



**SIGNET**  
**INDUSTRIES LTD.**

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**31<sup>st</sup>**

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**Annual Report 2015 - 16**

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## **The Irrigation House**

### **Board of Director**

Shri Mukesh Sangla  
Shri Saurabh Sangla  
Smt. Nishtha Neema  
Shri Murlidhar Vashist  
Shri Akhilesh Gupta

### **Chief Financial Officer**

Shri J.C. Paliwal

### **Company Secretary**

Smt. Preeti Singh

### **Auditors**

M/s Ashok Khasgiwala & Co  
Chartered Accountant  
Indore -452001

### **Registered office**

308, ACME Plaza  
Opp. Sangam Cinema,  
Andheri Kurla Road,  
Andheri East  
Mumbai-400059

### **Administrative & Corporate Office**

314/3, SDA Compound,  
Lasudia Mori Dewas Naka.  
Indore-452001

### **Registrar & Transfer Agent**

M/s. Ankit Consultancy Pvt. Ltd.,  
Plot No. 60, Electronic Complex  
Pardeshipura,  
Indore (M.P.) – 452 010

**CHAIRMAN'S MESSAGE**

Dear Shareholders,

I am very pleased to share with you that Signet Industries Limited (SIL) has delivered yet another strong and profitable performance in fiscal year 2016. This is a very exciting time for our company. We are driving a relentless focus on our strategy, and investing strategically in creating new growth vectors for the future, while continuing to drive our core to full potential, ensuring execution excellence and building on our agile and high performance culture. We believe that this is what differentiates us and allows us to continue to innovate and delight our millions of consumers across the India with superior quality, top class products at affordable prices.

We have achieved remarkable growth this year, which makes me grateful. Certainly, we could not have achieved this without the spirit of dedication, hard-work and creation of each associate and member of the organization. As a result of this, the Company has maintained its upward trend by registering sales of Rs. 79357.19 lacs, which is about 20% higher as compared to previous fiscal. Also, the net profit grew over 48% as compared to previous fiscal.

In this fiscal, SIL launched a number of new and innovative products, which helped in the growth of company despite unfavourable conditions, especially poor rains registered in the previous fiscal. Further, company has not only expanded its distribution network within existing states of operation but have also started building network in newer states. This has helped company to improve its top-line and reduce dependency on fewer states. Most importantly, company has supplied products in multiple prestigious government projects in various states. These key developments helped company to grow both top-line and bottom-line by bettering the percentage utilization of manufacturing equipment.

I would like to take this opportunity to acknowledge the many contributions; sincere dedication and total commitment of our entire team of professionals. My deep appreciation to all our vendors and other business associates for their continuous support. I express my sincere gratitude to all our stakeholders for their interest, trust and encouragement through the years. With a thankful heart, we look forward to everyone's continuous support in the years ahead.

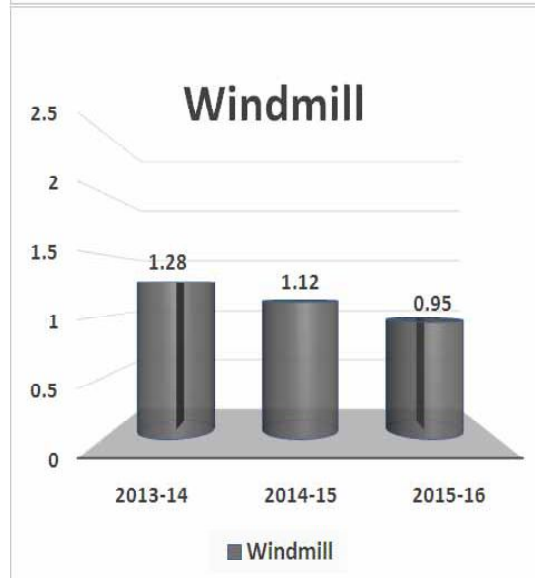
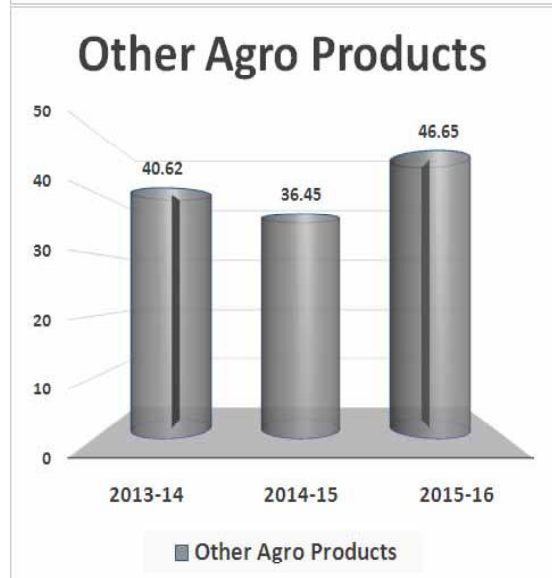
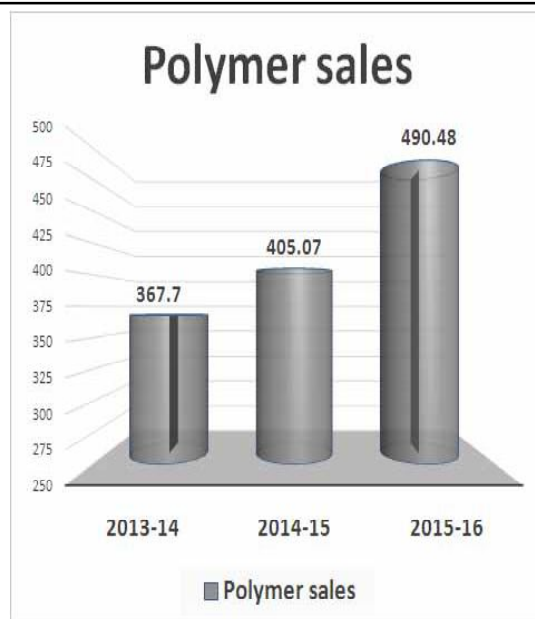
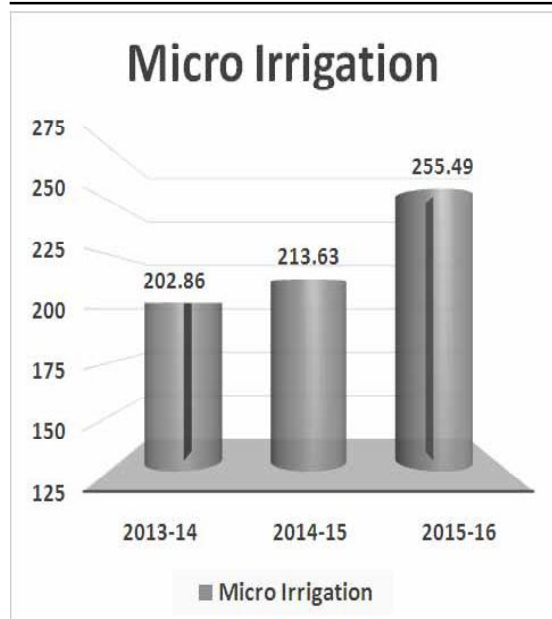
**Yours Sincerely**

**Mukesh Sangla**  
**Chairman & Managing Director**  
**Signet Industries Limited**

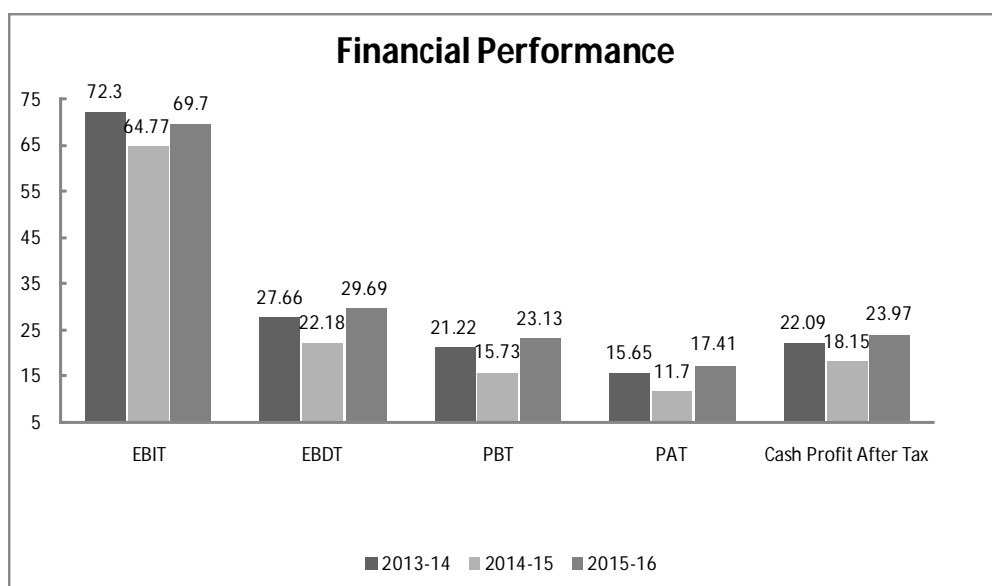


Financial Performance

(Rs.in cr)	2013-14	2014-15	2015-16
Micro Irrigation	202.86	213.63	255.49
Other Agro Product	40.62	36.45	46.65
Polymer sales	367.7	405.07	490.48
Windmill	1.28	1.12	0.95



(Rs.in cr)	2013-14	2014-15	2015-16
<b>EBITD</b>	<b>72.3</b>	<b>64.77</b>	<b>69.7</b>
<b>EBDT</b>	<b>27.66</b>	<b>22.18</b>	<b>29.69</b>
<b>PBT</b>	<b>21.22</b>	<b>15.73</b>	<b>23.13</b>
<b>PAT</b>	<b>15.65</b>	<b>11.7</b>	<b>17.41</b>
<b>Cash Profit After Tax</b>	<b>22.09</b>	<b>18.15</b>	<b>23.97</b>





## NOTICE OF 31<sup>st</sup> ANNUAL GENERAL MEETING

### NOTICE

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting (AGM) of the members of Signet Industries Limited will be held on Friday **30<sup>th</sup> September, 2016** at Imperial Residency (II) Unit Of Hotel Imperial Palace (I) Plot No. 163, Cts 368/20, Sher-E-Panjab , Unique Lane Behind Tolani Collage, Andheri (E), Mumbai – 400 099 at 11.00 A.M. to transact the following business:

➤ **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016 including Audited Balance Sheet as at 31st March 2016 and the Statement of Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mukesh Sangla (DIN00189676) who retires by rotation at this Annual General Meeting and being eligible has offered him-self for re-appointment.
3. To consider the ratification of M/s. Ashok Khasgiwala & Co., chartered accountants as statutory auditors of the Company:

“**RESOLVED THAT** pursuant to Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s. Ashok Khasgiwala & Co., Chartered Accountants, (Firm Registration No. 0743C), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2017.”

