialized form |
|----------|--|--|---|--|-----------------------------|---|
| (I) | | (IV) | (VIII) | (XIII) | | (XIV) |
| (d) | Any Other | | | | | |
| | RPS Projects & Developers Private Limited | 75,31,725 | 24.50 | - | - | 75,31,725 |
| | RPS Family Trust | 4,59,960 | 1.50 | - | - | 4,59,960 |
| | Amit Raj Sinha Family Trust | 2,96,250 | 0.96 | - | - | 2,96,250 |
| | Sub-Total (A)(1) | 1,49,02,910 | 48.48 | - | - | 1,49,02,910 |
| (2) | Foreign | - | - | - | - | - |
| (a) | Individuals (Non-Resident Individuals/ Foreign Individuals | - | - | - | - | - |
| (b) | Government | - | - | - | - | - |
| (c) | Institutions | - | - | - | - | - |
| | | - | - | - | - | - |
| (d) | Foreign Portfolio Investor | - | - | - | - | - |
| (e) | Any Other | - | - | - | - | - |
| | Sub-Total (A)(2) | - | - | - | - | - |
| | Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2) | 1,49,02,910 | 48.48 | - | - | 1,49,02,910 |

SHAREHOLDING OF PUBLIC GROUP

| Category | Category & Name of the Shareholder | No of fully paid-up equity shares held | Shareholding as a % of total no of shares | Number of Shares pledged or otherwise encumbered | As a % of total Shares held | Number of equity shares held in dematerialized form |
|----------|---|--|---|--|-----------------------------|---|
| (I) | | (IV) | (VIII) | (XIII) | | (XIV) |
| (1) | Institutions | | | | | |
| (a) | Mutual Funds | - | - | - | - | - |
| (b) | Venture Capital Funds | - | - | - | - | - |
| (c) | Alternate Investment Funds | 4,436 | 0.01 | - | - | 4,436 |
| (d) | Foreign Venture Capital Investors | - | - | - | - | - |
| (e) | Foreign Portfolio Investors | 69,695 | 0.23 | - | - | 69,695 |
| (f) | Financial Institutions/Banks | - | - | - | - | - |
| (g) | Insurance Companies | - | - | - | - | - |
| (h) | Provident Funds/Pension Funds | - | - | - | - | - |
| (i) | Any Other | - | - | - | - | - |
| | Qualified Foreign Investor | 8,94,250 | 2.91 | - | - | 8,94,250 |
| | Sub Total (B)(1) | 9,68,381 | 3.15 | NA | NA | 9,68,381 |
| (2) | Central Government/State Government(s)/President of India | - | - | - | - | - |
| | Sub Total (B)(2) | - | - | - | - | - |
| (3) | Non-Institutions | - | - | - | - | - |
| (a) | i. Individual shareholders holding nominal share capital up to Rs 2 lakhs | 62,07,636 | 20.19 | NA | NA | 62,07,636 |
| | ii. Individual shareholders holding nominal share capital in excess of Rs 2 Lakhs | 69,73,040 | 22.68 | NA | NA | 69,73,040 |
| | Beg Raj Yadav | 21,42,000 | 6.97 | NA | NA | 21,42,000 |
| | Dharm Prakash Tripathi | 24,11,259 | 7.84 | NA | NA | 24,11,259 |
| | Tribhuvan Ravji Thacker | 3,37,500 | 1.10 | NA | NA | 3,37,500 |
| | Shobha Nigam | 5,35,500 | 1.74 | NA | NA | 5,35,500 |
| (b) | NBFCs Registered with RBI | - | - | - | - | - |

| Category | Category & Name of the Shareholder | No of fully paid-up equity shares held | Shareholding as a % of total no of shares | Number of Shares pledged or otherwise encumbered | As a % of total Shares held | Number of equity shares held in dematerialized form |
|----------|--|--|---|--|-----------------------------|---|
| (I) | (II) | (IV) | (VIII) | (XIII) | (XII) | (XIV) |
| (c) | Employee Trusts | - | - | - | - | - |
| (d) | Overseas Depositories (Holding DRs) (Balancing figure) | - | - | - | - | - |
| (e) | Any Other | | | | | |
| | NON-RESIDENT INDIANS | 3,71,920 | 1.21 | N.A. | N.A. | 3,71,920 |
| | CLEARING MEMBERS | 70,636 | 0.23 | N.A. | N.A. | 70,636 |
| | NON-RESIDENT INDIAN NON REPATRIABLE | - | - | - | - | - |
| | BODIES CORPORATES | 2,88,414 | 0.94 | N.A. | N.A. | 2,88,414 |
| | HUF | 17,76,223 | 5.78 | N.A. | N.A. | 17,76,223 |
| | Sub Total (B)(3) | 1,48,71,209 | 48.37 | N.A. | N.A. | 1,48,71,209 |
| | Total Public Shareholding (B) = (B) (1)+(B)(2)+(B)(3) | 1,58,39,590 | 51.52 | N.A. | N.A. | 1,58,39,590 |

| Category | Category of Shareholder | No of Shareholders | No of fully paid-up equity shares held | Shareholding as a % of total no of shares (As a % of (A+B+C2)) | Number of Shares pledged or otherwise encumbered | As a % of total Shares held | Number of equity shares held in dematerialized form |
|----------|---------------------------------|--------------------|--|--|--|-----------------------------|---|
| (I) | (II) | (III) | (IV) | (VIII) | (XIII) | (XII) | (XIV) |
| (A) | Promoter & Promoter Group | 13 | 1,49,02,910 | 48.48 | N.A. | N.A. | 1,49,02,910 |
| (B) | Public | 98,625 | 1,58,39,590 | 51.52 | N.A. | N.A. | 1,58,39,590 |
| (C) | Non-Promoter-Non-Public | - | - | - | - | - | - |
| (C1) | Shares underlying DRs | - | - | - | - | - | - |
| | Shares held by Employees Trusts | - | - | - | - | - | - |
| | Total: | 98,638 | 3,07,42,500 | 100.00 | N.A. | N.A. | 3,07,42,500 |

F. DEMATERIALISATION & LIQUIDITY OF SHARES:

a. Dematerialization and Liquidity of Shares:

Trading in Company's shares is permitted only in dematerialized form for all investors. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form.

| Particulars | No. of Shares | % Share Capital |
|--------------|--------------------|-----------------|
| CSDL | 1,39,01,827 | 45.22% |
| NDSL | 1,68,40,673 | 54.78% |
| Physical | - | - |
| TOTAL | 3,07,42,500 | 100% |

b. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has not issued these types of securities.

c. LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD: NIL

11. DISCLOSURES:

A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

During the year under review, the Company had not entered in to any materially significant transaction with any related party. During the year, the Company had not entered into any other contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arm's length basis.

The policy on related party transactions is available in the Company's website www.sigachi.com

B. DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS:

BSE & NSE has imposed a penalty of Rs 1,10,920/-each, on the Company, pursuant to Regulation 17(1A), for non-compliance with the requirements of passing special resolution pertaining to continuation of Non-Executive Director, Mr. Swami Das Nigam, who has attained the age of 75 years. However, the Company has paid the penalty on 18.01.2022 and passed a special resolution in the Extra Ordinary General Meeting held on 04.04.2022. The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

C. WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined in Regulation 22 of SEBI (LODR) Regulations 2015 and in terms of Section 177 of the Companies Act, 2013.

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy

in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person has been denied access to the Chairman of the Audit Committee.

D. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and is in the process of implementation of non-mandatory requirements.

E. WEB LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED;

The Company does not have any material subsidiary as defined under Listing Regulations, however, the policy for determining its 'Material' Subsidiaries was formulated and the same is available on the website of the Company www.sigachi.com.

F. web link where policy on dealing with related party transactions; www.sigachi.com

G. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES:

The company does not have any significant exposure to commodity price risk and hedging activities

H. DETAILS OF UTILIZATION OF FUNDS RAISED THOROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT:

The details of utilisation of funds raised through IPO are as mentioned in the Financial Statements attached in the Financial Section to this Annual Report.

Further, the company has not raised any funds through Qualified Institutional Placement.

I. CERTIFICATE FROM PRACTICING COMPANY SECRETARY:

The Company has obtained certificate from Ms. Aakanksha, Practicing Company Secretary that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such authority. And the Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

J. RECOMMENDATIONS OF COMMITTEES:

The Board has accepted and acted upon all the recommendations by the Audit & Nomination and Remuneration Committees.

K. TOTAL FEES FOR ALL SERVICES PAID BY THE COMPANY, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR:

The fees paid by the Company to its statutory Auditors (on a consolidated basis) is Rs 4,01,000 /- per annum.

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

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received during the financial year: Nil
- No. of complaints disposed off during the financial year: Nil
- No. of complaints pending at the end of the financial year: Nil

M. disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: NIL

12. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT:

During the year, the company has complied with the requirement of Corporate Governance Report of sub-paragraphs (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015

13. ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LODR) REGULATIONS, 2015:

The company has adopted discretionary requirements to the extent of Internal Auditors reporting to the Audit Committee.

14. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:

| Regulation | Particulars | Compliance Status |
|-------------------|--|-------------------|
| 17 | Board of Directors | yes |
| 18 | Audit Committee | yes |
| 19 | Nomination and Remuneration Committee | yes |
| 20 | Stakeholders Relationship Committee | yes |
| 21 | Risk Management Committee | yes |
| 22 | Whistle Blower Mechanism/ Vigil Mechanism | Yes |
| 23 | Related Party Transactions | Yes |
| 24 | Corporate Governance requirements with respect to subsidiary of Listed company | NA |
| 25 | Obligations with respect to Independent Directors | NA |
| 26 | Obligations with respect to Directors and Senior Management | Yes |
| 27 | Other Corporate Governance Requirements | Yes |
| 46 (2) (b) to (i) | Website | Yes |

15.

a) CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

b) DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2021-22.

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended on March 31, 2022 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

16. CEO/ CFO CERTIFICATION:

The Managing Director and CEO/ CFO certification of the financial statements as specified in Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the Financial Year 2021-2022 is provided elsewhere in this Annual Report

17. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

18. RECONCILIATION OF SHARE CAPITAL:

A qualified Practicing Company Secretary carry out audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. Reconciliation of Share Capital Audit Report confirms that the total paid up capital was in agreement with the total number of dematerialized shares held with NSDL and CDSL.

For and on behalf of the Board
Sigachi Industries Limited

Rabindra Prasad Sinha
Whole-Time Director
DIN: 00413448

Place: Hyderabad
Date: 22.07.2022

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

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|--|---|
| 1 | <p>Capitalisation and useful life of property, plant and equipment.</p> <p>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</p> | <p>Principal Audit Procedures</p> <p>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</p> |

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|--|---|
| 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. | 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.

Management's Responsibilities for the Standalone Financial Statements

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

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

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

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

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order 2016("the order"), issued by the Central government of India in terms of sub-section (11) of section 143 of the act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 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.

For T Adinaryana &Co.

Chartered Accountants
(Firm's Registration No.000041S)

Y Pulla Rao, FCA

Partner
(Membership No. 025266)
UDIN:22025266AJGFPS9185

Place: Hyderabad

Date: 13.05.2022

Annexure 'A' To The Independent Auditor's Report

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

- i. In respect of the Company's Property, Plant and Equipment :
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment .
 - b) The property, plant and equipment, capital work-in-progress, have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
 - c) The title deeds of all the immovable properties are held in the name of the Company.
 - d) The Company has not revalued its property, plant and equipment, capital work-in progress, or intangible assets during the year.
 - e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. a) The management has conducted physical verification of inventory at reasonable intervals during the year,. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- b) The Company has a working capital limit in excess of 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. Accordingly the provisions of the clause of the order are not applicable to the company for the year under review.
- iv. In our opinion and according to the information and explanations given to us , the company has no transactions for compliance with the provisions of section 185 and 186 of the act in respect of grant of loans ,making investments and providing guarantees and securities , as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- a) The Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 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.
- x. a) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer is being applied for the purposes for which these were obtained.
- b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- b) No report under section 143(12) of the Act has been filed with the Central Government in form No. ADT -4 for the period covered by our audit.
- c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- xiv. a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.

- xix. On the basis of the financial ratios, ageing and expected dates of 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. 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.

For T Adinaryana &Co.

Chartered Accountants
(Firm's Registration No.000041S)

Y Pulla Rao, FCA

Partner
(Membership No. 025266)
UDIN: 22025266AJGFPS9185

Place: Hyderabad
Date: 13.05.2022

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.

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

Partner
(Membership No. 025266)
UDIN: 22025266AJGFPS9185.