4. To approve payment of Dividend of Rs. 0.05/- per equity share for the year ended March 31, 2016.

➤ **SPECIAL BUSINESS**

5. 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 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. A. K. Jain & Associates, Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2016-17, be paid a remuneration of Rs. 60,000/- per annum plus applicable service tax and out of pocket expenses that may be incurred.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**By Order of Board  
For Signet Industries Limited  
Sd/-  
Mukesh Sangla  
Chairman and Managing Director  
DIN : 00189676**

**Place: Indore  
Date: 29<sup>th</sup> August, 2016**

**Registered Office:  
308, Acme Plaza, Oppo.Sangam Cinema  
Andheri Kurla Road, Andheri (E)  
Mumbai – 400 059**

**CIN: L51900MH1985PLC035202  
E-mail: info@groupsignet.com**

**Notes:**

1. **A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of this meeting. Members/ Proxies should bring their attendance slip duly filled in order to attend the meeting. A person can act as proxy on behalf of members’ not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company.**
2. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereunder and forms part of the Notice.
3. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanship of Board Committees, shareholding and relationships between directors inter-se as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.



4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  5. The Register of Members and Share Transfer Book of the Company shall remain closed from Saturday, September 24, 2016 to Friday, September 30, 2016 (both days inclusive).
  6. Members are requested to bring their copies of the Annual Report with them, since separate copies will not be distributed at the venue of the Annual General Meeting.
  7. The shareholders are hereby informed that all the correspondence in connection with the shares is addressed to the Registrar & Share Transfer Agent M/ S Ankit Consultancy Pvt. Ltd., at Plot no. 60, Electronic Complex, Pardesipura, Indore-452001.
  8. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
  9. Members are requested to send their queries, if any, at least seven days in advance of the meeting.
  10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Ankit Consultancy.
  11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
  12. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend.
  13. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
  14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the Concerned Depository Participant and holdings should be verified.
  15. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
  16. Electronic copy of the Notice of the 31st Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 31st Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
  17. Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website at [www.groupsignet.com](http://www.groupsignet.com) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (11.00 A.M. to 5.00 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id [cspreeti@groupsignet.com](mailto:cspreeti@groupsignet.com)
  18. E-voting
    - (I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, and Clause 35B of the Listing Agreement, the Company is pleased to provide its members facility to exercise their right to vote at the annual general meeting by electronic means and the business may be transacted through the e-voting services provided by Central Depository Services (India) Limited.
- The instructions for shareholders voting electronically are as under:**
- (i) The voting period begins on 27<sup>th</sup> September 2016, 9.00 am and ends on 29<sup>th</sup> September 2016, 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record





date) of **23<sup>rd</sup> September 2016** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**NOTE: Please keep the sequence number in safe custody for future e-voting.**

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **SIGNET INDUSTRIES LIMITED** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on For-got Password & enter the details as prompted by the system.

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>· Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>· In case the sequence number is less than 8 digit enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>· If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>



(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Other Instructions –

- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and E-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- The voting rights of shareholders shall be in proportion to their shares of the paid up eq-

uity share capital of the company as on the cut-off date (record date) of 23rd September 2016.

- Mr. Manish Maheshwari, Proprietor M/s M. Maheshwari & Associates, Company Secretaries (Membership No. FCS: 5174, CP No. 3860) has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.

- The Scrutinizer, after scrutinizing the votes cast at the meeting (Poll) and through remote e-voting, will not later than forty eight (48) hours of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.

- The Results shall be declared on or after the AGM of the Company. The Results declared along-with the Scrutinizer's Report shall be placed on the Company's website [www.groupsignet.com](http://www.groupsignet.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Exchanges.

20. Section 72 of the Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form SH-13.

21. The Ministry of Corporate Affairs (vide circular Nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively, has undertaken a Green initiative in 'Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by representing / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Transfer Agent.

**By Order of Board  
For Signet Industries Limited**

**Sd/-  
Mukesh Sangla  
Chairman and Managing Director  
DIN : 00189676**

**Place: Indore  
Date: 29<sup>th</sup> August, 2016**

**Registered Office:**

**308, Acme Plaza, Oppo.Sangam Cinema  
AndheriKurla Road, Andheri (E)  
Mumbai – 400 059  
CIN: L51900MH1985PLC035202  
E-mail: [info@groupsignet.com](mailto:info@groupsignet.com)**

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No.5**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company. On the recommendation of the Audit Committee, the Board has, considered and approved the appointment of M/s. A. K. Jain & Associates, Cost Accountants as the cost auditor for the financial year 2015-16 at a remuneration of Rs.60,000/- per annum plus applicable service tax and reimbursement of out of pocket expenses. The Board recommends this resolution for approval of the Members.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item no. 5 for approval of the Members.

**By Order of Board**

**For Signet Industries Limited**

**Sd/-**

**Mukesh Sangla**

**Chairman and Managing Director**

**DIN : 00189676**

**Place: Indore**

**Date: 29 August 2016**


**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE APPOINTMENT**

<b>Name of Director</b>	<b>Mr. Mukesh Sangla</b>
Date of Birth	<b>10.03.1955</b>
<b>Age</b>	<b>62</b>
Date of Appointment	10-04-1991
Expertise in specific functional area.	<b>35 years</b>
Qualification	<b>B. A.</b>
No & % of Equity share held in the Company	<b>18443820 Equity shares 6.32%</b>
List of outside company's directorship held in Public Limited Company	<b>Adroit Industries (India) Ltd</b>
Chairman / Member of the Committee of the Board of Directors of the Company	<b>Member in CSR Committee and in Audit Committee, and Risk management Committee</b>
Chairman/Member of the Committees of the Board Directors of other Companies in which he is director	NIL
Relation between director inter -se	<b>Relative of Saurabh Sangla</b>



## BOARDS REPORT

To,

The Members

The Directors are pleased to present the Thirty first Annual Report and the Company's Audited Financial Statement for the financial year ended March 31, 2016.

**Financial SUMMARY / Highlights**

The Company's financial performance, for the year ended March 31, 2016 is summarized below:

(Rs. in Lacs)

Particulars	2015-2016	2014-2015
<b>Sales &amp; Other Income</b>	<b>79668.15</b>	<b>66319.36</b>
Total Expenditure	72698.37	59934.87
<b>Earning before Finance Cost, Depreciation &amp; Tax</b>	<b>6969.78</b>	<b>6384.49</b>
Less: Finance Cost	4001.04	4258.73
Depreciation & Amortization Expenses	655.78	645.06
<b>Profit before Tax and extraordinary items</b>	<b>2312.96</b>	<b>1480.71</b>
Exceptional & Extraordinary items	-	92.43
<b>Profit before Tax</b>	<b>2312.95</b>	<b>1573.14</b>
Current Tax	(494.29)	(310.87)
Deferred Tax	(76.87)	(91.21)
Tax Relating to Earlier Year Tax	(0.88)	(0.70)
<b>Profit (Loss) for the Year</b>	<b>1740.92</b>	<b>1170.35</b>
Basic & Diluted Earnings Per Equity Shares of Face Value of Rs. 10/- each. (In Rs.)	0.58	0.40

**Financial Performance**

The Company continued to maintain its upward trend by registering Sales of Rs. 79357.19 lacs as against Rs. 65626.64 lacs in the previous year. However, Profit before Finance Costs, Depreciation, and Tax has increased from Rs. 6384.49 lacs to Rs. 6969.78 lacs. After providing for finance costs and Depreciation amounting to Rs. 4001.04 lacs and Rs. 655.78 lacs respectively, the Profit before Tax for the year under review has amounted to Rs. 2312.95 lacs as compared to Rs 1573.14 lacs in the previous year. Net profit after tax for the year is Rs. 1740.92 lacs as compared to Rs. 1170.35 lacs in the previous year.

**Dividend**

Considering the Company's performance and financial position for the year under review, the Board has recommended a dividend of Rs.0.05/- (5%) per fully paid-up Equity Share of Rs.1/- each of the Company, for the year ended March 31, 2016, subject to the approval of the Members at the ensuing Annual General meeting.

**SHARE CAPITAL AND SUB-DIVISION OF EQUITY SHARES**

Pursuant to approval of the Shareholders obtained on 24<sup>th</sup> July 2015, by Postal ballot, your Company has sub-divided the face value of its equity shares of Rs. 10/- each, fully paid-up into equity shares of Rs. 1/- each, fully paid up. The Board of Director of your Company has fixed 19<sup>th</sup> August, 2015 as the "Records Date" for the Purpose of ascertaining the eligible Shareholders for receiving the aforesaid sub-divided equity shares. Subsequent to the aforesaid Records Date new share certificate have been dispatched to the shareholder who held share in physical mode and also credited to the respective demat account, who held shares in electronic mode

**Transfer of unclaimed dividend to investor education and protection fund**

Pursuant to the provisions of section 125 of the Companies Act, 2013, amount lying unclaimed in the unpaid dividend accounts of the Company, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government after such amount has remained unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account.

During the year, the Company not transferred any amount o to the IEPF being there is nil amount of unclaimed dividend for the financial period ended 31<sup>st</sup> March, 2008.

**Subsidiaries, Joint Ventures and Associate Companies**

Pursuant to the provisions of section 2(6), 2(87) of the Companies Act 2013 your Company has incorporate a 100% whole own subsidiary Company Adroit Drivelines Limited during the financial year 2015-16 to acquire the Engineering Business of Adroit Industries (India) Limited, a promoters group Company on a slump sale basis, through its 100% subsidiary Company Adroit Drivelines Limited;

**Directors Responsibility Statement**

Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- the Directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern' basis;
  - e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
  - f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### Management Discussion and Analysis Report

The Management Discussion and Analysis forms an integral part of this Report and gives detail of the overall industry structure, developments, performance and state of affairs of the Company's various businesses viz., the decorative business international operations, industrial and home improvement business, internal controls and their adequacy, risk management systems and other material developments during the financial year (Annexure I).

#### Corporate Governance

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organizations brand and reputation. The Companies Act, 2013 and amended Listing Agreement/SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, have strengthened the governance regime in the country. The Company is in compliance with the governance requirements provided under the new law and had proactively adopted many provisions of the new law, ahead of time. The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

A separate report on Corporate Governance (Annexure II) is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the amended Listing Agreement and SEBI (Listing obligation and Disclosure Requirements) Regulation 2015 (Annexure III). A Certificate of the MD and CFO of the Company, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed. (Annexure IV)

#### Fixed Deposits

During the financial year 2015-16, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 and there is no outstanding amount of deposits as at 31<sup>st</sup> March, 2016.

Further that the Company has not accepted any deposits in contravention of the provisions of the Companies Act, 2013.

#### Contracts and Arrangements with Related Parties :

During the financial year 2015-16, the Company has

entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013, Rules issued there under and Clause 49 of the Listing Agreement and Regulation 23 of SEBI (Listing obligation and Disclosure Requirements) Regulation 2015. During the financial year 2015-16, there were no transactions with related parties which qualify as material transactions under the Listing Agreement/SEBI (Listing obligation and Disclosure Requirements) Regulation 2015 and the Companies Act.

In line with the requirements of the Companies Act, 2013 and Equity SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, the Company has formulated a Policy on Related Party Transactions which is also available on Company's website at [www.groupsignet.com/investorrelations/Policies](http://www.groupsignet.com/investorrelations/Policies). The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties. Therefore the Company is not required to furnish any particulars in the Form AOC-2.

#### Corporate Social Responsibility

The early start on CSR activities has given SIL a tremendous learning and understanding of how CSR projects should be selected, Implemented and sustained. SIL has a separate team dedicated to CSR activities; SIL is engaged in various projects. Many of the themes selected also resonate well with the overall national agenda like Health, Water, Clean India (Swachh Bharat). SIL has established CSR Committee as per the provision of the Companies Act, 2013. CSR Committee recommends CSR activities to be undertaken by the Company, to the Board as specified in Schedule VII of the Companies Act, 2013 ( here in after referred to as "the Schedule VII"). SIL will spend, in every Financial Year, at least 2 per cent of the average net profits of the Company made during the 3 immediately preceding Financial Years, in pursuance of the Companies Act, 2013 and rules framed there under for the purposes specified in Schedule VII and also in pursuance of this CSR Policy. SIL will execute the CSR activities directly or through appropriate NGOs. SIL will monitor the progress of the CSR project and activities regularly with respect to quality of its implementation, cost and schedule with the same vigor as its business activities. The impact assessment of its projects at suitable intervals will be conducted diligently. The details of the same are attached as **Annexure V** in the report.

#### Risk Management Policy

In line with the regulatory requirements, the Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. A detailed exercise is being carried out at regular intervals to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.



### Internal Financial Control

According to Section 134(5) (e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and controls are in place to ensure that transactions are properly verified, adequately authorized, correctly recorded and properly reported. The Internal Auditors of the Company conducts Audit of various departments to ensure that internal controls are in place

### Directors & Key Managerial person

#### Appointment

Mr. J. C. Paliwal, Chief financial officer joined the Company on 12<sup>th</sup> May, 2016. (Brief Profile)

#### Resignation

Mr. Sumit Jamadhas resigned from the post of Chief financial officer w.e.f. 11<sup>th</sup> March, 2016 due to his pre-occupations accordingly he was stepped down from the Company w.e.f. 11<sup>th</sup> March 2016.

The Board places on record its appreciation for his valuable contribution during his association with the Company.

Mr. Mukesh Sangla (DIN: 00189676) will retire by rotation at ensuing Annual General Meeting and being eligible, offer himself for re-appoint.

### Key Managerial Personnel

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Sr.	Name	DIN	Designation
1	Mr. Mukesh Sangla	00189676	Managing Director
2	Mr. Sumit Jamad*	-	Chief Financial Officer
3	Mr. J.C. Paliwal**	-	Chief Financial Officer
4	Mrs. Preeti Singh	-	Company Secretary & Compliance Officer

During the year there was change (appointment or cessation) in the office of any KMP.

Note:- \*1. Mr. Sumit Jamad resign from the Post of Chief Financial Officer of the Company

\*\*2. Mr. J.C. Paliwal Appointed as a Chief Financial Officer of the Company w.e.f. 12<sup>th</sup> May 2016.

### Disclosure By Independent Directors

The Independent directors have submitted a declaration as required under section 149(6) confirming that they fulfill

the criteria of independence and in accordance with the opinion of the Board, all the independent directors are eligible to hold the said position.

### Annual Evaluation of Board's performance:

In accordance with the provisions of Schedule IV of the Companies Act 2013, a separate meeting of the Independent Directors was held on 18<sup>th</sup> February, 2016, without the attendance of Non-Independent Directors and Members of the Management. The Committee has reviewed the performance and effectiveness of the Board in this meeting as a whole for the Financial Year 2015-16.

### Number of Meetings of the Board

The details of the number of Board and Audit Committee meetings of the Company are set out in the Corporate Governance Report which forms part of this Report.

### Disclosure Relating to Remuneration of Directors, Key Managerial Personnel and Particulars of Employees

In terms of the provisions of the Companies Act, 2013 read with Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the remuneration of Managerial personal is set out in the 'Annexure VI' which forms part of this report.

### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, and Redressal) Act, 2013

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under, the Company formulated an internal policy on Sexual Harassment at workplace (Prevention, Prohibition and Redressal) which is also available on Company's website at [www.groupsignet.com/investorrelations/Policies](http://www.groupsignet.com/investorrelations/Policies) during the year under review.

The policy aims at educating employees on conduct that constitute sexual harassment, ways and means to prevent occurrence of any such incident, and the mechanism for dealing with such incident, and the mechanism for dealing with such incident in the unlikely event of its occurrence. The Company has also constituted an Internal Committee as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under. The Company has zero tolerance on Sexual Harassment at workplace. During the year under review, no complaints were received against the sexual harassment at workplace.

### Auditors & their Report

#### A. Statutory Auditors:

At the Annual General Meeting held on September 30, 2016, M/s Ashok Khasgiwala & Co., Chartered Accountants (F.R.No. 000743C), were appointed as Statutory Auditors of the Company, to hold office till the conclusion of the Annual General Meeting to be held in the year 2017.

In terms of Section 139 to the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appoint-



ment of M/s Ashok Khasgiwala & Co., Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by shareholders.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### **B. Cost Auditors:**

Pursuant to provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, amended time to time, the Company has appointed Cost Auditor M/s A. K. Jain & Associates, for the year 2015-16 on the total remuneration of Rs.60,000/- and has filed the Form CRA-2 to the Central Government. Your directors propose to approve their remuneration at the forthcoming Annual General Meeting.

#### **C. Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s M. Maheshwari & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Auditors in their report for the year 2015-16 has confirmed the compliances of by the Company as covered in their report.

The Report of the Secretarial Audit for the year 2015-16 in the Form MR-3 is annexed herewith as "**Annexure VII**". There is no qualification, reservation or adverse remark or disclaimer in Secretarial Audit Report except the following:

1. *MGT 10 under Section 93 of Companies Act, 2013 again not filed during the financial year.*
2. *Chairperson of Audit Committee has not attained Annual General Meeting held on 30<sup>th</sup> September 2015.*

On above stated para of Secretarial Audit Report, our explanation or comment as follows:-

1. *Further due to the uncertainty of calculation of 2% of the respective promoter or top 10 shareholders we are not able to file the Form MGT 10. The Company was in process of filing MGT 10.*

#### **D. Disclosure for frauds against the Company:**

In terms of the provisions of Section 134(3) (ca) of the Companies Act, 2013, there were no fraud committed against the Company by any person under section 143(12) during the year 2015-16. Further that there were no frauds which needs to be reported by the Auditors of the Company to the Central Government.

#### **Extract of Annual Return**

In accordance with the provisions of Section 134 (3) (a) of the Companies Act, 2013, the extract of Annual Return as on March 31, 2016 in the prescribed Form MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as '**Annexure VIII**' and forms part of this Report.

#### **Vigil Mechanism**

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, 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 in terms of Regulation 22 of SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, which is also available on Company's website at [www.groupsignet.com/investorrelations/Policies](http://www.groupsignet.com/investorrelations/Policies). The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of the Company have been outlined in the Corporate Governance Report which forms part of this report.

#### **Event subsequent to the date of Financial Statement**

There were no events to report that has happened subsequent to the date of Financial Statements. There have been no material changes which affects the financial position of the Company had taken place during the time period between end of the financial year under review and the date of the report.

#### **Change in the nature of Business, if any**

There has been no material change in the nature of business during the period review.

#### **Particulars of Loans Given, Investments Made, Guarantees Given and Securities Provided**

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments provided by the Company under Section 186 of the Act as at end of the Financial Year 2015-16 are disclosed in the Note to the Financial Statement attached with the Board Report.

#### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as "**Annexure IX**" to this Report.

#### **Significant and Material Orders Passed by the Regulators or Courts**

There are no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

#### **Acknowledgement**

The Directors of the Company wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

The Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and the Government authorities for their continued support.

**For and on behalf of the Board**  
Sd/-  
**Mukesh Sangla**  
Chairman & Managing Director  
DIN :00189676

**Place: Indore**

**Dated: 29th August, 2016**



**Annexure I****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Overview**

As the third largest consumer of polymers, India ranks only after China and USA. Evaluation of the polymer industry trends reveals strong growth prospects citing the increased usage of plastics across sectors. The sector is projected to grow at the rate of 6.2% in 2015 and 6.8 in 2016 citing the growing demand from various industries. Furthermore, with the key market players integrating more back-end exploration and refining businesses, alongside streamlining their sourcing operations, opportunities are expected to increase in the coming years.