Y Pulla Rao, FCA
Date: 13.05.2022

Standalone Balance Sheet

as at 31st March, 2022

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

| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
|--|---------|-------------------------|-------------------------|
| 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 | 19 | | |
| i) Total outstanding dues of micro and small enterprises | | - | - |
| 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 | 1 to 44 | | |

As per our report of even date attached

For **T. Adinarayana & Co.**

Chartered Accountants

Firm Regn No. 000041S

Sd/-

Y. P. Rao

Partner

Membership No. 025266

For and on Behalf of the Board of Directors

Sd/-

Rabindra Prasad sinha

Executive Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

Shreya Mitra

Company Secretary

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 13.05.2022

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 March 31, 2022 | Year ended March 31, 2021 |
|--|---------|------------------------------|------------------------------|
| 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 | 1 to 44 | | |

As per our report of even date attached

For **T. Adinarayana & Co.**

Chartered Accountants

Firm Regn No. 000041S

Sd/-

Y. P. Rao

Partner

Membership No. 025266

For and on Behalf of the Board of Directors

Sd/-

Rabindra Prasad sinha

Executive Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

Shreya Mitra

Company Secretary

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 13.05.2022

Standalone Statement of Changes in Equity And Other Equity

for the year ended 31st March, 2022

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

A) EQUITY SHARE CAPITAL

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|----------------------|--------------------|----------------------|-------------------|
| | No of Shares | Amount | No of Shares | Amount |
| At the beginning of the year | 7,682,500 | 76,825,000 | 7,682,500 | 76,825,000 |
| Issued during the year (Bonus Issue) | 15,365,000 | 153,650,000 | - | - |
| Issued during the year (Initial Public Offer) | 7,695,000 | 76,950,000 | - | - |
| Outstanding at the end of the year | 30,742,500 | 307,425,000 | 7,682,500 | 76,825,000 |

B) OTHER EQUITY

1) Current Reporting Period

| Particulars | Reserves & surplus | | | Other comprehensive income | Total other equity |
|---|--------------------|-------------------|----------------------|----------------------------|----------------------|
| | Securities premium | General reserve | Amalgamation reserve | | |
| Balance as at 1st April 21 | 16,453,515 | 36,115,299 | 39,056,600 | 778,605,811 | 872,111,015 |
| Current year : | | | | | |
| Bonus issue | - | - | - | - | - |
| IPO issue | 1,177,335,000 | - | - | - | 1,177,335,000 |
| Profit/(Loss) | - | - | - | 380,288,258 | 380,288,258 |
| Appropriations | | | | | |
| Bonus issue | (16,453,515) | - | - | (137,196,485) | (153,650,000) |
| IPO Issue Expenses | (289,386,799) | - | - | - | (289,386,799) |
| General Reserve | - | 9,507,206 | - | (9,507,206) | - |
| Dividend paid | - | - | - | (23,047,500) | (23,047,500) |
| Other comprehensive Income for the year | - | - | - | 723,057 | 723,057 |
| Balance as at 31st Mar 22 | 887,948,201 | 45,622,505 | 39,056,600 | 989,142,877 | 1,964,373,030 |

Standalone Statement of Changes in Equity And Other Equity

for the year ended 31st March, 2022

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

2) Previous Reporting Period

| Particulars | Reserves & surplus | | | Profit and loss | Other comprehensive income | Total other equity |
|---|--------------------|-------------------|----------------------|--------------------|----------------------------|--------------------|
| | Securities premium | General reserve | Amalgamation reserve | | | |
| Balance as at 1st April 20 | 16,453,515 | 28,850,231 | 39,056,600 | 502,950,651 | 1,474,661 | 588,785,658 |
| Current year : | | | | | | |
| Profit/(Loss) | - | - | - | 290,602,727 | - | 290,602,727 |
| Appropriations | | | | | | |
| General Reserve | - | 7,265,068 | - | (7,265,068) | - | - |
| Dividend paid | - | - | - | (7,682,499) | - | (7,682,499) |
| Other comprehensive Income for the year | - | - | - | - | 405,130 | 405,130 |
| Balance as at 31st Mar 21 | 16,453,515 | 36,115,299 | 39,056,600 | 778,605,811 | 1,879,790 | 872,111,015 |

As per our report of even date attached

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

Sd/-
Y. P. Rao
Partner
Membership No. 025266

Place: Hyderabad
Date: 13.05.2022

For and on Behalf of the Board of Directors

Sd/-
Rabindra Prasad sinha
Executive Chairman

Sd/-
S Chidambaramathan
Executive Vice Chairman

Sd/-
Amit Raj Sinha
Managing Director and CEO

Sd/-
O. Subarami Reddy
Chief Financial Officer

Sd/-
Shreya Mitra
Company Secretary

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 March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| 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 activities | | |
| 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

Sd/-

Y. P. Rao

Partner

Membership No. 025266

For and on Behalf of the Board of Directors

Sd/-

Rabindra Prasad sinha

Executive Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

Shreya Mitra

Company Secretary

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 13.05.2022

Standalone Notes forming part of the Financial Statements

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

1 Corporate information

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

2 Basis of Preparation and Presentation of Financial Statements

The financial statements of Sigachi Industries Limited ("the Company") for the year ended 31st March, 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:

- It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;

- It is expected to be realized within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date."
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively.

All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.

2.2 Operating Cycle

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

2.3 Accounting Estimates

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

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

Standalone Notes forming part of the Financial Statements

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

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

c. Fair valuation:

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

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

In the application of the company's accounting policies, the management of the company are required to make judgments, estimates, and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates

and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates is revised if the revision effects only that period or in the period of the revision and future periods in the revision effects both current and future periods. The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the company's accounting policies and that have the most significant effects on the amounts recognized in the financial statements."

2.5 Provisions and contingent liability:

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

2.6 Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 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 currencies) are recognised at the rates of exchange prevailing at the date of transactions. At the end of each reporting period ,monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non -Monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting these financial statements, the assets and liabilities of the company's foreign operations are translated into currency units using exchange rates prevailing at the end of each reporting period.

Standalone Notes forming part of the Financial Statements

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

2.8 Property Plant & Equipment

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred. Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up. Property, Plant and Equipment which are not ready for intended use as on the date of balance sheet are disclosed as "Capital Work -in-Progress". Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Depreciation

Depreciation is recognized in the statement of profit and loss on Straight line basis over the estimated useful lives of property, plant and equipment based on Schedule - II to the Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period with the effect of any changes in estimated useful lives residual values and impairment loss, if any, and are accounted for on a prospective basis.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

2.9 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

Standalone Notes forming part of the Financial Statements

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

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

Standalone Notes forming part of the Financial Statements

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

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 financing cash flows. The cash flows from operating, investing and financing activities of the company 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 retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Defined Contribution Benefits

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

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

2.13 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

Standalone Notes forming part of the Financial Statements

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

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 against the company, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur. The assessment of the existence, and potential quantum of contingencies inherently involve the exercise of significant judgement and the use of estimates regarding the outcome of future events.

2.15 Estimates and assumptions

The preparation of company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

Standalone Notes forming part of the Financial Statements

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

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. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to 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, handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

The basis of determination of cost is as follows:

Raw material, packing material and stock-in-trade 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.

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

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

| Particulars | Amount in ₹ |
|------------------------------------|--------------------|
| 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 |

CWIP ageing 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 asset under development aging schedule - **NIL**

NON-CURRENT ASSETS

5 NON-CURRENT INVESTMENTS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| 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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| 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 |

Standalone Notes forming part of the Financial Statements

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

7 OTHER NON CURRENT ASSETS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------|-------------------------|-------------------------|
| Capital Advances | 8,50,21,082 | 2,65,02,718 |
| | 8,50,21,082 | 2,65,02,718 |

CURRENT ASSETS

8 INVENTORIES

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------|-------------------------|-------------------------|
| 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 furnace 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:

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

9 TRADE RECEIVABLES

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------|-------------------------|-------------------------|
| 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 Subsidiary: | | |
| 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 subsidiary company as stated above). Before accepting any new customer, the company uses an external credit scoring system and other potential information to assess the customer credit quality and defines credit limit.

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

Refer Note no. 33.A for trade receivables ageing

Standalone Notes forming part of the Financial Statements

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

10 CASH AND CASH EQUIVALENTS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| 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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| 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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| 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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| 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 |

Note 14: EQUITY SHARE CAPITAL

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Authorised share capital | | |
| 3,20,00,000 Equity shares of ₹10/- each (Previous year 1,20,00,000 Equity shares of ₹10/-each) | 32,00,00,000 | 12,00,00,000 |
| Issued, subscribed and fully paid-up | | |
| 3,07,42,500 Equity Shares of ₹10/- each with voting rights (Previous year 76,82,500 Equity shares of ₹10/-each) | 30,74,25,000 | 7,68,25,000 |
| | 30,74,25,000 | 7,68,25,000 |

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 (Contd..)

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

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|---------------------|----------------------|--------------------|
| | 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 Issue)

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 allotted 1,53,65,000 fully-paid-up equity shares of face value ₹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 ₹10 each at an issue price of ₹163 (Including premium of ₹153 per share).The Equity shares of the company were listed on BSE and NSE on 15.11.2021 .

d. Rights attached to the equity shares

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

e. 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% |

15 NON- CURRENT BORROWINGS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|----------------------|----------------------|
| 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 |

Standalone Notes forming part of the Financial Statements

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

Term Loans:

All term loans are secured by exclusive first charge on fixed assets created out of the term loans extended by the term lender and the second charge on the remaining fixed assets of the company (both present and future) by way of hypothecation of movable fixed assets and also equitable mortgage of immovable fixed assets of the company and personal guarantee of Rabintra 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 hypothecation of concerned vehicle. Refer note 31.B

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

16 PROVISIONS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| 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:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| 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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-----------------|-------------------------|-------------------------|
| 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 Quarterly returns or statements filed by the company with banks are in agreement with the books of accounts.

Standalone Notes forming part of the Financial Statements

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

19 TRADE PAYABLES-Other financial liabilities -Current

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| 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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|-------------------------|-------------------------|
| 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 CURRENT LIABILITIES

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------|-------------------------|-------------------------|
| 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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Provision for Income tax(Net) | 65,88,028 | 68,39,357 |
| | 65,88,028 | 68,39,357 |

23 REVENUE FROM OPERATIONS

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------------------------------------|------------------------------|------------------------------|
| 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 |

Standalone Notes forming part of the Financial Statements

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

24 OTHER INCOME

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| 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

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------|------------------------------|------------------------------|
| 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

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| 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

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| 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

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------------------------|------------------------------|------------------------------|
| 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 |

Standalone Notes forming part of the Financial Statements

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

29 OTHER EXPENSES

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| 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 |
| Impairment loss recognized / (reversed) 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 |

30 INCOME TAXES

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

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------------|------------------------------|------------------------------|
| 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 March 31, 2022 | Year ended March 31, 2021 |
|--------------------------|------------------------------|------------------------------|
| 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: | | |

Standalone Notes forming part of the Financial Statements

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

30 INCOME TAXES (Contd..)

| | | |
|---|-----------------------|---------------------|
| 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 March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| 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) |
| Actrual 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) |
| Actrual 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% . |

Standalone Notes forming part of the Financial Statements

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

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 | 01-Jan-18 | 05-Dec-18 | 08-Jan-19 | 05-Jul-20 | 22-Oct-19 |
| Effective interest rate | 8.40% | 10.34% | 10.34% | 6.50% | 9.50% |

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

b. Defined benefit plan

i. Gratuity:

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

ii. Leave Encashment:

The Company has created provision for leave encashment liability for eligible employees. The benefits are determined and carried out at each Balance Sheet date.

The disclosure for defined benefit plan (Gratuity) as per Ind AS 19 are given here under:

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

i. Changes in the present value of obligation

| Particulars | As at March 31, 2022 | As at March 31, 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 |

Standalone Notes forming part of the Financial Statements

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

32 EMPLOYEE BENEFITS (Contd..)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| 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 March 31, 2022 | As at March 31, 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 March 31, 2022 | As at March 31, 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 March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| 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 March 31, 2022 | As at March 31, 2021 |
|--------------------------------|-------------------------|-------------------------|
| Discount rate (per annum) | 7.18% | 6.80% |
| Salary growth rate (per annum) | 5.00% | 5.00% |

Standalone Notes forming part of the Financial Statements

(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 March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| 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 calculations are in accordance with Indian Accounting Standard 33-Earning Per Share, notified under section 133 of the companies act, 2013, read together with paragraph 7 of the companies (Accounts) Rules, 2015. As per Ind AS 33 paragraph 28, in case of bonus share, the number of shares outstanding before the event is adjusted for the proportionate change in the no. of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. In case of new issue of shares, for the purpose of calculating basic earning per share, the number of ordinary shares shall be the weighted average no. of ordinary shares outstanding during the period.