With this change of guard in government, industry will also revive which will also consume lots of pipes in coming years which is mainly because of demand in agriculture pipes, plumbing pipes and industrial pipes.

Four major factors are contributing to the favorable outlook: shale oil and gas developments, regional market expansion, innovation and increased awareness. PVC pipe demand is projected to accelerate through 2020, reaching 33.2 million metric tons. Through to 2020, HDPE demand is projected to rise 7.8% a year to 18.1 million metric tons.

The Indian Pipe Industry has experienced rapid growth in the last several years. The major reasons for the growth of this industry is increasing demand for pipes in the irrigation sector, oil and gas sector and also the real estate industry. The demand for plastic pipes such as PVC and CPVC is also increasing as these pipes are better in quality and durability. Infrastructure development, urbanization and the subsequent development of residential and industrial construction are facilitating the growth of the pipe Industry in India.

**Opportunities**

Evaluation of the polymer industry trends reveals strong growth prospects citing the increased usage of plastics across sectors. Furthermore, with the key market players integrating more back-end exploration and refining businesses, alongside streamlining their sourcing operations, opportunities are expected to increase in the coming years.

The next few years are likely to witness the launch of new plastic products into the market. As plastics perform efficiently in utility water systems, cable protection, under-floor heating, and other similar applications, escalating opportunities in these areas are projected to bode well for plastic pipes in the future.

In the past few years, government of India has initiated many new projects and investments in the irrigation sector. The focus of the government is on rural water management, which will be fulfilled only when there will be proper infrastructure for the transportation of water to the end-user. This factor will remain as one of the major drivers for the growth of PVC pipe industry in the country along with the expansion of housing sector and increasing demand for oil and gas transportation.

The growing Indian economy creates unprecedented opportunities for SIL to significantly invest and expand in each of its core business.

**Threats**

There is a need to keep vigil on the quality of products being offered in market place as many players have joined the wagon. Constant increase in prices of Raw Material is a severe issue for the PVC Pipes since it has a direct effect over the prices of finished goods product demand.

There are many other threats which includes increasing crude oil prices, import threat from Middle East, Neighboring countries specializing in processing industries could lead to imports and replacement threat from substitutes.

**Internal Control Systems**

At SIL, have well defined and adequate internal controls and procedures, commensurate with its size and nature of its operations. This is further strengthened by the Internal Audit done concurrently.

An Audit Committee, headed by a Non-Executive Independent Director, reviewed audit observations periodically. The Audit Committee of Directors, in its periodical meetings, reviews the adequacy of internal control systems and procedures and suggests areas of improvements.

**Human Resources**

During the year 2015-16, the company has maintained cordial and harmonious relation with the employees throughout the year.

Total employee strength as on 31/03/2016 was 443.

**Cautionary Statement**

The Statement made in this Report on Management Discussions and Analysis, describing the Company's view may be forward looking statements within the meaning of the applicable security regulations and laws. These assumptions are based on certain expectations on demand, imports, and availability of power rates etc. and any change in Government laws and the economic situation in the country may mark a difference to the Company's operations. The Company assumes no responsibility in respect of forward-looking statements herein, which may undergo changes in future for reasons beyond the control of the Company.

**For and on behalf of the Board of Directors**

**Sd/-**

**Mukesh Sangla  
Chairman & Managing Director  
DIN00189676**

**Place: Indore  
Date: August 29, 2016**



**Corporate Governance Report**

The Directors present the Company’s Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2016

**COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE**

Signet Industries Limited (SIL) philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company’s robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. The Company’s Code of Business Conduct, its Fraud Risk Management Policy and its well-structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company’s stakeholders. This, together with meaningful CSR activities and sustainable development policies followed by the Company has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates.

Your Company has complied with the requirements of Corporate Governance as laid down under Clause 49 of the Listing Agreement with the Stock Exchanges for the period 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as the SEBI Listing Regulations 2015) for the period 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March 2016.

**GOVERNANCE STRUCTURE**

Signet Industries Limited (SIL)’s Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

**Board of Directors**

The Company’s Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company’s dealing with its Members and other stakeholders.

**Committee of Directors**

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders’ Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee. Each of these Committees has been mandated to operate within a given framework.

**Management Structure**

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. This broadly is as under:

**a. Chairman & Managing Director**

The Chairman and Managing Director is in overall control and responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees.

**b. Executive Director -**

The Whole-time Directors are looking into purchase and marketing and responsible for o all other functions relating to the day-to-day management of the plant, including all local issues and compliances as applicable at plant level. He is also looking into the marketing, accounts and finance department and reports to the Chairman & Managing Director.

**BOARD OF DIRECTORS**

**Composition of the Board as on March, 31, 2016**

Category	No. of Directors
Non Executive & Independent Directors	3
Other Executive Directors	1
Executive Director (CEO & Managing Director)	1



The Chairman of the Board of Directors is the Executive Chairman.

As required under Section 149(3) of the Companies Act, 2013, Smt. NishthaNeema is a Women Director in the Board.

#### **Board Training and Induction**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, Clause 49 of the Listing Agreement and other Listing Regulations and his affirmation taken with respect to the same.

#### **Board Meetings held during the Year**

<b>Date on which the Board Meetings were held</b>	<b>Total Strength of the Board</b>	<b>No of directors present</b>
14 <sup>th</sup> May, 2015	5	4
28 <sup>th</sup> May, 2015	5	5
23 <sup>rd</sup> July, 2015	5	4
07 <sup>th</sup> August, 2015	5	5
20 <sup>th</sup> August, 2015	5	4
9 <sup>th</sup> November, 2015	5	5
18 <sup>th</sup> January, 2016	5	5
13 <sup>th</sup> February, 2016	5	5
16 <sup>th</sup> February, 2016	5	4
30 <sup>th</sup> March, 2016.	5	5

#### **Attendance of Directors at Board Meetings and Annual General Meeting**

<i>Name of Directors</i>	<i>Category of Directors</i>	<i>Attendance</i>		<i>Directorship in other Public Companies</i>	<i>Committees Position</i>	
		Board	Last AGM		Chairman	Member
Mr. Mukesh Sangla	Managing Director	9	Yes	1	1	1
Mr. Saurabh Sangla	Executive Director	10	Yes	1	1	3
Mrs. Nishtha Neema	Independent/ Women Director	7	No	1	1	4
Mr. Akhilesh Gupta	Independent Director	8	No	0	2	4
Mr. Murli Dhar Vashist	Independent Director	6	No	0	0	2

Smt. Preeti Singh, Company Secretary & Compliance officer was also available during all the Committee and Board Meetings.

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.



The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behavior, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in Clause 49 of the Listing Agreement/SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

#### **COMMITTEES OF THE BOARD**

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, CSR Committee, Nomination and Remuneration Committee, Risk Management Committee and Internal Committee for (Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 redressal of complaint at the workplace.

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

##### **(a) Audit Committee - Mandatory Committee**

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing obligation and Disclosure Requirements) Regulation 2015. Some of the important functions performed by the Committee are:

##### **Financial Reporting and Related Processes**

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements and /or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgment about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

##### **Internal Controls and Governance Processes**

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism (implemented in the Company as a Fraud Risk Management Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

##### **Audit**

- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to re adequate coverage.

- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management’s response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- To recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- To discuss with the Statutory Auditors/Internal Auditors any significant difficulties encountered during the course of the Audit.
- Review annual Cost Audit Report submitted by the Cost Auditor.

**Other Duties**

- To approve the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm’s length pricing basis and to review and approve such transactions subject to the approval of the Board.

The composition of the Audit Committee as at 31<sup>st</sup> March, 2016 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Audit Committee meeting held			
		28.05.2015	07.08.2015	09.11.2015	13.02.2016
Mrs. NishthaNeema	ID/Chairman	Yes	Yes	Yes	Yes
Mr. Akhilesh Gupta	ID/Member	Yes	Yes	Yes	Yes
Mr. Saurabh Sangla	Member	Yes	Yes	Yes	Yes
Mr. MurliDharVashist	ID/Member	Yes	Yes	Yes	Yes

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess knowledge of finance, accounting practices and internal controls.

Smt. Preeti Singh Company Secretary and were also available during all the Committee Meetings.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. The representative of the Cost Auditor is invited to attend the Meeting of the Audit Committee when the Cost Audit Report is tabled for discussion. The MD, the Chief Financial Officer (CFO), the Internal Auditor attends Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Internal Auditor reports directly to the Audit Committee.

**Self-Assessment by the Audit Committee**

The Audit Committee has set in place a process to measure and benchmark its performance each year. The assessment broadly covers composition, structure and committee meetings; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of the self-assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement.

**(b) Stakeholders’ Relationship Committee -Mandatory Committee**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, the Board has renamed the existing “Shareholders’/Investors’ Grievance Committee” as the “Stakeholders’ Relationship Committee”.

The terms of reference of the Committee are:

- transfer/transmission of shares issued by the Company from time to time;
- issue of duplicate share certificates for shares reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates;
- issue and allot right shares/bonus shares pursuant to a Rights Issue/Bonus Issue made by the Company, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares/debentures/other securities and all matters incidental or related thereto;



- to authorize the Company Secretary and Head Compliance/other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

The composition of the **Stakeholders' Relationship Committee** as at 31<sup>st</sup> March, 2016 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Stakeholders Relationship Committee meeting held			
		18.04.2015	08.10.2015	12.02.2016	20.03.2016
Mr. Akhilesh Gupta	ID/Chairman	Yes	Yes	Yes	Yes
Mrs.NishthaNeema	ID/Member	Yes	Yes	Yes	Yes
Mr. Saurabh Sangla	ED/Member	Yes	Yes	Yes	Yes

Smt. Preeti Singh Company Secretary was also available during all the Committee Meetings As on 31<sup>st</sup> March, 2016, no investor grievance has remained unattended/ pending for more than thirty days.

**(c) Nomination and Remuneration Committee -Mandatory Committee**

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Compensation Committee" as the "Nomination and Remuneration Committee". The Committee is governed by a Charter.

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

In compliance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, Shri Akhilesh Gupta, an Independent Director, is the Chairman of the Committee.

The composition of the Nomination and Remuneration Committee as at March, 31, 2016 and the details of Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Nomination & Remuneration meeting held	
		05/08/2015	11/02/2016
Mr. Akhilesh Gupta	ID/Chairman	Yes	NA
Mrs. NishthaNeema	ID/Member	Yes	No.
Mr. SaurabhSangla	Director/Member	Yes	Yes
Mr. MukeshSangla	Director/Member	N.A.	N.A.
Mr. MurliDhar Vashist	ID/Member	No	Yes

Smt. Preeti Singh Company Secretary was also available during all the Committee Meetings

**(d) Risk Management Committee Mandatory Committee**

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 as also identify business opportunities. The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

The composition of the Risk Management Committee as at 31<sup>st</sup> March, 2016 and the details of Members’ participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Risk management Committee meeting held 13.03.2016
Shri Mukesh Sangla	MD/Chairman	Yes
Shri Akhilesh Gupta	ID/Member	Yes
Smt. NishthaNeema	ID/Member	Yes

Smt. Preeti Singh Company Secretary was also available during all the Committee Meetings

**(e) Internal Committee for (Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Board has constituted an Internal Committee and Mrs. Suchita Sharma is the chairperson of the Committee and two other female employee including CS Preeti Singh have been nominated in the committee to look into the complaints of the women employees relating to the Sexual Harassment of Women at Workplace.

**(f) Independent Directors’ Meeting**

During the year under review, the Independent Directors met on 18.02.2016, under the chairmanship of the Lead Independent Director, Shri Akhilesh Gupta inter alia, to discuss:

- Independent Directors and the Board of Directors as a whole;
- Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Performance of the Chairman & Managing Director Shri Mukesh Sangla, and Shri Saurabh Sangla.
- 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 were present at the Meeting.

**POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, Managing Director, Whole-time Directors, senior management and Key managerial Persons and their remuneration. This Policy is accordingly derived from the said Charter.

**1. Criteria of selection of Non-Executive Directors**

- a. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- b. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- c. The N&R Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director.





- i. Qualification, expertise and experience of the Directors in their respective fields;
- ii. Personal, Professional or business standing;
- iii. Diversity of the Board.
- d. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

## 2. Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings as detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

## 3. Managing Director - Criteria for selection /appointment

For the purpose of selection of the MD and WTD the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

### Remuneration for the Managing Director & Whole-time Directors

- i. At the time of appointment or re-appointment, the Managing Director and Whole-time director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the Managing Director and Whole-time Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the Managing Director and Whole-time director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
  - a. responsibility required to be shouldered by the Managing Director and Whole-time director, the industry benchmarks and the current trends;
  - b. the Company's performance vis-à-vis the annual budget achievement and individual performance.

### Remuneration Policy for the Senior Management Employees

- I. In determining the remuneration of the Senior Management Employees and Key Managerial Personals, the N&R Committee shall ensure/consider the following:
  - a. the relationship of remuneration and performance;
  - b. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
  - c. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
  - d. The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, and current compensation trends in the market.
- II. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.



**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement/ the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**TERMS OF APPOINTMENT & REMUNERATION - CEO & MD**

Particulars	Shri Mukesh Sangla, Chairman & Managing Director
Period of Appointment	01.04.2014 to 31.03.2019
Salary Grade	84,00,000 P.A.
Minimum Remuneration	As per provisions of the Schedule V of the Companies Act, 2013 (previously Schedule XIII of Companies Act, 1956)

*Details of remuneration paid to the Directors are given in Form MGT – 9*

**SUBSIDIARY COMPANIES**

Pursuant to the provisions of section 2(6), 2(87) of the Companies Act 2013 your Company has incorporate a 100% whole own subsidiary Company Adroit Drivelines Limited during the financial year 2015-16

**RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing obligation and Disclosure Requirements) Regulation 2015,during the financial year were in the ordinary course of business and on an arm’s length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Audit Committee and the Board has approved a policy for related party transactions which has been uploaded on the Company’s website.

**General Body Meetings**

Year	Venue	Date	Time
2014-2015	Oriental Residency Hotels Pvt. Ltd. 45, Tarun Bharat Co-Op.Hsg. Society, Andheri (E), Mumbai – 400 099	30.09.2015	11.30 A.M.
2013-2014	Oriental Residency Hotels Pvt. Ltd. 45, Tarun Bharat Co-Op.Hsg. Society, Andheri (E), Mumbai – 400 099	30.09.2014	11.30 A.M.
2012-2013	Oriental Residency Hotels Pvt. Ltd. 45, Tarun Bharat Co-Op. Hsg. Society, Andheri (E) Mumbai 400 099	30.09.2013	11.30 A.M.

The details of Special Resolutions passed in the above Annual General Meetings are as follows.

Meeting	Special Resolutions passed in the Annual General Meetings
30 <sup>th</sup>	1. Appointment of Mrs. Nishtha Neema as an Independent Director 2. Appointment of Mr. Murli Dhar Vashist as an Independent Director



29 <sup>th</sup>	<ol style="list-style-type: none"> <li>1. Appointment of Mrs. NishthaNeema as an Independent Director</li> <li>2. Appointment of Mr. MurliDharVashist as an Independent Director</li> <li>3. Re-Appointment of Mr. Mukesh Sangla as a Managing Director</li> <li>4. Consent of the Company to create charge on the assets of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013.</li> <li>5. Approval of borrowing limits in excess of aggregate of paid up share capital and free reserves of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013</li> </ol>
28 <sup>th</sup>	No

**Extraordinary General Meeting (EGM) held in last 3 years is as under**

Financial Year	Date	Time	Venue
2015-16	18.03.2016	11.00 a.m.	314/3, SDA Compound, Lasudia Mori, Dewas Naka, Indore
2014-15	19.03.2015	11.00 a.m.	314/3, SDA Compound, Lasudia Mori, Dewas Naka, Indore

**The details of Special Resolutions passed in the above Extra Ordinary General Meeting is as follows.**

Date	Special Resolutions passed in the Annual General Meetings
18.03.2016	<ol style="list-style-type: none"> <li>1. Acquire the Engineering Business of Adroit Industries (India) Limited</li> <li>2. Issue of Equity shares on preferential basis</li> </ol>
19.03.2015	<ol style="list-style-type: none"> <li>1. Increase in Authorised Share Capital</li> <li>2. Alteration in Clause V of Memorandum of Association of the Company</li> <li>3. Issue of 2% Non-convertible Non-Cumulative Preference Redeemable Shares of Rs. 10/-</li> </ol>

**The Details of Special Resolutions passed through postal ballot is as follows**

Date	Special Resolutions passed in the Extra Ordinary General Meetings
24.07.2015	<ol style="list-style-type: none"> <li>1. Alteration Of The Objects Clause Of The Memorandum Of Association Of The Company</li> <li>2. Deletion Of The Other Objects Clause Of The Memorandum Of Association</li> <li>3. Amendment Of Incidental Or Ancillary Objects Clause Of The Memorandum Of Association</li> <li>4. Sub-divided the face value of its equity shares of Rs. 10/- each, fully paid-up into equity shares of Rs. 1/- each, fully paid up. Splitting of Shares.</li> </ol>

#### **DISCLOSURES**

**(a) Strictures and Penalties**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

**(b) Compliance with Accounting Standards**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**(c) Internal Controls**

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company's business processes has a strong monitoring and reporting process resulting in financial discipline and accountability.

**(d) MD/CFO Certification**

The MD and the CFO have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement/ the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

**CODE OF CONDUCT**

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees. The Code has been posted on the Company's website [www.groupsignet.com](http://www.groupsignet.com). The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Risk Management Policy (RM) to deal with instances of fraud and mismanagement, if any. The Vigil Mechanism Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

**PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

**COMMUNICATION WITH THE MEMBERS/ SHAREHOLDERS**

- The unaudited quarterly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement/SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, with the Stock Exchanges/ SEBI (Listing obligation and Disclosure Requirements) Regulation 2015. The aforesaid financial results are sent to BSE Limited (BSE) and NSE, where the Company's equity shares are listed, immediately after these are approved by the Board. The results are thereafter given by way of a Press Release to news agencies/ and are published in leading English and Hindi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE, NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.
- The Annual Report of the Company, the quarterly and the annual results and the press releases of the Company are also placed on the Company's website: [www.groupsignet.com](http://www.groupsignet.com) and can be downloaded.
- In compliance with Clause 52 of the Listing Agreement/ SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited, ASE and MPSE are filed electronically on BSE's on-line portal website [www.listing.bseindia.com](http://www.listing.bseindia.com).
- A separate dedicated section under 'Corporate Governance' on the Company's website gives information on unclaimed dividends, quarterly compliance reports/ communications with the Stock Exchanges and other relevant information of interest to the investors /public.


**GENERAL INFORMATION TO SHAREHOLDERS**

<b>1. Annual General Meeting</b> Date/Day : 30 <sup>th</sup> September, 2016, Friday Time : 11.00 AM Venue : Imperial Residency (II) Unit Of Hotel Imperial Palace (I) Plot No. 163, Cts 368/20, Sher-E-Panjab, Unique Lane Behind Tolani Collage, Andheri (E), Mumbai – 400 099	
<b>2. Board Meeting for consideration of Accounts for the financial year ended March, 31, 2016</b>	28 <sup>th</sup> May, 2016
<b>3. Posting of Annual Reports</b>	On or before 6 <sup>th</sup> Sept., 2016
<b>4. Book Closure Dates</b>	Friday, September 23, 2016 to Friday, September 30, 2016 (both days inclusive).
<b>5. Last date for receipt of Proxy Forms</b>	28 <sup>th</sup> September, 2016 before 11.00 a.m
<b>6. Financial Year of the Company</b>	1st April, 2015 to 31st March, 2016.
<b>7. Results for the Quarter ending:</b> June 30, 2015 September 30, 2015 December 31, 2015 March 31, 2016	On or before 14th August, 2015 On or before 14th November, 2015 On or before 14th February, 2016 On or before 30th May, 2016 (Audited).