33.A Trade Receivables ageing schedule

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|----------------------|-----------|-----------|----------------------|--------------|
| | Less than 6 Months | 6 months - 1 Year | 1-2 Years | 2-3 years | More than 3 Years | |
| (1) Undisputed Trade receivables - Considered good | 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 | 2,14,269 | 1,37,643 | 18,15,559 | 23,92,587 |
| (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 | - | - | - | - | - | - |

Standalone Notes forming part of the Financial Statements

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

33.B Trade payables ageing schedule

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---------------------------|--|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 Years | |
| (1) MSME | - | - | - | - | - |
| (2) Others | 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 March 31, 2022 | Year ended March 31, 2021 |
|-------------------------|---------------------------|------------------------------|------------------------------|
| 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 |

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

Standalone Notes forming part of the Financial Statements

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

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

b. Bank Guarantees:

The Bank Guarantees as at 31st March 2022 are ₹ 1,03,92,565/- and as at 31st March 2021 are ₹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 ₹ |
|---|-------------|
| 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 succeeding 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 categories as of 31st Mar 22 are as follows

| Particulars | Carrying value | Level of input used in | | | Fair value |
|---------------------------|----------------|------------------------|---------|---------|--------------|
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets | | | | | |
| At Amortised cost | | | | | |
| Investments* | – | – | – | – | – |
| Trade receivables | 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 |

Standalone Notes forming part of the Financial Statements

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

| Particulars | Carrying value | Level of input used in | | | Fair value |
|------------------------------|----------------|------------------------|---------|--------------|--------------|
| | | Level 1 | Level 2 | Level 3 | |
| 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 categories 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.

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 |

Standalone Notes forming part of the Financial Statements

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

| Particulars | March 31,2022 | March 31,2021 |
|--|----------------|---------------|
| 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 Committee reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

a. Credit risk

Credit Risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the company. The Company has a prudent and conservative process for managing its credit risk raising in the course of its business activities. Credit risk is managed through continuously monitoring the creditworthiness of customers and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

The company makes an allowance for doubtful debts/advances using expected credit loss model.

b. Liquidity risk

Liquidity Risk refers to the risk that the company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short term, medium term and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The company has obtained fund and non fund based working capital loans from bank. The borrowed funds are generally applied for company's own operational activities.

The table below provides details regarding the contractual maturities of significant financial liabilities.

| Particulars | Up to 1 Year | 1 to 3 years | 3 to 5 years |
|------------------------|---------------------|--------------------|------------------|
| 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.

Standalone Notes forming part of the Financial Statements

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

40 Financial Risk Management (Contd..)

d. Exchange rate risk

The company foreign exchange arised from its foreign operations, foreign currency revenues and expenses, (Primarily in US Dollars).Consequently, the company is exposed to foreign exchange risk through its sales and purchases to/from overseas customers/suppliers in various 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 |

Sensitivity analysis

A reasonably possible Strenthning/(Weaking) of the Indian Rupee against US dollars at March 31 would have effected the measurement of financial statements denominattted 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 | 60,449 | (60,449) | - | - |
| USD | | | | |
| | 60,449 | (60,449) | - | - |

31-Mar-21

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

Standalone Notes forming part of the Financial Statements

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

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

| Particulars | March 31,2022 | 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 calculation assumes that the change occurs at the balance sheet date and has been calculated on risk exposures outstanding as at that date assuming that all other variables, in particular foreign currency exchange rates, remain constant. The period end balances are not necessarily representative of the average debt outstanding during the period.

| Cash flow sensitivity (net) | Profit or loss | |
|--------------------------------|-----------------|-------------------|
| | 25 bp increase | 25 bp decrease |
| 31-Mar-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% |

Standalone Notes forming part of the Financial Statements

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

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.

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 been confirmed by the parties. No material discrepancies are observed.

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

As per our report of even date attached

For **T. Adinarayana & Co.**

Chartered Accountants

Firm Regn No. 000041S

Sd/-

Y. P. Rao

Partner

Membership No. 025266

For and on Behalf of the Board of Directors

Sd/-

Rabindra Prasad sinha

Executive Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

Shreya Mitra

Company Secretary

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 13.05.2022

Independent Auditor's Report

To
The Members of Sigachi Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sigachi Industries Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the management on separate Financial Statements and on the other financial information of the subsidiary the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ('Ind AS') and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2022, the Consolidated profit, Consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---------|--|--|
| 1 | 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: <ul style="list-style-type: none"> • 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 consolidated financial statements and Auditor's Report Thereon

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's Responsibility for the consolidated financial statements

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

In preparing the consolidated financial statements, respect Board of directors of the companies included in the group is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements .As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

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

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding company and its Subsidiary of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

OTHER MATTERS

We didn't audit the financial statements / financial information of wholly owned subsidiary(incorporated in USA), whose financial statements / financial information reflects total assets of Rs 28,72,84,223/- as at 31st March , 2022 and total profit of Rs 3,10,81,025/- for the year ended on that date, as considered in consolidated financial statements. The consolidated financial statements also include the Subsidiary share of net profit of Rs 3,10,81,025/-for the year ended 31st March, 2022 as considered in the consolidated financial statements. These financial statements / financial information of foresaid subsidiary company are unaudited and certified by the management as the financial year of the Subsidiary company is different from the Holding company(Financial Year of the Subsidiary company is from 1st January to 31st December) whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary company, and our report in terms of sub-sections (3) and (11) of section 143 of the Act , in so far as it relates to the foresaid subsidiary , is based solely on the reports and certification by the Management . In our opinion and according to our information and explanations given to us by the management, this financial statements and other financial information are not material to the Group.

Our opinion on the consolidated financial statements ,and our audit report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the reports on the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, is exempted to furnish in respect of consolidated financial statements. Hence the statement is not given .
2. As required by Section 143(3) of the Act, based on our audit we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The consolidated Balance Sheet, the Statement of consolidated Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of consolidated Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 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-A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial.
3. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us
- i. The Holding Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
- ii. The Holding Company 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 are no amount to be transferred to Investor Education and Protection Fund by the Holding Company.
4. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of amendments to section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiary to their directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

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

Y Pulla Rao, FCA
Partner

M.No.025266

UDIN:22025266AJGGBS1485.

Place : Hyderabad
Date : 13.05.2022

Annexure-A to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of Sigachi Industries Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Y Pulla Rao, FCA

Partner

M.No:025266

UDIN: 22025266AJGGBS1485

Place : Hyderabad

Date : 13.05.2022

Consolidated Balance Sheet

as at 31st March, 2022

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

| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
|--|-------|-------------------------|-------------------------|
| 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 | 15,00,000 | 15,00,000 |
| 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 | | 1,06,93,25,236 | 46,28,06,644 |
| Current assets | | | |
| Inventories | 8 | 30,44,74,664 | 21,19,78,617 |
| Financial assets | | | |
| Trade receivables | 9 | 60,12,43,220 | 35,75,72,266 |
| Cash and cash equivalents | 10 | 29,08,05,882 | 15,89,92,836 |
| 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 | | 1,79,86,72,717 | 87,12,66,686 |
| TOTAL ASSETS | | 2,86,79,97,953 | 1,33,40,73,330 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 14 | 30,74,25,000 | 7,68,25,000 |
| Other equity | | 1,97,03,70,996 | 86,51,69,165 |
| Total Equity | | 2,27,77,95,996 | 94,19,94,165 |
| 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 | 7,02,86,205 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 18 | 33,11,96,295 | 18,30,82,098 |
| Trade payables | 19 | | |
| i) Total outstanding dues of micro and small enterprises | | - | - |
| ii) Total outstanding dues of creditors other than micro and small enterprises | | 10,60,26,424 | 7,95,16,331 |
| Other financial liabilities | 20 | 56,98,984 | 73,19,114 |
| Other current liabilities | 21 | 5,86,79,580 | 4,33,98,488 |
| Provisions | 22 | 1,28,33,765 | 84,76,928 |
| Total current liabilities | | 51,44,35,048 | 32,17,92,960 |
| TOTAL EQUITY AND LIABILITIES | | 2,86,79,97,953 | 1,33,40,73,330 |
| 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

Sd/-

Y. P. Rao

Partner

Membership No. 025266

For and on Behalf of the Board of Directors

Sd/-

Rabindra Prasad sinha

Executive Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

Shreya Mitra

Company Secretary

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 13.05.2022

Consolidated 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 March 31, 2022 | Year ended March 31, 2021 |
|--|-------|------------------------------|------------------------------|
| Revenue from operations | 23 | 2,50,28,97,951 | 1,92,75,57,545 |
| Other income | 24 | 2,62,96,078 | 3,25,47,552 |
| Total income | | 2,52,91,94,029 | 1,96,01,05,097 |
| Expenses | | | |
| Cost of materials consumed | 25 | 1,23,46,50,953 | 97,91,13,868 |
| Changes in inventories of finished goods, work in progress and stock in trade | 26 | (4,87,28,272) | 2,81,87,695 |
| Employee benefit expenses | 27 | 21,08,04,450 | 17,37,52,189 |
| Finance costs | 28 | 1,17,05,926 | 1,24,97,334 |
| Depreciation and amortization expense | 3 | 2,90,47,722 | 2,31,09,420 |
| Other expenses | 29 | 57,57,26,616 | 35,86,07,249 |
| Total expenses | | 2,01,32,07,394 | 1,57,52,67,756 |
| Profit/(loss) before tax | | 51,59,86,634 | 38,48,37,341 |
| Tax expense | | | |
| (i) Current tax | 30 | 10,50,84,902 | 6,72,95,775 |
| (ii) Deferred tax | 30 | 1,05,28,545 | 1,49,38,653 |
| Profit/(loss) for the period | | 40,03,73,187 | 30,26,02,913 |
| 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 | | (71,45,113) | 8,16,685 |
| ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Total other comprehensive income | | (64,22,056) | 12,21,815 |
| Total Comprehensive income for the period (Comprising profit(Loss) and other comprehensive Income for the period) | | 39,39,51,131 | 30,38,24,728 |
| Earnings per equity share | | | |
| 1) Basic | 33 | 15.44 | 13.13 |
| 2) Diluted | 33 | 15.44 | 13.13 |
| 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

Sd/-

Y. P. Rao

Partner

Membership No. 025266

For and on Behalf of the Board of Directors

Sd/-

Rabindra Prasad sinha

Executive Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

Shreya Mitra

Company Secretary

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 13.05.2022

Consolidated Statement of Changes in Equity And Other Equity

for the year ended 31st March, 2022

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

A) EQUITY SHARE CAPITAL

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|--------------------|----------------------|-------------------|
| | No of Shares | Amount | No of Shares | Amount |
| At the beginning of the year | 7,682,500 | 76,825,000 | 7,682,500 | 76,825,000 |
| Issued during the year(Bonus Issue) | 15,365,000 | 153,650,000 | - | - |
| Issued during the year(Initial Public Offer) | 7,695,000 | 76,950,000 | - | - |
| Outstanding at the end of the year | 30,742,500 | 307,425,000 | 7,682,500 | 76,825,000 |

B) OTHER EQUITY

1) Current Reporting Period

| Particulars | Reserves & surplus | | | Other comprehensive income | | Total other equity |
|---|--------------------|-------------------|----------------------|----------------------------|----------------------|----------------------|
| | Securities premium | General reserve | Amalgamation reserve | Capital Reserve | Profit and loss | |
| Balance as at 1st April 21 | 16,453,515 | 36,249,520 | 39,056,600 | 1,800 | 774,638,485 | 865,169,165 |
| Current year : | | | | | | |
| Bonus issue | - | - | - | - | - | - |
| IPO issue | 1,177,335,000 | - | - | - | - | 1,177,335,000 |
| Profit/(Loss) | - | - | - | - | 400,373,187 | 400,373,187 |
| Foreign currency translation reserve | - | - | - | - | (7,145,113) | (7,145,113) |
| Appropriations | | | | | | |
| Bonus issue | (16,453,515) | - | - | - | (137,196,485) | (153,650,000) |
| IPO Issue Expenses | (289,386,799) | - | - | - | - | (289,386,799) |
| General Reserve | - | 9,582,647 | - | - | (9,582,647) | - |
| Dividend paid | - | - | - | - | (23,047,500) | (23,047,500) |
| Other comprehensive Income for the year | - | - | - | - | 723,057 | 723,057 |
| Balance as at 31st Mar 22 | 887,948,201 | 45,832,167 | 39,056,600 | 1,800 | 1,005,185,040 | 1,970,370,996 |