**Listing on Stock Exchanges**

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

Name and Address of the Stock Exchanges Dematerialised Shares	Stock/Script Code	ISIN for CDSL/NSDL
National Stock Exchange of India Limited (NSE)	SIGNET	INE529F01027
BSE Ltd., Mumbai	512131	

**Investor Services**

The Company has a Registrar and Share Transfer Agent M/s Ankit Consultancy Pvt. Ltd., having their office at 60, Electronic Complex, Pardeshipura, Indore (M.P.) which offers all share related services to its Members and Investors.

These services include transfer/transmission/dematerialization of shares, payment of dividends, sub-division/consolidation / renewal of share certificates and investor grievances.

The Share Transfer Agent is registered with SEBI as Registrar to an Issue/Share Transfer Agent in Category II Share Transfer Agent and the registration code is INR 000000767.

**Address for Correspondence with the Share Transfer Agent of the Company**

Ankit Consultancy Pvt. Ltd.  
 Plot No. 60, Electronic Complex,  
 Pardeshipura, Indore (M.P.) 452001,  
 Phone: 0731-2551745,  
 Email: [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Share Transfer Agent of the Company.



Members who hold shares in physical form should address their queries to the Share Transfer Agent of the Company.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewals/split/consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Share Transfer Agent of the Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Share Transfer Agent of the Company.

#### **Exclusive E-Mail ID**

The Company has designated an e-mail ID to enable the Members and Investors to correspond with the Company. The e-mail ID is [cspreeti@groupsignet.com](mailto:cspreeti@groupsignet.com).

#### **Plant Location**

The location of the Company's Plants are given on the inside cover page of the Annual Report. The details of the Plants along with their addresses and telephone numbers are also available on the Company's website.

#### **Market Information**

##### **Equity Share Price on BSE and NSE April, 2015 – March, 2016**

<i>Month</i>	<i>Bombay Stock Exchange Limited (BSE)</i>		<i>National Stock Exchange of India Ltd (NSE)</i>	
	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>
April 2015	173.00	100.00	170.00	98.65
May 2015	222.40	150.00	223.00	145.00
June 2015	280.00	189.9	275.00	190.00
July 2015	355.00	265.00	359.95	260.00
August 2015	429.80	*31.00	435.50	30.45
September 2015	43.70	31.00	43.50	31.00
October 2015	52.00	36.50	50.90	37.05
November 2015	54.70	38.00	54.80	38.10
December 2015	65.80	53.50	65.80	53.45
January 2016	74.50	62.00	74.50	61.50
February 2016	74.00	30.25	72.35	28.65
March 2016	38.85	31.50	38.75	31.45

\*Company has sub-divided the face value of its equity shares of Rs. 10/- each, fully paid-up into equity shares of Rs. 1/- each, fully paid up.

#### **SHARE TRANSFER SYSTEM AND OTHER RELATED MATTERS**

##### **i. Share transfers**

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

##### **ii. Permanent Account Number (PAN)**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.


**iii. Pending Investors' Grievances**

Any Member/ Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary at the Registered Office with a copy of the earlier correspondence.

**iv. Reconciliation of Share Capital Audit**

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited, NSE and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.

**Distribution of Shareholding as on March, 31, 2016**

SHARE HOLDING OF NOMINAL VALUE OF	SHARE HOLDERS		SHARE AMOUNT	
	Rs. - Rs. (1)	Number (2)	% to Total (3)	In Rs. (4)
Upto - 1,000	1487	78.51	296465	0.10
1,001 - 2,000	79	4.17	123292	0.04
2,001 - 3,000	39	2.06	103739	0.04
3,001 - 4,000	29	1.53	103563	0.04
4,001 - 5,000	26	1.37	121917	0.04
5,001 - 10,000	37	1.95	294956	0.10
10,001 - 20,000	67	3.54	1054043	0.36
20,001 - 30,000	16	0.84	408844	0.14
30,001 - 40,000	20	1.06	715572	0.25
40,001 - 50,000	13	0.69	607120	0.21
50,001 - 1,00,000	33	1.74	2454838	0.84
1,00,001 and above	48	2.54	285585651	97.84
<b>TOTAL</b>	1894	100.00	291870000	100.00

**Shareholding Pattern as on 31<sup>st</sup> March, 2016**

S.No	Category	No. of Shares held	% Shareholding
1	Promoter	2,14,11,0000	73.36
2	Private Corporate Bodies & Public	77760000	26.64
	Total	2,91,87,0000	100.00

For and on behalf of the Board of Directors

Place: Indore  
Date: August 29, 2016

Sd/-  
Mukesh Sangla  
Chairman & Managing Director  
DIN00189676



**Annexure III**

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

**To  
The Members of  
Signet Industries Limited**

We have examined the compliance of corporate governance by **Signet Industries Limited** for the year ended on 31<sup>st</sup> March 2016, as stipulated in Regulation 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and other Regulations of the SEBI (LODR), Regulations, 2015.

The compliance of conditions of corporate governance is responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by Company for ensuring the compliance of the conditions of the 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 explanation given to us and representation made by the Director and management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

*For Ashok Khasgiwala & Co.  
Chartered Accountants*

**Sd/-  
(Avinash Baxi)  
(Partner)  
M.No.79722**

Place: Indore  
Date: 29<sup>th</sup> August 2016

**Annexure IV  
MD / CFO CERTIFICATION**

The Executive Director and Chief Financial Officer of the Company gives annual certification on financial reporting, internal controls and financial statements of the Board in terms of Regulation 17(8) read with Schedule II of the Listing Regulations. The annual certification given by the Executive Director and Chief Financial Officer is given below:

To,

The Board of Directors  
Signet Industries Limited

1. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2016 and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting. We have not come across any deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit committee:
  - that there are no significant changes in internal control over financial reporting during the year;
  - that there are no significant changes in accounting policies during the; and
  - that there are no instances of significant fraud of which they have become aware.

Place: Indore  
Date: 29<sup>th</sup> August, 2016

**J. C. Paliwal  
Chief Financial Officer**

**Mukesh Sangla  
Managing Director  
DIN00189676**





**ANNEXURE -V**

**Annual Report On Corporate Social Responsibility (CSR) Activities For The Financial Year 2015-16**

1. A brief outline of the Company’s CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.  
The CSR Policy was approved by the Board of Directors at its meeting and has been uploaded on the Company’s website. [www.groupsignet.com/Investor](http://www.groupsignet.com/Investor).
2. The composition of CSR Committee is as follows:
  - (a) Mr. Saurabh Sangla, Chairman (Executive Director),
  - (b) Mr. Akhilesh Gupta (Independent Director), Member
  - (c) Mr. Mukesh Sangla (Managing Director), member
 Mrs. Preeti Singh, Company Secretary is functioning as the Secretary of the Committee.
3. Average net profit of the Company for last three financial years.  
The Average net profit of the Company for last three financial years is Rs. 14.92 Crores.
4. Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above).  
The Company is required to spend Rs.36.35 Lacs towards CSR for financial year 2015-16.
5. Details of CSR spent during the financial year:
  - a. Total Amount to be spent for the Financial Year: 36.35
  - b. Amount unspent: Rs.00 Lacs
  - c. Manner in which the amount spent during the financial year: Additional infrastructure facilities for public health and promoting education and training
6. During the financial year Company has spent amount of Rs.36.35 Lakhs due to difficulties of fund allocation and need to more time for verification of various proposal received from Implementing Agencies. Company is fully committed & dedicated towards its Social Responsibility. The balance amount will be spent in the financial year 2016-17.
7. The CSR Committee of the Board of Directors hereby confirms that implementation and Monitoring is fully accordance with the CSR Policy of the Company.

Signature	Signature
Mukesh Sangla	Managing Director
Mr. Saurabh Sangla	Chairman CSR Committee

**For and on behalf of the Board**

**Sd/-  
Mukesh Sangla  
Chairman & Managing  
Director  
DIN : 00189676**

**Place: Indore  
Dated: 29<sup>th</sup> August, 2016**

**ANNEXURE VI****Particulars of Employees**

[As per section 197(12) read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**1. Ratio and remuneration of Directors & KMPs**

S. No	Name	Designation	Remuneration for the year 2015-16 (Rs.)	Remuneration for the year 2014-15(Rs.)	% Increase In Remuneration	Ratio Between Director or KMP and Median Employee
1	Mukesh Sangla	Managing Director	8400000	8400000	--	40.53:1
2	Saurabh Sangla	Director	0	0	NA	NA
3	Sumit Jamad	CFO	1179264	1179264	--	5.69:1
4	Preeti Singh	Company Secretary	690000	510000	35.3%	3.32:1

\* No percentage increase in the remuneration of the Managing Director and Executive director in the financial year 2015-16.

\* The Median Remuneration of the Employees for the year 2015-16 is Rs. 207240/-.

**2. Increase in percentage of Median employees:**

The median remuneration of the employees increased by 12.30% during the financial year 2015-16

**3. Number of permanent employees on the Roll.**

During the Financial year the total number of employees on the roll was 443

**4. Average percentile increase in the salaries of employees other than KMPs:**

Average increase in the salaries of employees other than KMPs is 17.2% in the financial year 2015-16.