Consolidated Statement of Changes in Equity And Other Equity

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

1) Current Reporting Period

| Particulars | Reserves & surplus | | | Profit and loss | Other comprehensive income | Total other equity |
|---|--------------------|-------------------|----------------------|-----------------|----------------------------|--------------------|
| | Securities premium | General reserve | Amalgamation reserve | | | |
| Balance as at 1st April 20 | 16,453,515 | 28,684,448 | 39,056,600 | 1,800 | 487,283,144 | 569,026,936 |
| Current year : | | | | | | |
| Profit/(Loss) | - | - | - | - | 302,602,913 | 302,602,913 |
| Foreign currency translation reserve | - | - | - | - | 816,685 | 816,685 |
| Appropriations | | | | | | |
| General Reserve | - | 7,565,073 | - | - | (7,565,073) | - |
| Dividend paid | - | - | - | - | (7,682,499) | (7,277,369) |
| Other comprehensive Income for the year | - | - | - | - | 405,130 | (7,277,369) |
| Balance as at 31st Mar 21 | 16,453,515 | 36,249,520 | 39,056,600 | 1,800 | 774,638,485 | 865,169,165 |

As per our report of even date attached

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

Sd/-
Y. P. Rao
Partner
Membership No. 025266

For and on Behalf of the Board of Directors

Sd/-
Rabindra Prasad sinha
Executive Chairman

Sd/-
Amit Raj Sinha
Managing Director and CEO

Sd/-
Shreya Mitra
Company Secretary

Sd/-
S Chidambaranathan
Executive Vice Chairman

Sd/-
O. Subbarami Reddy
Chief Financial Officer

Place: Hyderabad
Date: 13.05.2022

Consolidated 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 March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Cash flows from operating activities | | |
| Profit/(loss) before tax | 51,59,86,634 | 38,48,37,341 |
| Adjustments to reconcile net loss to net cash provided by operating activities | | |
| Depreciation and amortisation | 2,90,47,722 | 2,31,09,420 |
| Scrap sales | – | (8,73,914) |
| Forex difference | (71,45,113) | 8,16,685 |
| Gratuity and compensated absence | 10,20,114 | 5,71,571 |
| Finance costs | 1,17,05,926 | 1,24,97,334 |
| Interest income | (69,89,105) | (8,65,033) |
| Changes in current assets and current liabilities | | |
| Inventories | (9,24,96,047) | 6,72,62,938 |
| Trade receivables | (24,36,70,954) | (8,15,49,126) |
| Trade payables | 2,65,10,093 | 72,02,315 |
| Other assets | (7,75,75,984) | (6,20,02,446) |
| Other liabilities | 1,80,17,798 | 1,09,26,184 |
| Cash generated from operations | 17,44,11,085 | 36,19,33,269 |
| Income taxes paid | (11,59,10,505) | (6,72,95,775) |
| Cash flow from non operating activities -Scrap sale | – | 8,73,914 |
| Net cash flow from operating activities (A) | 5,85,00,580 | 29,55,11,408 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (24,33,03,175) | (9,28,38,644) |
| Interest income | 69,89,105 | 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) | (62,85,77,208) | (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) | 14,81,14,197 | (8,72,52,321) |
| Finance costs | (1,17,05,926) | (1,24,97,334) |
| 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) | 1,08,37,39,674 | (10,69,21,692) |
| Net increase in cash and cash equivalents (A+B+C) | 51,36,63,046 | 7,42,66,428 |
| Cash and cash equivalents at the beginning of the year | 18,01,64,398 | 10,58,97,970 |
| Cash and cash equivalents at the end of the year | 69,38,27,444 | 18,01,64,398 |

As per our report of even date attached

For and on Behalf of the Board of Directors

For **T. Adinarayana & Co.**

Chartered Accountants

Firm Regn No. 000041S

Sd/-

Y. P. Rao

Partner

Membership No. 025266

Sd/-

Rabindra Prasad sinha

Executive Chairman

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 13.05.2022

Sd/-

Shreya Mitra

Company Secretary

Consolidated Notes forming part of the Financial Statements

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

1 Corporate information

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

2 Basis of Preparation and Presentation of Financial Statements

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

a) Basis of consolidation:

Subsidiaries:

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. Non-controlling interests ("NCI") in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively. The financial statements of the company and its subsidiary are combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profit or losses, except where cost cannot be recovered. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Company.

b) Foreign Currency:

i. Foreign currency transactions:

Transactions in foreign currencies are translated to the respective functional currencies of entities within the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in the consolidated statement of profit and loss in the period in which they arise.

ii. Foreign Operations:

Foreign exchange gains and losses arising from a monetary item receivable from a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of the net investment in the foreign operation and are recognised in OCI and presented within equity as a part of foreign currency translation reserve ("FCTR"). In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognised in OCI and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, such that control, significant influence or joint control is lost, the relevant amount in the FCTR is transferred to the consolidated statement of profit and loss.

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.

Consolidated Notes forming part of the Financial Statements

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

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.

Consolidated Notes forming part of the Financial Statements

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

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 currencies) are recognised at the rates of exchange prevailing at the date of transactions. At the end of each reporting period ,monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non -Monetary items carried at fair value that are

denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting these financial statements , the assets and liabilities of the company's foreign operations are translated into currency units using exchange rates prevailing at the end of each reporting period.

2.8 Property Plant & Equipment:

Recognition and measurement:

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and 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

Consolidated Notes forming part of the Financial Statements

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

Companies Act, 2013 ("Schedule"), which prescribes the useful lives for various classes of tangible assets. For assets acquired or disposed off during the year, depreciation is provided on pro rata basis. Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period with the effect of any changes in estimated useful lives residual values and impairment loss, if any, and are accounted for on a prospective basis.

Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

2.9 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

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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

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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 financing cash flows. The cash flows from operating, investing and financing activities of the company 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 retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Defined Contribution Benefits:

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

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

2.13 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 against the company, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur. The assessment of the existence, and potential quantum of contingencies inherently involve the exercise of significant judgement and the use of estimates regarding the outcome of future events.

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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. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that effects neither the taxable profit nor the accounting profit. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

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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, handling costs and other costs directly attributable to the acquisition and bringing the inventories to their present location and condition.

The basis of determination of cost is as follows:

Raw material, packing material and stock-in-trade 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.

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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

Consolidated Notes forming part of the Financial Statements

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4 Capital Work-in-Progress

| Particulars | Amount in ₹ |
|------------------------------------|--------------------|
| 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 |

CWIP ageing 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 asset under development aging schedule - **NIL**

NON-CURRENT ASSETS

5 NON-CURRENT INVESTMENTS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| 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 | – | – |
| Investments in Pasha Mailaram Common Infrastructure Pvt Ltd | 15,00,000 | 15,00,000 |
| | 15,00,000 | 15,00,000 |

6 OTHER NON-CURRENT FINANCIAL ASSETS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| 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 | – |
| Fixed deposits with maturity of more than 12 months | 31,91,00,000 | – |
| Other deposits | 61,88,199 | 45,94,431 |
| | 35,15,49,356 | 1,78,04,581 |

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

7 OTHER NON CURRENT ASSETS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------|-------------------------|-------------------------|
| Capital Advances | 8,50,21,082 | 2,65,02,718 |
| | 8,50,21,082 | 2,65,02,718 |

CURRENT ASSETS

8 INVENTORIES

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------|-------------------------|-------------------------|
| 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 furnace oil | 45,25,417 | 28,84,654 |
| Finished goods | 16,60,73,388 | 7,08,14,126 |
| | 28,74,75,087 | 14,84,48,050 |
| Work-in-process | 1,69,99,577 | 6,35,30,567 |
| | 30,44,74,664 | 21,19,78,617 |

Valuation:

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

9 TRADE RECEIVABLES

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------|-------------------------|-------------------------|
| Receivable from others: | | |
| Considered good-Un secured | 60,12,43,220 | 35,75,72,266 |
| Considered doubtful-Un secured | 55,17,477 | 21,20,444 |
| Less: Expected credit loss allowance | (55,17,477) | (21,20,444) |
| Total Receivables | 60,12,43,220 | 35,75,72,266 |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member (except from subsidiary company as stated above). Before accepting any new customer, the company uses an external credit scoring system and other potential information to assess the customer credit quality and defines credit limit.

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

Refer Note no. 33.A for trade receivables ageing

Consolidated Notes forming part of the Financial Statements

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

10 CASH AND CASH EQUIVALENTS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Balances with banks | | |
| In Current accounts | 29,01,34,521 | 15,81,48,945 |
| 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 |
| | 29,08,05,882 | 15,89,92,836 |

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| 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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| 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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| 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 |

Note 14: EQUITY SHARE CAPITAL

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Authorised share capital | | |
| 3,20,00,000 Equity shares of ₹10/- each (Previous year 1,20,00,000 Equity shares of ₹10/-each) | 32,00,00,000 | 12,00,00,000 |
| Issued, subscribed and fully paid-up | | |
| 3,07,42,500 Equity Shares of ₹10/- each with voting rights (Previous year 76,82,500 Equity shares of ₹10/-each) | 30,74,25,000 | 7,68,25,000 |
| | 30,74,25,000 | 7,68,25,000 |

Consolidated Notes forming part of the Financial Statements

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

Note 14: EQUITY SHARE CAPITAL (Contd..)

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

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|---------------------|----------------------|--------------------|
| | 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 Issue)

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 allotted 1,53,65,000 fully-paid-up equity shares of face value ₹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 ₹10 each at an issue price of ₹163 (Including premium of ₹153 per share).The Equity shares of the company were listed on BSE and NSE on 15.11.2021 .

d. Rights attached to the equity shares

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

e. 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% |

15 NON- CURRENT BORROWINGS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|----------------------|----------------------|
| 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 |

Consolidated Notes forming part of the Financial Statements

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

Term Loans:

All term loans are secured by exclusive first charge on fixed assets created out of the term loans extended by the term lender and the second charge on the remaining fixed assets of the company (both present and future) by way of hypothecation of movable fixed assets and also equitable mortgage of immovable fixed assets of the company and personal guarantee of Rabindra Prasad Sinha, S Chidambaramathan, 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 hypothecation of concerned vehicle. Refer note 31.B

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

16 PROVISIONS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| 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:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| 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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------|-------------------------|-------------------------|
| Secured: | | |
| From banks | 32,96,80,220 | 18,16,18,025 |
| UnSecured: | | |
| From NBFC and Others | 15,16,076 | 14,64,073 |
| | 33,11,96,295 | 18,30,82,098 |

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

Consolidated Notes forming part of the Financial Statements

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

19 TRADE PAYABLES-Other financial liabilities -Current

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Due to micro, small and medium enterprises | – | – |
| Others | 10,60,26,424 | 7,95,16,331 |
| | 10,60,26,424 | 7,95,16,331 |

Refer Note no. 33.B for trade payables ageing

20 OTHER FINANCIAL LIABILITIES-Current

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------|-------------------------|-------------------------|
| 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 CURRENT LIABILITIES

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------|-------------------------|-------------------------|
| Statutory remittances | 50,30,456 | 11,04,169 |
| Accrued expense payable | 2,84,19,871 | 1,40,70,607 |
| Employee benefits payable | 2,14,36,197 | 2,30,76,021 |
| Advances from customers | 37,93,057 | 51,47,692 |
| | 5,86,79,580 | 4,33,98,488 |

22 PROVISIONS

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Provision for Income tax(Net) | 1,28,33,765 | 84,76,928 |
| | 1,28,33,765 | 84,76,928 |

23 REVENUE FROM OPERATIONS

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------------------------------------|------------------------------|------------------------------|
| Sale of products | 2,36,87,26,888 | 1,80,56,34,979 |
| Sale of services | 13,41,71,063 | 12,19,22,565 |
| | 2,50,28,97,951 | 1,92,75,57,545 |
| i. Sale of products | | |
| Export | | |
| MCCP | 1,68,85,76,981 | 1,29,64,91,094 |
| 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 |
| | 2,36,87,26,888 | 1,80,56,34,979 |
| ii. Sale of services | | |
| Operational and Maintenance income | 13,41,71,063 | 12,19,22,565 |
| | 13,41,71,063 | 12,19,22,565 |

Consolidated Notes forming part of the Financial Statements

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

24 OTHER INCOME

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| 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

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------|------------------------------|------------------------------|
| Opening stock | 7,76,33,925 | 11,67,09,167 |
| Add: Purchases | 1,27,84,18,727 | 94,00,38,625 |
| Less: Closing stock | 12,14,01,699 | 7,76,33,924 |
| | 1,23,46,50,953 | 97,91,13,868 |

26 CHANGES IN INVENTORIES OF WORK-IN-PROCESS AND FINISHED GOODS

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Inventories at the end of the year | | |
| Finished Goods | 16,60,73,388 | 7,08,14,126 |
| Work-in- process | 1,69,99,577 | 6,35,30,567 |
| | 18,30,72,965 | 13,43,44,693 |
| Inventories at the beginning of the year | | |
| Finished Goods | 7,08,14,126 | 5,50,76,117 |
| Work-in- process | 6,35,30,567 | 10,74,56,271 |
| Net (increase)/decrease | (4,87,28,272) | 2,81,87,695 |

27 EMPLOYEE BENEFIT EXPENSE

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Salaries and wages | 14,09,72,487 | 11,72,50,330 |
| 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 |
| | 21,08,04,450 | 17,37,52,189 |

28 FINANCE COSTS

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------------------------|------------------------------|------------------------------|
| Interest on borrowings | 66,37,863 | 77,07,378 |
| Bank Charges | 45,12,814 | 40,33,287 |
| Interest Expense | 18,915 | 21,876 |
| Other borrowing costs | 5,36,334 | 7,34,793 |
| | 1,17,05,926 | 1,24,97,334 |

Consolidated Notes forming part of the Financial Statements

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

29 OTHER EXPENSES

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| 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 | 92,96,380 | 74,08,786 |
| Electricity charges | 4,67,582 | 4,71,866 |
| Insurance | 1,00,13,174 | 1,70,07,265 |
| Rates and taxes | 50,23,232 | 73,65,785 |
| R&D Expenses | 42,98,138 | 32,45,057 |
| Printing and stationery | 23,61,831 | 21,76,664 |
| Selling Expenses | 2,93,54,879 | 1,90,64,373 |
| Travelling and conveyance | 1,89,04,064 | 1,50,34,334 |
| Professional & consultancy fees | 1,68,58,811 | 1,08,27,768 |
| Remuneration to auditors | | |
| Statutory audit | 3,00,000 | 1,50,000 |
| Tax audit | 1,00,000 | 50,000 |
| Communication expenses | 36,97,482 | 23,71,655 |
| Carriage Outward | 26,28,72,255 | 8,03,08,649 |
| Impairment loss recognized / (reversed) 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 | 16,25,453 | 45,54,260 |
| CSR (Refer note no.42) | 65,60,998 | 43,52,127 |
| | 37,71,50,139 | 17,67,35,335 |
| Total | 57,57,26,616 | 35,86,07,249 |

30 INCOME TAXES

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

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------------|------------------------------|------------------------------|
| Current tax expense | 10,50,84,902 | 6,72,95,775 |
| Deferred tax expense | 1,08,25,602 | 1,51,05,094 |
| Total income tax expense | 11,59,10,505 | 8,24,00,869 |

Reconciliation of effective tax rate

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Profit before Income Tax (Standalone) | 48,96,55,968 | 37,11,99,584 |
| Profit before Income Tax (Subsidiary) | 3,73,26,763 | 2,02,50,955 |
| Tax Rate (Standalone) | 29.12% | 17.47% |
| Tax Rate (Subsidiary) | 21.00% | 8.09% |
| Expected tax expense | 15,04,26,438 | 6,64,86,870 |
| Adjustments: | | |

Consolidated Notes forming part of the Financial Statements

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

30 INCOME TAXES (Contd..)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| 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 | 39,14,50,539 |
| Interest u/s 234C | 9,77,102 | 8,02,213 |
| Income tax expense | 10,50,84,903 | 6,72,95,775 |
| Effective tax rate | 19.94% | 18.13% |

Deferred tax assets and liabilities

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Deferred tax (assets)/liabilities: | | |
| Property, plant and equipment | 1,11,21,075 | 1,50,65,971 |
| 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 | 1,51,05,094 |

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 | 1,50,65,971 | (39,44,896) | 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 | 1,51,05,094 | (42,79,492) | 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% . |

Consolidated Notes forming part of the Financial Statements

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

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 | 01-Jan-18 | 05-Dec-18 | 08-Jan-19 | 05-Jul-20 | 22-Oct-19 |
| Effective interest rate | 8.40% | 10.34% | 10.34% | 6.50% | 9.50% |

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% | – |
| Loans repayable on demand-Unsecured | | | | |
| Others | 15,16,076 | – | – | – |

32 EMPLOYEE BENEFITS

a. Defined contribution plan

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

b. Defined benefit plan

i. Gratuity:

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

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:

Consolidated Notes forming part of the Financial Statements

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

32 EMPLOYEE BENEFITS (Contd..)

i. Changes in the present value of obligation

| Particulars | As at March 31, 2022 | As at March 31, 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 March 31, 2022 | As at March 31, 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 March 31, 2022 | As at March 31, 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 March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| 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 March 31, 2022 | As at March 31, 2021 |
|--------------------------------|-------------------------|-------------------------|
| Discount rate (per annum) | 7.18% | 6.80% |
| Salary growth rate (per annum) | 5.00% | 5.00% |

Consolidated Notes forming part of the Financial Statements

(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 March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Profit after tax attributable to equity shareholders | 40,03,73,187 | 30,26,02,913 |
| 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 | 15.44 | 13.13 |
| Diluted earnings per share | 15.44 | 13.13 |

Earning per share calculations are in accordance with Indian Accounting Standard 33-Earning Per Share, notified under section 133 of the companies act, 2013, read together with paragraph 7 of the companies (Accounts) Rules, 2015. As per Ind AS 33 paragraph 28, in case of bonus share, the number of shares outstanding before the event is adjusted for the proportionate change in the no. of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. In case of new issue of shares, for the purpose of calculating basic earning per share, the number of ordinary shares shall be the weighted average no. of ordinary shares outstanding during the period.

33.A Trade Receivables ageing schedule

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|----------------------|-----------|-----------|----------------------|--------------|
| | Less than 6 Months | 6 months - 1 Year | 1-2 Years | 2-3 years | More than 3 Years | |
| (1) Undisputed Trade receivables - Considered good | 57,72,98,397 | 1,55,00,059 | 10,71,343 | 6,88,213 | 1,22,02,685 | 60,67,60,698 |
| (2) Undisputed Trade receivables - Significant increase in credit risk | - | 2,25,116 | 2,14,269 | 1,37,643 | 18,15,559 | 23,92,587 |
| (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 | - | - | - | - | - | - |

Consolidated Notes forming part of the Financial Statements

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

33 EARNINGS PER SHARE (Contd..)

33.B Trade payables ageing schedule

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|---------------------------|--|-----------|-----------|-------------------|--------------|
| | Less than 1 year | 1-2 Years | 2-3 years | More than 3 Years | |
| (1) MSME | - | - | - | - | - |
| (2) Others | 10,39,76,572 | 20,49,851 | - | - | 10,60,26,423 |
| (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 March 31, 2022 | Year ended March 31, 2021 |
|-------------------------|---------------------------|---------------------------|---------------------------|
| 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 |

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

Consolidated Notes forming part of the Financial Statements

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

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

b. Bank Guarantees:

The Bank Guarantees as at 31st March 2022 are ₹ 1,03,92,565/- and as at 31st March 2021 are ₹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 ₹ |
|---|-------------|
| 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 succeeding 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 categories as of 31st Mar 22 are as follows

| Particulars | Carrying value | Level of input used in | | | Fair value |
|---------------------------|----------------|------------------------|---------|---------|--------------|
| | | Level 1 | Level 2 | Level 3 | |
| Financial assets | | | | | |
| At Amortised cost | | | | | |
| Investments* | - | - | - | - | - |
| Trade receivables | 60,12,43,220 | - | - | - | 60,12,43,220 |
| Cash and cash equivalents | 29,08,05,882 | - | - | - | 29,08,05,882 |
| Other bank balances | 40,30,21,562 | - | - | - | 40,30,21,562 |

Consolidated Notes forming part of the Financial Statements

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

| Particulars | Carrying value | Level of input used in | | | Fair value |
|------------------------------|----------------|------------------------|---------|--------------|--------------|
| | | Level 1 | Level 2 | Level 3 | |
| 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 | 10,60,26,424 | – | – | – | 10,60,26,424 |
| Other financial liabilities | 56,98,984 | – | – | – | 56,98,984 |

The carrying value and fair value of financial instruments by categories 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 | 35,75,72,266 | – | – | – | 35,75,72,266 |
| Cash and cash equivalents | 15,89,92,836 | – | – | – | 15,89,92,836 |
| 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 | 20,19,72,450 | – | – | 20,19,50,574 | 20,19,50,574 |
| Trade payables | 7,95,16,331 | – | – | – | 7,95,16,331 |
| 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.

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.

Consolidated Notes forming part of the Financial Statements

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

| Particulars | March 31,2022 | March 31,2021 |
|--|-----------------------|---------------------|
| Non current borrowings | 1,21,37,188 | 1,88,68,475 |
| Current borrowings | 33,53,79,204 | 19,04,01,212 |
| Total debts | 34,75,16,392 | 20,92,69,688 |
| Less: Cash and cash equivalents | 29,08,05,882 | 15,89,92,836 |
| Other bank balances | 72,21,21,562 | 2,11,71,562 |
| Adjusted net debts | (66,54,11,053) | 2,91,05,290 |
| Equity | 30,74,25,000 | 7,68,25,000 |
| Other equity | 1,96,73,90,645 | 86,51,69,165 |
| Total equity | 2,27,48,15,645 | 94,19,94,165 |
| 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 Committee reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

a. Credit risk

Credit Risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the company. The Company has a prudent and conservative process for managing its credit risk raising in the course of its business activities. Credit risk is managed through continuously monitoring the creditworthiness of customers and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

The company makes an allowance for doubtful debts/advances using expected credit loss model.

b. Liquidity risk

Liquidity Risk refers to the risk that the company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the board of directors , which has established an appropriate liquidity risk management framework for the management of the company's short term , medium term and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves ,banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The company has obtained fund and non fund based working capital loans from bank .The borrowed funds are generally applied for company's own operational activities.

The table below provides details regarding the contractual maturities of significant financial liabilities.

| Particulars | Up to 1 Year | 1 to 3 years | 3 to 5 years |
|------------------------|---------------------|--------------------|------------------|
| 31-Mar-22 | | | |
| Non current borrowings | 56,98,984 | 1,21,37,188 | |
| Current borrowings | 33,11,96,295 | – | – |
| Trade payables | 10,60,26,424 | – | – |
| Other payables | 5,86,79,580 | – | – |
| | 50,16,01,283 | 1,21,37,188 | – |
| 31-Mar-21 | | | |
| Non current borrowings | 1,19,93,659 | 1,87,20,099 | 27,45,804 |
| Current borrowings | 28,46,95,079 | – | – |
| Trade payables | 7,23,14,016 | – | – |
| Other payables | 3,26,21,928 | – | – |
| | 40,16,24,681 | 1,87,20,099 | 27,45,804 |

Consolidated Notes forming part of the Financial Statements

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

40. Financial Risk Management (Contd..)

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 foreign exchange arised from its foreign operations, foreign currency revenues and expenses, (Primarily in US Dollars).Consequently, the company is exposed to foreign exchange risk through its sales and purchases to/from overseas customers/suppliers in various 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 | 1,56,646 | 37,698 |
| Trade receivables | 76,21,774 | 41,06,189 |
| Other assets | 21,10,682 | 9,28,189 |
| Total | 98,89,101 | 50,72,077 |
| Liabilities | | |
| Trade payables | 33,01,742 | 16,39,180 |
| Other liabilities | 1,16,145 | 44,436 |
| Total | 34,17,887 | 16,83,616 |
| Net Exposure | 64,71,215 | 33,88,461 |

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 | 64,712 | (64,712) | - | - |
| USD | | | | |
| | 64,712 | (64,712) | - | - |

31-Mar-21

| Effect in INR | Profit or loss | | Equity net of tax | |
|---------------|----------------|-----------------|-------------------|-----------|
| | Strengthening | Weakening | Strengthening | Weakening |
| 1% movement | 33,885 | (33,885) | - | - |
| USD | | | | |
| | 33,885 | (33,885) | - | - |

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

Consolidated Notes forming part of the Financial Statements

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

40. Financial Risk Management (Contd..)

the liquidity and fund requirements for its day to day operations like working capital, suppliers /buyers credit.