**5. Affirmation for remuneration policy:**

It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board

Sd/-  
Mukesh Sangla  
Chairman & Managing  
Director  
DIN: 00189676

Place: Indore

Dated: 29<sup>th</sup> August, 2016



**Details of remuneration of Managerial Personal**

**1) Details of Remuneration to Managing director (Executive Director) for the financial year ended 31<sup>st</sup> March, 2016**

As per the requirement of the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Persons) 2014, the company is required to make disclosure in the form of a statement relating to employee drawing remuneration in excess of Rs. 5.00 Lakhs p.m. or Rs. 60.00 Lakhs p.a. detailed as below:

**(Rs.in Lakh)**

S. No.	Name & Designation of employee	Remuneration Received	Nature of Employment	Qualification & Experience of the Employee	Date of commencement of employment	Age	Past employment Details  Employee	% of the Equity shares held by the of such in the Company	Name of Director or Manager of the Company, relative  Employee
1.	Shri Mukesh Sangla Managing Director	Rs. 84.00 lacs	Contractual basis	B.A	10.04.1991	62	Nil	6.32	Saurabh Sangla (Son)

2) Shri Mukesh Sangla is holding 1844382 Shares in the Company comprising of 6.32% of the total paid up capital

**For and on behalf of the Board**

Sd/-  
**Mukesh Sangla**  
Chairman & Managing  
Director  
DIN: 00189676

Place: Indore  
Dated: 29<sup>th</sup> August, 2016



Form No. MR-3

Annexure-VII

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

**Signet Industries Limited**

CIN: L51900MH1985PLC035202

308, Acme Plaza, Opp. Sangam Cinema,

Andheri Kurla Road, Andheri (E),

**MUMBAI- 400059**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Signet Industries Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Signet Industries Limited** 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 **March 31, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on **March 31, 2016** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under read with notifications, exemptions and clarifications thereto;
- 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, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time.
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. However, the regulations are not applicable to the Company during the Audit period since the Company does not have any scheme in operation and hence, these regulations have not been considered for the purpose of this report;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-**Not applicable as the Company has not issue any debt securities;**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time regarding the Companies Act and dealing with client;



- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time;- **Not applicable to the Company during the Audit period;**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1999- **Not applicable as the Company has not bought back/proposed to buyback any of its securities during the financial year under review.**

vi Taking into consideration, business activities of the Company, there are no specific regulator / law whose approval is required for undertaking business operations of the Company and hence no comment is invited in respect of the same. We have in principle verified existing systems and mechanism which is followed by the Company to ensure compliance of other applicable Laws like Labour Laws etc and have relied on the representation made by the Company and its officers in respect of aforesaid systems and mechanism for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings. These Standards were applicable with effect from July 1, 2015 and have been taken into consideration for all meetings of the Company held thereafter.
- (ii) The Listing Agreements entered into by the Company with the Exchanges read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **except to the extent as mentioned below-**

1. **Chairperson of the Audit Committee not present in the Annual General Meeting held on 30<sup>th</sup> September 2015 as per Clause 49 of Listing Agreement;**
2. **The Company has once again not filed MGT 10 under Section 93 of Companies Act, 2013 during the financial year.**

We further report that

We rely on Statutory Auditor's Report in relation to the financial statements and accuracy of financial figures for Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under Financial Statements, Accounting Standard 18 and note on foreign currency transactions during our audit period.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

We further report that during the Audit period the Company has no specific events / actions that having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard, etc.

We further report that during the Audit period the Company has sub-divided the face value of its equity shares of Rs. 10/- each, fully paid-up into equity shares of Rs. 1/- each, fully paid up.

Note : This Report is to be read with our letter dated 29<sup>th</sup> August 2016 which is annexed as Annexure A and forms and integral part of this report.

**For M Maheshwari & Associates  
Company Secretaries**

Date : 29<sup>th</sup> August 2016  
Place : Indore

**MANISH MAHESHWARI  
FCS - 5174 C.P. No. - 3860**



To,  
The Members,  
**Signet Industries Limited**  
CIN: L51900MH1985PLC035202  
308, Acme Plaza, Opp. Sangam Cinema,  
Andheri Kurla Road, Andheri (E),  
**MUMBAI- 400059**

Our Secretarial Audit 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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified 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 compliances of laws, rules, regulations and happening of events etc.
5. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are 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 the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

**For M. Maheshwari & Associates**  
**Company Secretaries**

**Manish Maheshwari**  
**FCS-5174**  
**CP-3860**

**Date: 29<sup>th</sup> August 2016**

**Place: Indore**



ANNEXURE - VIII

**Form MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the Financial Year ended 31.03.2016**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

<b>I</b>	<b>CIN</b>	L51900MH1985PLC035202
<b>ii</b>	<b>Registration Date</b>	29.01.1985
<b>iii</b>	<b>Name of the Company</b>	<b>SIGNET INDUSTRIES LIMITED</b>
<b>iv</b>	<b>Category/Sub-category of the Company</b>	Public Company
<b>V</b>	<b>Address of the Registered office &amp; contact details</b>	308, ACME, Plaza, Opp. Sangam Cinema, AndheriKurla Road, Andheri (East), Mumbai 400 059Ph. 022-30888065 email:info@groupsignet.com website <a href="http://www.groupsignet.com">www.groupsignet.com</a>
<b>Vi</b>	<b>Whether listed company</b>	Listed
<b>Vii</b>	<b>Name , Address &amp; contact details of the Registrar &amp; Transfer Agent, if any</b>	Ankit Consultancy Pvt. Ltd. Registrar & Share Transfer Agent (SEBI REG. No. INR 000000767) CIN NO - U74140MP1985PTC00307460, Electronic Complex, Pardeshipura, Indore (M.P.) 452010Tel.:0731-2551745, 2551746Fax:0731-4065798

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name & Description of main products/services	NIC Code of theProduct/ service	% to total turnoverof the company
1.	Plastic Products	2520	39.13
2.	Whole sale Trade of Chemicals & Plastic Material	5149	59.83

**I. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1	Adroit Drivelines Limited	U29253MH2016PLC274173	Wholly own Subsidiary	99	2(87)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of total Equity)**

**Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2015)				No. of Shares held at the end of the year (As on 31st March, 2016)				%Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoter</b>									
<b>Indian</b>									
Individual/HUF	7029954	0	7029954	24.09	70299540	0	70299540	24.09	0
Central Govt./ State Govt.	0	0	0	0	0	0	0	0	0
Bodies Corporate	14381046	0	14381046	49.27	143810460	0	143810460	49.27	0
Bank/FI	0	0	0	0	0	0	0	0	0
Any Other	0	0	0	0	0	0	0	0	0



Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2015)				No. of Shares held at the end of the year (As on 31st March, 2016)				%Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>Sub Total: (A)(1)</b>	<b>21411000</b>	<b>0</b>	<b>21411000</b>	<b>73.36</b>	<b>214110000</b>	<b>0</b>	<b>214110000</b>	<b>73.36</b>	<b>0</b>
Foreign									
NRI-Individuals	0	0	0	0	0	0	0	0	0
Other Individuals	0	0	0	0	0	0	0	0	0
Bodies Corp.	0	0	0	0	0	0	0	0	0
Banks/FI	0	0	0	0	0	0	0	0	0
Any other....	0	0	0	0	0	0	0	0	0
<b>Sub Total: (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoters (A)= (A)(1)+ (A)(2)</b>	<b>21411000</b>	<b>0</b>	<b>21411000</b>	<b>73.36</b>	<b>214110000</b>	<b>0</b>	<b>214110000</b>	<b>73.36</b>	<b>0</b>
Public Shareholding									
Institutions	0	0	0	0	0	0	0	0	0
Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
Banks/FI	0	0	0	0	0	0	0	0	0
Central Govt.	0	0	0	0	0	0	0	0	0
State Govt.	0	0	0	0	0	0	0	0	0
Venture Capital Fund	0	0	0	0	0	0	0	0	0
Insurance Companies	0	0	0	0	0	0	0	0	0
FII	0	0	0	0	0	0	0	0	0
Foreign Venture Capital Funds/ Provident Fund	0	0	0	0	0	0	0	0	0
Others (Foreign Institutional Investors)	0	0	0	0	30709	0	30709	0.01	30709
<b>Sub-Total: (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30709</b>	<b>0</b>	<b>30709</b>	<b>0.01</b>	<b>30709</b>
2. Non-Institutions	0	0	0	0	0	0	0	0	0
I. Bodies Corporate	7330260	0	7330260	25.11	71707907	0	71707907	24.57	71707907
II. NRI & OCB	2212	0.01	2212	0.01	22093	0	22093	0.01	22093
III. Clearing Member	1307	0	1307	0.00	158914	0	158914	0.05	158914
II. Individuals	0	0	0	0	0	0	0	0	0
1. Individual Shareholders holding nominal share capital upto Rs. 1 Lacs	211640	146100	357740	1.23	3433603	0	4894603	1.68	4894603
Individual Shareholders holding nominal share capital in excess of Rs. 1 Lacs	84481	84481	84481	0.29	945774	0	945774	0.32	945774
<b>Sub-Total: (B)(2)</b>	<b>7629900</b>	<b>146100</b>	<b>7776000</b>	<b>26.64</b>	<b>76268291</b>	<b>1461000</b>	<b>77760000</b>	<b>26.64</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B)(1)+ (B)(2)</b>	<b>7776000</b>	<b>0</b>	<b>7776000</b>	<b>26.64</b>	<b>77760000</b>	<b>0</b>	<b>77760000</b>	<b>26.64</b>	<b>0</b>
Shares held by Custodian against which Depository receipts have been issued	0	0	0	0	0	0	0	0	0
<b>Grand Total (A)(B)(C)</b>	<b>29040900</b>	<b>146100</b>	<b>29187000</b>	<b>100</b>	<b>290409000</b>	<b>1461000</b>	<b>291870000</b>	<b>100</b>	<b>0</b>




**Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shri Balaji Starch & Chemicals Limited	3886200	13.31	0	38862000	13.31	0	0
2	Swan Holdings Private Limited	2891700	9.91	0	28917000	9.91	0	0
3	Adroit Industries (India) Limited	2475000	8.48	0	24750000	8.48	0	0
4	Mukesh Sangla	18443820	6.32	0	18443820	6.32	0	0
5	Monika Sangla	18435000	6.32	0	18435000	6.32	0	0
6	Saurabh Sangla	18120000	6.21	0	18120000	6.21	0	0
7	Orinate Leasing & Finance	1094400	3.75	0	10944000	3.75	0	0
8	Signate Leasing & Finance	1081746	3.71	0	10817460	3.71	0	0
9	Mukesh Sangla HUF	1080072	3.70	0	10800720	3.70	0	0
10	Signet Impex Private Limited	984000	3.37	0	9840000	3.37	0	0
11	Ornate Leasing & Finance Private Limited	984000	3.37	0	9840000	3.37	0	0
13	Avantika Sangla	450000	1.54	0	4500000	1.54	0	0

**iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	<b>21411000</b>	<b>73.36</b>	<b>21411000</b>	<b>73.36</b>
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	0	0	0	0
At the end of the year	<b>21411000</b>	<b>73.36</b>	<b>21411000</b>	<b>73.36</b>