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

| Particulars | March 31,2022 | March 31,2021 |
|--------------------------------------|---------------------|---------------------|
| Floating rate instruments | | |
| Financial liabilities | | |
| Term loans from banks | 1,78,36,172 | 2,61,87,589 |
| Working capital facilities from bank | 33,11,96,295 | 18,30,82,098 |
| Total | 34,90,32,467 | 20,92,69,688 |

Cash flow sensitivity analysis for variable -rate instruments

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

| Cash flow sensitivity (net) | Profit or loss | |
|---------------------------------------|-----------------|-------------------|
| | 25 bp increase | 25 bp decrease |
| 31-Mar-22 | | |
| Variable rate loan instruments | 8,72,581 | (8,72,581) |
| 31-Mar-21 | | |
| Variable rate loan instruments | 5,23,174 | (5,23,174) |

41. Ratios

| Particulars | March 31,2022 | March 31,2021 |
|----------------------------------|---------------|---------------|
| Current ratio | 3.47 | 2.71 |
| Debt -Equity Ratio | 0.15 | 0.22 |
| Debt Service Coverage ratio | 1.60 | 2.01 |
| Return on Equity ratio | 0.18 | 0.32 |
| Inventory turnover ratio | 0.13 | 0.12 |
| Trade Receivables Turnover ratio | 0.24 | 0.19 |
| Trade payables Turnover ratio | 12.05 | 11.82 |
| Net Capital Turnover Ratio | 1.10 | 2.05 |
| Net Profit Ratio | 0.16 | 0.15 |
| Return on Capital Employed | 42.96% | 46.40% |

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 |

Consolidated Notes forming part of the Financial Statements

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

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.

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 been confirmed by the parties. No material discrepancies are observed.

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

As per our report of even date attached

For and on Behalf of the Board of Directors

For **T. Adinarayana & Co.**

Chartered Accountants

Firm Regn No. 000041S

Sd/-

Y. P. Rao

Partner

Membership No. 025266

Sd/-

Rabindra Prasad sinha

Executive Chairman

Sd/-

S Chidambaranathan

Executive Vice Chairman

Sd/-

Amit Raj Sinha

Managing Director and CEO

Sd/-

O. Subbarami Reddy

Chief Financial Officer

Place: Hyderabad

Date: 13.05.2022

Sd/-

Shreya Mitra

Company Secretary

NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the Members of Sigachi Industries Limited will be held on Monday, 29th of August, 2022 at 11:00 A.M. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Rabindra Prasad Sinha (DIN: 00413448), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Chidambaranathan Shanmuganathan, (DIN: 00485497), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. RATIFICATION OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2022-23:

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactments thereof, for the time being in force), and on recommendations of the Audit Committee and as approved by the Board of Directors, consent of the Members be and is here by accorded for payment of remuneration of Rs 30,000/- (Rupees Thirty Thousand Only) plus out of pocket expenses and applicable taxes to **M/s MPR & Associates**, (Registration No. 000413) Cost Accountants to conduct the audit of the Cost Records of the Company for the Financial Year ended 31st March 2023.

RESOLVED FURTHER THAT Mr. Amit Raj Sinha, Managing Director or Ms. Shreya Mitra, the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution."

5. REVISION OF REMUNERATION OF MR. RABINDRA PRASAD SINHA (DIN: 00413448) CHAIRMAN AND WHOLETIME DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 197,198 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016, as amended from time to time, consent of the members of the Company be and is hereby accorded to increase the remuneration of Mr. Rabindra Prasad Sinha, Chairman and Whole-time Director of the Company to Rs 4,80,000/- p.m. w.e.f. 01.04.2022 for the remaining period i.e., up to 30.11.2024 and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time."

"RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Rabindra Prasad Sinha, Chairman and Whole-time Director of the Company, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time".

"RESOLVED FURTHER THAT Mr. Amit Raj Sinha, Managing Director or Ms. Shreya Mitra, the Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution including filing of all such necessary documents as may be required in this regard."

6. REVISION OF REMUNERATION OF MR. CHIDAMBARANATHAN SHANMUGANATHAN (DIN: 00485497) VICE CHAIRMAN AND WHOLE TIME DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 197,198 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016, as amended from time to time, consent of the members of the Company be and is hereby accorded to increase the remuneration of Mr. Chidambaranathan Shanmuganathan, Vice Chairman and Whole time Director of the Company to Rs 4,80,000/- p.m. w.e.f. 01.04.2022 for the remaining period i.e., upto 30.11.2024 and the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits in terms of Schedule V of the Companies Act, 2013, as amended from time to time."

“RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during his tenure, the Company shall pay to Mr. Chidambaranathan Shanmuganathan, Vice Chairman and Whole time Director of the Company, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

“RESOLVED FURTHER THAT Mr. Amit Raj Sinha, Managing Director or Ms. Shreya Mitra, the Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution including filing of all such necessary documents as may be required in this regard.”

7. RE-APPOINTMENT OF MR. SARVESWAR REDDY SANIVARAPU [DIN: 00459605] AS AN INDEPENDENT DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 149, 150, 152 and other applicable provisions if any, of the Companies Act, 2013 (“the Act”), the Rules made thereunder and read with Schedule IV of the Act (including any statutory modification(s) or re-enactment thereof for time being in force), approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Sarveswar Reddy Sanivarapu as an Independent Director of the Company, who has submitted a declaration confirming the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term of five consecutive years and is not liable to retire by rotation w.e.f. 26th August 2022 to 25th August 2027.

RESOLVED FURTHER THAT Mr. Amit Raj Sinha, Managing Director or Ms. Shreya Mitra, the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.”

8. TO APPROVE ‘SIGACHI STOCK APPRECIATION RIGHTS SCHEME 2022’:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to section 62(1)(b) of the Companies Act, 2013 read with rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force and subject to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [**“SEBI (SBEBSE) Regulations”**], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 [all together referred to as **“Applicable Law”**], the Memorandum and Articles of Association of the Company and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include Nomination and Remuneration Committee of the Board herein after referred to as “the Committee”), approval of the members be and is hereby accorded for **“Sigachi Stock Appreciation Rights Scheme 2022”** (hereinafter referred to as “the Scheme”) the salient features of which are detailed in the explanatory statement to this Notice and to offer, grant and issue such number of Employee Stock Appreciation Rights (ESARs) under the scheme, to such persons who may be eligible from time to time for benefits of Eligible Employees in accordance with the **SEBI (SBEBSE) Regulations/ Guidelines** or any other applicable provisions as may be prevailing at that time, if any.

RESOLVED FURTHER THAT the SARs shall be granted in accordance with the Scheme directly to eligible employees of Sigachi Industries Limited.

***Employee -**

- (i) a permanent employee as designated by the company, who is exclusively working in India or outside India; or
- (ii) a director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- (iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the company, but does not include—
 - (a) an employee who is a promoter or a person belonging to the promoter group; or
 - (b) a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company;

RESOLVED FURTHER THAT the Board of Directors may authorize Nomination & Remuneration Committee (“Committee”), to be designated as the Compensation Committee in pursuance of the SEBI (SBEB&SE) Regulations, 2021 and to formulate, evolve, decide upon and bring into effect Sigachi Stock Appreciation Rights Scheme 2022, on such terms and conditions as contained in relevant explanatory statement and to make any change(s), modifications, variations, revisions in the terms and conditions of the Sigachi Stock Appreciation Rights Scheme 2022 from time to time.

RESOLVED FURTHER THAT the Company shall conform to the applicable accounting policies, guidelines or

accounting standards prescribed from time to time including the disclosure requirements under the SEBI (SBEBSE) Regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper including to appoint Merchant Bankers, Solicitors, Registrars and other advisors, Consultants or Representatives, being incidental to the effective implementation and administration of **Sigachi Stock Appreciation Rights Scheme 2022** if any applicable and to settle any questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board/ Committee is authorized to do so for the purpose of giving effect to this resolution.”

9. TO APPROVE EXTENDING BENEFITS OF STOCK APPRECIATION RIGHTS SCHEME TO THE EMPLOYEES OF GROUP COMPANY (IES), SUBSIDIARY, ASSOCIATE AND/OR HOLDING COMPANY (IES)

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [**“SEBI (SBEBSE) Regulations”**], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred as **“Applicable Laws”**), the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary from any other authorities, if any, and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **“the Board”** which term shall include the Nomination

& Remuneration Committee or any other Committee, to exercise its powers, including the powers conferred by this Resolution and SEBI (SBEBSE) Regulations to grant, offer and issue, in one or more tranches ESARs, to such eligible employees of the Group Company(ies), Subsidiary, Associate and/or Holding Company(ies) of the Company, who are eligible to participate as per the Applicable Laws and as may be decided by the Board/ Committee, under a scheme titled **Sigachi Stock Appreciation Rights Scheme 2022** (referred to as **“SARs 2022”/ “Scheme”**) the salient features of which are detailed in explanatory statement, and on such terms and conditions as may be determined by the Board/Committee in accordance with the Applicable Law as may be prevailing from time to time.”

RESOLVED FURTHER THAT the Company shall conform to the applicable accounting policies, guidelines or accounting standards prescribed from time to time including the disclosure requirements under the SEBI (SBEBSE) Regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper including to appoint Merchant Bankers, Solicitors, Registrars and other advisors, Consultants or Representatives, being incidental to the effective implementation and administration of **Sigachi Stock Appreciation Rights Scheme 2022** if any applicable and to settle any questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board/ Committee is authorized to do so for the purpose of giving effect to this resolution.”

By order of the Board
Sigachi Industries Limited

Sd/-

Shreya Mitra

Company Secretary &
Compliance Officer

Date: 22.07.2022
Place: Hyderabad

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid -19", General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as "the Circulars"), in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM.

Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

2. The Deemed Venue of the 33rd AGM of the Company shall be its Registered Office.
3. Since the AGM will be held through VC/OAVM (e-AGM), the Route Map for venue of AGM is not annexed to the Notice.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum of the AGM under Section 103 of the Act.
5. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 as aforesaid, Notice of the AGM along with the Annual Report (viz. Financial Statement) for Financial Year 2021-2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/R&T Agent. Members may note that the Notice and Annual Report for Financial Year 2021-22 will also be available on the Company's website www.sigachi.com, websites of the Stock Exchanges i.e., BSE Limited at www.bseindia.com and www.nseindia.com respectively and on the website of R&T Agent of the Company viz. Bigshare Services Pvt. Ltd at www.bigshareonline.com.

Alternatively, Member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy, DP ID (in case of electronic mode shares), via e-mail at the Email Id – Bigshare Services Pvt. Ltd for obtaining the Annual Report and Notice of e-AGM of the Company electronically.

6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 23.08.2022 to 29.08.2022 (including both days).
9. To avoid fraudulent transaction(s), the identity / signature of the Members holding shares in electronic /demat form is verified with the specimen signatures furnished by NSDL/ CDSL and members holding shares in physical form is verified as per the records of the R&T Agent of the Company. Members are requested to keep the same updated.
10. Members holding shares in the electronic form are requested to inform any changes in address/ bank mandate directly to their respective Depository Participants.
11. The Securities and Exchange Board of India issued a circular for submission of Aadhar number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit Aadhar Card details to the Depository Participants with whom they have demat accounts.
12. Members are requested to send their queries at least 5 days before the date of meeting so that information can be made available at the meeting.
13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/ her shall vest in the event of his/ her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13, and to their respective depository participant, if held in electronic form.
14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, which extended vide SEBI circular dated January 15, 2021, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
15. For any communication, the shareholders may also send requests to the Company's investor email id: investors@sigachi.com
16. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the 33rd Annual General Meeting of the company being conducted through Video Conferencing (VC) herein after called as "e-AGM".
17. e-AGM: Company has appointed CDSL to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.

18. Pursuant to the provisions of the circulars of AMC on the VC/OVAM(e-AGM):
- Members can attend the meeting through log in credentials provided to them to connect to Video conference. Physical attendance of the Members at the Meeting venue is not required.
 - Appointment of proxy to attend and cast vote on behalf of the member is not available.
 - Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
19. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
20. Up to 10000 members will be able to join on a FIFO basis to the e-AGM.
21. No restrictions on account of FIFO entry into e-AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
22. The company has appointed Ms. Aakanksha, Practicing Company Secretary, as scrutinizer of the company to scrutinize the voting process.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E- VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- The voting period begins on 26.08.2022 at 09.00 A.M and ends on 28.08.2022 at 05.00 P.M. During this period shareholders of the Company, holding shares as on the cut-off date i.e. 22.08.2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Type of shareholders Login Method

| | |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e- Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e- Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
|---|--|

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e- Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e- Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e- Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |
| Individual Shareholders (holding securities in Demat mode) log in through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e- Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e- Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

- (v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders" module.

- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

VIII)

For Shareholders holding shares in Demat Form other than individual and Physical Form

| | |
|-------------------------------|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. |
| Of Birth (DOB) | <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for Sigachi Industries Limited on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Facility for Non – Individual Shareholders and Custodians – Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@sigachi.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@sigachi.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@sigachi.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

11. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e- Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022- 23058542/43.

By order of the Board
Sigachi Industries Limited

Sd/-

Shreya Mitra

Company Secretary &
Compliance Officer

Date: 22.07.2022
Place: Hyderabad

**EXPLANATORY STATEMENT
PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

FOR ITEM NO. 4

The Board in its meeting held on 13.05.2022, has approved the appointment of **M/s. MPR & Associates (Registration No. 000413) as Cost Auditors** to examine and conduct audit of cost records of the Company for the year ending 31st March 2023, at a remuneration of Rs 30,000/- per annum plus tax and out of pocket expenses incurred in connection with the audit. M/s. MPR & Associates, has furnished a certificate that it is not disqualified under the provisions of Section 148(5) read with Sections 139 and 141(3) of the Act and his appointment will be within the limits prescribed under Section 141(3)(g) of the Act.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is being sought for passing an Ordinary Resolution at item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the year ending 31st March 2023.

The Board recommends the Resolution at Item No. 4 of the Notice for approval by the Members.

None of the directors or Key Managerial personnel of the Company or their respective relatives is concerned or interested financially or otherwise, in the Resolution set out at Item No. 4.

ITEM NO. 5 and 6:

At the Annual General Meeting held on 28.09.2019, Mr. Rabindra Prasad Sinha (DIN: 00413448) and Mr. S Chidambaranathan (DIN: 00485497) were reappointed as the Whole-Time Directors of the Company with effect from 01st December, 2019 for a period of five years at remuneration of Rs 3,60,000 each per month with an annual increment of Rs 40,000/- per month as mentioned below:

Details of remuneration are:

Salary: In the scale of Rs 3,60,000 /-, Rs 4,00,000 /-, Rs 4,40,000/-, Rs 4,80,000/- and Rs 5,20,000/- P.M. for the 1st, 2nd, 3rd, 4th and 5th year respectively and so on.

Based on the recommendations of the Nomination and Remuneration Committee, and having considered the contribution of Mr. Rabindra Prasad Sinha (DIN: 00413448) and Mr. S Chidambaranathan (DIN: 00485497) in terms of leadership, strategy formulation and execution, financial planning, maintaining relations both with the board and external entities, improving the turnovers and profitability of the company, the Board in its meeting held on 3rd March 2022 increased their remuneration to Rs 4,80,000 per month and so on as mentioned above w.e.f 01.04.2022 for the remaining period of their tenure i.e., 30.11.2024.

The Board of Directors recommends the passing of the above resolutions as Special resolutions as set out in the item no. 5 & 6.

None of the other Directors/Key Managerial Personnel and their relatives except Mr. Rabindra Prasad Sinha, Mr. Amit Raj Sinha, being his relative and Mr. S Chidambaranathan, are in any way interested or concerned financially or otherwise, in the Resolutions set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION

- 1 Nature of Industry : Pharmaceutical Industry
- 2 Date or expected date of commencement of commercial: The Company started its commercial operations in the year 1990.
- 3 In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable
- 4 Financial performance based on given indications

| Particulars | (Rs In lakhs) | | |
|----------------------------|----------------|----------|----------|
| | 2021-22 | 2020-21 | 2019-20 |
| Turnover | 24940.47 | 18794.23 | 13882.48 |
| Net profit /loss after Tax | 3802.88 | 2906.03 | 2042.23 |

II. INFORMATION ABOUT THE APPOINTEES:

| S. No | Particulars | Mr. Rabindra Prasad Sinha | Mr. Chidambarnathan Shanmuganathan |
|-------|--|--|---|
| 1. | Background Details | Mr. Rabindra Prasad Sinha, aged about 72 years, is associated with the Company since its inception. He is the founding member and is actively involved in the strategic decision making for our Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, business development and management of overall business. He has an experience of over three decades in the cellulose and fine chemicals industry. | Mr. Chidambarnathan Shanmuganathan aged about 79 years, is associated with the Company since its inception. He is the founding member and is actively involved in the strategic decision making for our Company, pertaining to corporate and administrative affairs, financial operations, expansion activities, business development and management of overall business. He has an experience of more than five decades in the field of variety of chemicals and derivatives of cellulose. |
| 2. | Past Remuneration | Rs 3,60,000/- per month | Rs 3,60,000/- per month |
| 3. | Job Profile and his suitability | Contribution in terms of leadership, strategy formulation and execution, financial planning, maintaining relations both with the board and external entities, improving the turnovers and profitability of the company. | Contribution in terms of leadership, strategy formulation and execution, financial planning, maintaining relations both with the board and external entities, improving the turnovers and profitability of the company. |
| 4. | Remuneration proposed | Rs 4,80,000/- per month | Rs 4,80,000/- per month |
| 5. | Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): | Taking into consideration the size of the Company, the profile of Mr. Rabindra Prasad Sinha, Whole-time Director and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to such positions in other companies. | Taking into consideration the size of the Company, the profile of Mr. Chidambarnathan Shanmuganathan, Whole-time Director and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to such positions in other companies |
| 6. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any | Mr. Rabindra Prasad Sinha is the father of Mr. Amit Raj Sinha, CEO and Managing Director of the Company. | Not Applicable |

III. OTHER INFORMATION:

- Steps taken or proposed to be taken for improvement: The Company successfully completed IPO during the year 2021-2022 and raised a sum of Rs 125.43 crores with an object of expansion of production facilities of MCC at Dahej and Jhagadia and for general corporate purposes. Thus, all necessary efforts are being made to increase the production and efficiency which in turn will add to the growth of the business as well as the profitability.
- Expected increase in productivity and profit in measurable terms: The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will increase considerably in the coming years with the effective utilization of IPO proceeds towards expansion of the existing capacities in addition to the creation of new capacities in terms of production.

ITEM NO. 7:

The Members of the Company in the Annual General Meeting held on 28th September 2020 approved the appointment of Mr. Sarveswar Reddy Sanivarapu as an Independent Director of the Company for a period of 2 years with effect from 26th August 2020 to 25th August 2022. Mr. Sarveswar Reddy Sanivarapu shall complete his tenure on 25th August 2022.

The Board of Directors of the Company ("the Board") at the meeting held on 22nd July 2022, based on the recommendation

of the Nomination & Remuneration Committee ("the Committee"), recommended to the Members, the re-appointment of Mr. Sarveswar Reddy Sanivarapu as an Independent Director of the Company with effect from 26th August 2022, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ("the Act") for a period of 5 years.

The Committee and the Board are of the view that, given the knowledge, experience and performance of Mr. Sarveswar Reddy Sanivarapu and contribution to Board processes by him, his continued association would benefit the Company.

Declaration has been received from him that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. In the opinion of the Board, he fulfils the conditions specified in the Act, for re-appointment as an Independent Director and he is independent of the management of the Company.

Consent of the Members by way of Special Resolution is required for the re-appointment of Mr. Sarveswar Reddy Sanivarapu, in terms of Section 149 of the Act.

None of the Directors and Key Managerial Personnel of the Company except Mr. Sarveswar Reddy Sanivarapu or their relatives, are interested in the above Resolution.

ITEM NO. 8 and 9:

TO APPROVE 'SIGACHI STOCK APPRECIATION RIGHTS SCHEME 2022':

In today's competitive world, employees are company's most important resource and asset. The Company fully recognizes the above fact and wants its employees to participate and share the fruits of growth and prosperity along with the Company. The Company believes in rewarding its employees and employees of the Subsidiary Company(ies) including Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) of the Company for their continuous hard work, dedication and support, which has led the Company on the growth path.

Sigachi Industries Limited ("the company") acknowledges that its growth may be attributed to the direction and contributions of the employees and would therefore like to provide them the option to participate and share in the wealth created similar to other stakeholders i.e., clients, investors, governments, and society. As a gesture aligned to this objective, Stock Appreciation Rights Scheme shall be implemented:

- a. To promote success of the Company by rewarding and motivating the employees;
- b. To attract and retain talents;
- c. To link interests of employees with Shareholders;
- d. To foster ownership; and
- e. To reward for loyalty.

Given the objectives, the Company proposes to implement an employee stock appreciation rights scheme, namely the **'Sigachi Stock Appreciation Rights Scheme 2022 ("SARs 2022"/ "Scheme")**.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, [SEBI (SBEB & SE) Regulations, 2021] the Company seeks your approval for implementation of the Scheme and grant SARs thereunder to the eligible employees.

Features of the proposed Scheme are specified under:

a) Brief description of the Scheme:

The Scheme seeks to reward eligible employees by way of granting stock appreciation rights, with a view to reward their association and loyalty which has resulted in corporate growth and value creation over a long period of time. The Scheme shall also be instrumental in making such eligible employees as co-owners with appropriate vesting period, which would motivate them for ensuring higher corporate growth and creation of value for all stakeholders.

The scheme shall be called as 'Sigachi Stock Appreciation Rights Scheme 2022 ("SARs 2022"/ "Scheme").

The purpose of the scheme includes the following:

- a. To motivate the employees to contribute to the growth and profitability of the Company.
- b. To retain the key Employees and reduce the attribution rate of the Company.
- c. To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long term interests of the Company.
- d. To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come, and
- e. To provide additional deferred rewards to the Employees.

The Company shall issue SARs to the eligible employees, which may be accepted by them within the grant period. Upon acceptance of the offer, the eligible employees shall be required to satisfy the vesting conditions specified in the Sigachi Stock Appreciation Rights Scheme 2022.

The Scheme is a cash-settled incentive scheme. The incentive is linked to the appreciation in the market price of the equity shares of the Company over the tenure of the Scheme. The Scheme will be regulated, implemented and administered by the Board of Directors and/or the Company's Nomination and Remuneration Committee. The Scheme of the Company will be governed by SEBI (SBEB & SE) Regulations, 2021 (including any circulars, notifications, clarifications issued thereunder) and the provisions of the Companies Act, 2013 and the Rules made thereunder ("Act").

The Nomination and Remuneration Committee or any other empowered committee of the Board of Directors of the Company, as constituted or reconstituted, shall act as the Compensation Committee ("Committee") for the superintendence and undertaking the general administration of the Scheme. All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.

b) Total number of SARs to be granted:

The maximum number of SARs that may be granted pursuant to the scheme shall not exceed 10,00,000 (Ten Lakhs only).

If any SAR Unit granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such SAR Unit shall be available for further grant under the Scheme unless otherwise determined by the Board of Directors (which term shall be deemed to include Nomination and Remuneration Committee).

c) Identification of classes of employees entitled to participate and be Beneficiaries in the Scheme:

The following classes of employees ("Employees"), subject to their selection as per eligibility criteria, as may be decided by the Committee, shall be entitled to participate in the Scheme:

- an employee as designated by the Company, exclusively working in India or out of India; or
- a Director of the Company, whether a whole time Director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an Independent Director; or
- an employee as defined in sub-Clause (a) and (b) above of a group company including subsidiary or its associate company, in India or outside India or of a holding company of the Company, but does not include:
 - i. an employee who is a Promoter or a person belonging to the Promoter Group; or
 - ii. a director who either himself or through his Relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

d) Requirements of vesting and period of vesting:

Vesting period shall commence from the date of grant subject to maximum of 1 (One) year from grant date and a maximum period of 4 (four) years or such other period from the grant date, at the discretion of and in manner prescribed by the Board.

The actual vesting will be subject to continued employment of the Grantee (i.e., an eligible employee to whom SARs have been granted under the Scheme) and may further be linked with certain performance criteria's as determined by the Board.

e) Maximum period within which the units shall be vested:

The maximum period within which the SARs shall be vested is 4 (four) years or such other period from the grant date, at the discretion of and in manner prescribed by the Board.

f) Exercise price or pricing formula:

Upon duly exercise of SARs, the Board of Directors/ NRC shall calculate the amount of appreciation occurred which

shall be the difference between the Exercise Date Price and the SAR price.

SAR price shall be calculated on the basis of the Market Price, as per the discretion of the Board, with or without providing suitable discount/ charging premium, if deems fit.

Further, the Exercise Date price shall be the Market Price of the Shares of the Company as on the date of exercise.

Upon valid exercise of SAR Units, the Committee shall calculate the value which shall be equivalent to the appreciation. For this purpose, the appreciation in terms of the value shall be calculated in a manner given below:

Total Value = No. of SAR Units vested is multiplied by the Market Price i.e., the difference between Market price as on Vesting Date and as on ESARs grant date. Vesting date shall be deemed to be the exercise date.

g) Exercise period/offer period, and process of exercise/ acceptance of Shares:

The vested SAR Units can be exercised by Grantees within the Exercise Period, either wholly or in part, after submitting the exercise application, within the overall exercise period from the date of respective vesting, as may be decided by the Board of Directors/ NRC.

The mode and manner of the Exercise shall be communicated to the Grantees individually upon vesting of SAR Units. The Units shall automatically stand exercised upon vesting.

h) Appraisal process for determining the eligibility of employees under the Scheme:

The appraisal process for determining the eligibility of the employees will be in accordance with the Scheme or as may be determined by the Committee at its sole discretion. The quantum of SARs offered will vary depending on the designation, level and grade, future potential of the eligible employee in success of the Company, etc.

The Board of Directors/ NRC may on the basis of all or any of the following criteria, decide on the Employees who are eligible for the grant of SAR Units under the Scheme and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee in the Company/ Group Company/ Subsidiary Company/ Associate Company/ Holding Company.
- Performance of Employee: Employee's performance during the financial year in the Company/ Group Company/ Subsidiary Company/ Associate Company/ Holding Company on the basis of decided parameters.
- Performance of Company: Performance of the Company as per the standards set by the Board of Directors.
- Any other criteria as decided by the Committee in consultation with Board of Directors from time to time.

i) Maximum number of SARs to be offered per Employee and in aggregate:

The maximum number of SARs Units that may be granted pursuant to this Scheme shall not exceed 10,00,000 (Ten Lakhs Only).

Subject to availability of SAR Units in the pool under the Scheme, the maximum number of SAR Units that can be granted to any eligible Employee during any one year shall not be equal to or exceeding 1% of the issued capital of the Company at the time of grant.

Maximum number of SARs to be granted to an eligible employee will be determined by the Compensation Committee/ Nomination and Remuneration Committee on case-to-case basis in terms of the resolutions passed by the shareholders.

j) Maximum quantum of benefits to be provided per employee under the Scheme:

The Scheme does not contemplate any benefit other than allowing eligible employee to receive cash from the Company upon exercise of SARs.

k) Whether the Scheme is to be implemented and administered directly by the Company or through a trust:

This Scheme shall be administered by the Company directly through Committee working under the powers delegated by the Board or in accordance with the SEBI Regulations and not through Trust.

l) Whether the Scheme involves new issue of shares by the Company or secondary acquisition by trust or both:

This scheme neither involves new issue of shares by the Company nor secondary acquisition by trust.

m) The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms, etc:

Not applicable, since the Scheme is proposed to be implemented by direct route.

n) The maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Scheme:

Not applicable, since the Scheme is proposed to be implemented by direct route.

o) Accounting and Disclosure Policies:

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from

time to time, including the disclosure requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations.

p) Method of SARs valuation:

The Company shall comply with the requirements of IND – AS.

The SARs are valued at the market price of the equity shares of the Company (corresponding to the SARs) as at the end of the reporting period. The intrinsic value of the SARs (i.e., the excess of the market value of the shares as at the end of the reporting period and the grant price of the SARs) is recognized as employee compensation cost over the vesting period.

q) Statement with regard to Disclosure in Director's Report:

As per the applicable requirement, the Company shall make all such necessary disclosures in the Directors' Report.

r) the conditions under which SARs vested in employees may lapse e.g., in case of termination of employment for misconduct;

In a case where the employment of SAR Grantee is terminated due to Cause (defined herein), all SARs which are Vested or Unvested, on the date of termination shall stand cancelled forthwith and that SAR Grantee shall not be permitted to Exercise any right for the benefit granted to him. Date of the cessation of employment of a Grantee shall mean the date of termination of the employment specified by the Employer in the letter of termination issued to that Grantee.

"Cause" shall mean, as determined by the NRC/ Compensation Committee,

- (i) The continued failure of the Grantee to substantially perform his duties to the Company (other than any such failure resulting from retirement, death or disability as provided below); or
- (ii) The engaging by the Grantee in willful, reckless or grossly negligent misconduct which is determined by the NRC/ Compensation Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise; or
- (iii) Fraud, misfeasance, breach of trust or wrongful disclosure by the Grantee of any secret or confidential information about the Company; or
- (iv) The Grantee is found to be of or becomes unsound mind; or
- (v) The Grantee commits an act of insolvency; or
- (vi) The Grantee is convicted by court of any offence; or
- (vii) The Grantee found to be involved in any activity of morale turpitude.

s) the specified time period within which the employee shall exercise the vested SARs in the event of a proposed termination of employment or resignation of employee;

- In the event of resignation or termination of an employee, all the SARs or another benefit which are granted and yet not vested as on that day, shall expire:

Provided that an employee shall, subject to the terms and conditions formulated by the NRC / compensation committee under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, be entitled to retain all the vested SARs or any other benefit covered by these regulations.

- In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company,
 - (i) all Vested SARs should be Exercised by the grantee immediately, but in no event later than six months from the date of such grantee's retirement, and
 - (ii) all Unvested SARs will lapse as on the date of such retirement, unless otherwise determined by the NRC / Compensation Committee whose determination will be final and binding.

However, in case of retirement by an employee after the end of 5th year from the date of grant, all options (all tranches) will vest immediately on such retirement and will be available for exercise not later than six months of such Grantee's retirement.

- In the event of cessation of employment by death or Permanent Incapacitation of an grantee whilst in employment, all SARs granted to such Grantees till the date of death or Permanent Incapacitation, shall vests in him/ legal heir, as applicable, on that day. In case of the death or Permanent Incapacitation of any grantee, all SARs which are Vested SARs on the date of death or permanent incapacitation shall be Exercised by the nominee/ beneficiary, or the legal heir or such grantee or his legal guardian as the case may be, before the expiry of one year from the date of the death or Permanent Incapacitation of such grantee or the generally prescribed Exercise Period for such SARs, whichever is

earlier, failing which all the unexercised SARs shall lapse irrevocably and the rights there under shall be extinguished. However, the Unvested SARs can be Exercised only after one year from the date of Grant.

- SAR benefit granted to an employee under the regulations shall not be transferable to any person other than the events mentioned below.

t) Mandatory lock-in period under the Scheme: Not Applicable

u) Terms & conditions for buyback, if any, of specified securities:

The Board of Directors has the power to determine the procedure for buy-back of SAR Units granted under the Scheme, if to be undertaken at any time by the Company, and the applicable terms and conditions, in accordance with the applicable laws.

Consent of the shareholder is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Regulation 6 of the SEBI (SBEB & SE) Regulations.

None of the Directors, Key Managerial Personnel of the Company, and any relatives of such Director, Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company or the SARs. Units may be granted under the Scheme.

A copy of the Scheme is available for inspection electronically during official hours on all working days till the conclusion of voting.

The Board of Directors recommends the passing of the proposed Special Resolutions nos. 8 & 9 for the approval of the Shareholders by way of Special Resolutions.

By order of the Board
Sigachi Industries Limited

Sd/-

Shreya Mitra

Company Secretary &
Compliance Officer

Date: 22.07.2022
Place: Hyderabad

ANNEXURE-A: ITEM. 2 & 3 OF THE NOTICE.

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

| Name of the Director | Mr. Rabindra Prasad Sinha | Mr. Chidambaranathan Shanmuganathan |
|---|---|--|
| Date of Birth | 01/09/1950 | 10/05/1943 |
| Address | Plot No. 40, Ushodaya Enclave BHEL HIG Phase-2, Madinaguda, Tirumalagiri, Miyapur, Hyderabad 500049 | Plot No.33, Ushodaya Enclave, HIG Phase-2, Madinaguda, Tirumalagiri, Miyapur, Hyderabad - 500049 |
| Email-id | chairman@sigachi.com | scn445@gmail.com |
| Nationality | Indian | Indian |
| Date of Appointment on the Board | 19/01/1990 | 30/06/1990 |
| Qualifications | He holds a bachelor's degree in science (chemical engineering) from Bihar Institute of Technology and a master's degree in chemical engineering from Banaras Hindu University | He holds a bachelor's degree in science from University of Madras. He has qualified the postgraduate diploma in business administration from Annamalai University and the national certificate examination in supervision held by National Productivity Council, New Delhi. He has also cleared the associate membership examination held by the Indian Institute of Chemical Engineers. |
| Expertise in specific functional area | Has been associated with the company since 1990 i.e., since inception as an Executive Director, thus is well versed with the functions and Management of the Company. He has an experience of over three decades in the cellulose and fine chemicals industry. | Has been associated with the company since 1990 i.e., since inception as an Executive Director, thus is well versed with the functions and Management of the Company. He has an experience of more than five decades in the field of variety of chemicals and derivatives of cellulose |
| Number of shares held in the Company | 15,21,840 equity shares | 19,40,835 equity shares |
| List of the directorships held in other listed companies* | Nil | Nil |
| Relationships between Directors inter-se | Mr. Rabindra Prasad Sinha, Executive Chairman and Whole time Director is the father of Mr. Amit Raj Sinha, CEO and Managing Director of the Company. | Not Applicable |
| Chairman/ Member in the Committees of the Boards of companies in which he is Director* | NIL | NIL |
| Remuneration details (Including Sitting Fees & Commission) | Rs 1,44,80,000/- | Rs 1,44,80,000/- |

*Excluding Sigachi Industries Limited

ITEM. 7 OF THE NOTICE.

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

| | |
|--|---|
| Name of the Director | Sarveswar Reddy Sanivarapu |
| Date of Birth | June 2, 1965 |
| Address | 8-2-603/23/20 and 21 Flat No-402, HSR Tulips, Road No-10, Opp Ias and Ips Quarters, Banjara Hills, Hyderabad 500 034, Telangana, India |
| Email-id | ssrfcs@gmail.com |
| Nationality | Indian |
| Date of Appointment on the Board | 26th August 2020 |
| Qualifications | CS & LLB |
| Expertise in specific functional area | Has been associated with the company since 2020 as Non-executive Director, thus is well versed with the functions and Management of the Company. He has an expertise in corporate laws, legal and finance functions. |
| Number of shares held in the Company | 5000 Equity Shares |

| | |
|---|---|
| List of the directorships held in other listed companies* | Nil |
| Relationships between Directors inter-se | |
| Chairman/ Member in the Committees of the Boards of companies in which he is Director* | NONE |
| Remuneration details (Including Sitting Fees & Commission) | As approved by the Board i.e., Rs 30,000/- per Board Meeting and per Committee Meeting. |

*Excluding Sigachi Industries Limited

By order of the Board
Sigachi Industries Limited

Sd/-
Shreya Mitra
Company Secretary &
Compliance Officer

Date: 22.07.2022
Place: Hyderabad

Corporate information

Directors

Mr. Swami Das Nigam
 Mr. Rabindra Prasad Sinha
 Mr. Chidambaranathan Shanmuganathan
 Mr. Amit Raj Sinha
 Ms. Dhanalakshmi Guntaka
 Mr. Sarveswar Reddy Sanivarapu

Chief Financial Officer

Mr. O. Subbarami Reddy

Company Secretary & Compliance Officer

Ms. Shreya Mitra

Statutory Auditor

M/s. T. Adinarayana & Co.
 Chartered Accountants
 806, 8th Floor, Raghava Ratna Towers
 Chirag Ali Lane, Abids,
 Hyderabad- 500 001

Internal Auditor

M/s. PSRV & Co. LLP
 Chartered Accountants
 1-10-98/A 2nd Floor, Saptagiri Residency,
 Chikoti Gardens, Begumpet,
 Hyderabad- 500 016, Telangana, India

Cost Auditor

M/s. MPR & Associates
 Cost Accountants
 H.No. 6-3-349/15/17, Flat No. 301, Sai
 Brundavan Apts, Dwarkapuri Colony,
 Punjagutta, Hyderabad-500 082,
 Telangana, India

Registrar & Share Transfer Agent

Big Share Services (P) Ltd.
 Office No S6-2, 6th Floor, Pinnacle
 Business Park, Next to Ahura Centre,
 Mahakali Caves Road, Andheri (East)
 Mumbai – 400 093

Bankers

Kotak Mahindra Bank Limited

Registered Office

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

Unit 1

Plot No. 20-21, IDA Pasamailaram Phase
 I, Sangareddy District Telangana, India

Unit 2

SEZ Unit

Plot No. Z-16, SEZ Unit Dahej SEZ Part I
 Bharuch District Gujarat, India

Unit 3

Plot No. 763/2 Jhagadham, GIDC
 Bharuch District, Gujarat, India



www.sigachi.com

Registered Office

No. 229/1 & 90, 2nd Floor,
Kalyan's Tulsi Ram Chambers,
Madinaguda, Hyderabad- 500 049
Telangana State, India
Email: mktg.dgm@sigachi.com
Customer Service +91 40 40114874-76