**Shareholding Pattern of top ten Shareholders**

Sr. No.	Name of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>PRANAY TRADE LINK PVT. LTD.</b>				
	At the beginning of the Year	1402200	4.80	1402200	4.80
	At the end of the year			1402200	4.80
2	<b>CAN INDIA OVERSEAS LLP</b>				
	At the beginning of the Year	1440000	4.93	1440000	4.93
	At the end of the year			14010000	4.80
3	<b>IMPULSE LINE HOSPITALS LLP</b>				
	At the beginning of the Year	1285756	4.41	1285756	4.41
	At the end of the year			12857560	4.41
4	<b>INDORE DYE CHEM LLP</b>				
	At the beginning of the Year	1395905	4.78	1395905	4.78
	At the end of the year			12655500	4.34
5	<b>AVA ENTERPRISES LLP</b>				
	At the beginning of the Year	1439310	4.93	1439310	4.93
	At the end of the year			6013100	2.06
6	<b>Globe Capital Market</b>				
	At the beginning of the Year	0	0		
	At the end of the year			2521658	0.86
7	<b>AVA ENTERPRISES LLP</b>				
	At the beginning of the Year	1439310	4.93	1439310	4.93
	At the end of the year			1645613	0.56
8	<b>KARYA STOCK BROKING LTD</b>				
	At the beginning of the Year	0	0		
	At the end of the year			949925	0.33
9	<b>GLOBE FINCAP LIMITED</b>				
	At the beginning of the Year	0	0		
	At the end of the year			676200	0.23
10	<b>MAHESH RAMDASTHAKKER</b>				
	<b>RAMDAS THAKKER</b>				
	At the beginning of the Year	0	0		
	At the end of the year			555824	0.19

**Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Mukesh Sangla	18443820	6.32	-	—	—	18443820	6.32
2.	Saurabh Sangla	18120000	6.21	-	—	—	18120000	6.21


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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,402,358,333	505,871,252	-	<b>1,908,229,585</b>
ii) Interest due but not paid	6,388,665	26,445	-	<b>6,415,110</b>
iii) Interest accrued but not due	1,146,387	569,914	-	<b>1,716,301</b>
<b>Total (i+ii+iii)</b>	<b>1,409,893,385</b>	<b>506,467,611</b>	<b>-</b>	<b>1,916,360,996</b>
Change in Indebtedness during the financial year				
• Addition	290,000,000	84,942,955	-	<b>374,942,955</b>
• Reduction	(346,886,300)	(2,566,482)	-	<b>(349,452,782)</b>
<b>Net Change</b>	<b>(56,886,300)</b>	<b>82,376,473</b>	<b>-</b>	<b>25,490,173</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1,352,125,913	588,124,340	-	<b>1,940,250,253</b>
ii) Interest due but not paid	602,101	123,385	-	<b>725,486</b>
iii) Interest accrued but not due	279,071	-	-	<b>279,071</b>
<b>Total (i+ii+iii)</b>	<b>1,353,007,085</b>	<b>588,247,725</b>	<b>-</b>	<b>1,941,254,810</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mukesh Sangla Managing Director DIN 00189676	Saurabh Sangla Whole-Time Director DIN 00206069	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17 (3) of Income Tax Act, 1961	84.00	NIL	84.00
2	Stock Option	Nil	NIL	Nil
3	Sweat Equity	Nil	NIL	Nil
4	Commission - as % of profit - others, specify...	Nil	NIL	Nil
5	Others, please specify	Nil	NIL	Nil
	<b>Total (A)</b>	<b>84.00</b>	<b>NIL</b>	<b>84.00</b>
	Ceiling as per the Act as per 5% of the net profit of the company	106.09	NIL	106.09


**B. Remuneration to other directors :**

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Nishtha Neema	Akhilesh Gupta	MurliDhar Vashist	
1	<b>Independent Directors</b>				
	• Fee for attending board / committee meetings	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
2	<b>Other Non-Executive Directors</b>				
	• Fee for attending board / committee meetings	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B)=(1+2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total Managerial Remuneration (A+B)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>84,00,000</b>
Overall Ceiling as per the Companies Act 2013		10% of the net profits of the Company			

**Remuneration To Key Managerial Personnel Other Than MD / Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.94	6.9	18.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	. Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total (A)</b>	<b>11.94</b>	<b>6.9</b>	<b>18.84</b>



**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT / COURT]	Appeal made, if any(give Details)
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Director</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. Other Officer in default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**For and on behalf of the Board**

Place : Indore  
Dated : 29th August, 2016

Sd/-  
**Mukesh Sangla**  
Chairman & Managing Director  
DIN : 00189676



**ANNEXURE- IX**

**Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Companies (Accounts) Rules, 2014**

**A. CONSERVATION OF ENERGY:**

Energy Conservation measures is an outgoing process and the Company considers it as a high priority area. During the year energy audits were conducted internally. The main measures adopted in energy conservation includes-

- a. Modifications /Improvements in process to result in less consumption of the energies for the same output.
- b. Installation of Timers in all major machines to conserve energy.
- c. Installation proper equipments to improve the power factor.
- d. Continuous training of operating staff for effective use of utilities.
- e. To achieve significant saving in the energy consumption processing equipments Layouts and Service utility layouts were redesigned.

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION, RESEARCH AND DEVELOPMENT:**

- (i) Specific Areas in which R&D carried out by the Company and benefits derived as a Result thereof in several Years.

Your Company's R&D wing is dedicated to ensure production of best quality products conforming to international standards.

- (ii) Future plan of Action

The Company doing its best to improve its quality and to reduce manufacturing expenses.

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

(Figures in Rs.)

S.N.	Particulars	Current Year 2015-16	Previous Year 2014-15
<b>(i)</b>	<b>Foreign Exchange Earnings</b>		
	FOB Value of Exports	-	-
<b>(ii)</b>	<b>Foreign Exchange Outgo</b>		
	Value of Import on CIF basis	1120130965	972085202

For and on behalf of the Board

Place: Indore  
Dated: 29<sup>th</sup> August, 2016

Sd/-  
Mukesh Sangla  
Chairman & Managing Director  
DIN : 00189676



### Independent Auditors Report

To,  
The Members of  
Signet Industries Limited  
Report on the Financial Statements

We have audited the accompanying financial statements of Signet Industries Limited ("The Company") which comprises the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provision of the Act, the accounting and auditing standard and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

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

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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 statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us.
- d) In our opinion, the aforesaid standalone financial statement comply with the accounting standards 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 31<sup>st</sup> March 2016 taken on records by the Board of Director, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 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".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to be 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 financial statement – refer note 27 to the financial statement;
  - ii. The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For **ASHOK KHASGIWALA & CO.,**  
CHARTERED ACCOUNTANTS.  
(Firm Reg. No. 0743C)

**CA Avinash Baxi**  
Partner  
M.No. 79722

Place : Indore  
Date : 30.05.2016





**Annexure A to Independent Auditor’s Report**

Referred to in paragraph (1) under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Signet Industries Limited on the financial statements for the year ended March 31, 2016.

- i. In respect of its Fixed Assets :
  - a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. As explained to us, the fixed assets of the Company have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. In respect of its Inventories:
 

The inventories has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed
- iii. According to the information and explanations given to us, the Company has not granted loans secured or unsecured to company, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion provisions of para 3 clause (iii) of the order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and guarantee given. The company has not provided any security in terms of section 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules, framed there under. As informed to us no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of Statutory dues :
  - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including provident fund, employee’s state insurance, income tax, sales tax, service tax, wealth tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There were no undisputed statutory dues in arrears, as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of sales tax, value added tax, income tax, service tax, duties of customs, wealth tax, duties of excise which have not been deposited with appropriate authorities on account of any dispute except as follows :

<b>Name of the Liability</b>	<b>Nature of Period</b>	<b>Related</b>	<b>(Amount in Rs.) pending</b>	<b>Forum Statute where dispute is</b>
Income Tax Act, 1961	Income Tax	2006-07, 2007-08, 2009-2010 and 2011-2012	53876520	ITAT Appeal
M.P. Value Added Tax Act, 2002	Sales Tax	2008-09	384839	Additional Comm. (Appeal)

Name of the Liability	Nature of Period	Related	(Amount in Rs.) pending	Forum Statute where dispute is
Custom & Central Excise & Service Tax	Excise Duty	2008-09	1200000	Commissioner (Appeal)
Custom & Central Excise & Service Tax	Excise Duty	2014-15	4876994	Commissioner (Appeal)
Income Tax Act, 1961	Income tax	2013-14	305380	Commissioner (Appeal)
Income Tax Act, 1961	Income tax	2008-09	56591125	Commissioner (Appeal)

- viii. According to the records of the company examined by us and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution, bank or government as on the balance sheet date. The Company has not issued any debenture.
- ix. In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and In our opinion and according to the information and explanations given to us, the term loans obtained during the year have been applied for the purpose for which they were obtained.
- x. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to information and explanation given to us, the company is not a Nidhi Company therefore, the provision of para 3 (xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has made private placement of preference shares during the year, The requirement of Section 42 of the companies act, 2013 have been complied with and the amount have been used for the purpose for which the funds were raised.
- xv. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him during the year, hence the provision of para 3 (xv) of the Order is not applicable to the company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 therefore, the provision of para 3 (xvi) of the Order is not applicable to the company for the year under audit.

**For Ashok Khasgiwala & Co.**

**Chartered Accountants  
(Firm Reg. No. 0743C)**

**CA Avinash Baxi  
(Partner)**

M .No. 079722

Date: 30.05.2016

Place: Indore

**Annexure B To the Independent Auditor's Report of even date on the Standalone Financial Statements of Signet Industries Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Signet Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ashok Khasgiwala & Co.  
Chartered Accountants  
(Firm Reg. No. 0743C)  
CA Avinash Baxi  
(Partner)  
M. No. 079722**

Date: 30.05.2016

Place: Indore



## Balance Sheet as at 31st March, 2016

(Figures in Rs.)

Particulars	Note	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	401,870,000	395,870,000
(b) Reserves and Surplus	2	756,995,739	580,904,755
		<b>1,158,865,739</b>	<b>976,774,755</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	543,580,753	595,075,035
(b) Deferred Tax Liabilities (Net)	4	132,278,935	124,591,964
(c) Long Term Provisions	5	6,818,247	4,659,694
		<b>682,677,935</b>	<b>724,326,693</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	6	1,256,788,046	1,035,374,839
(b) Trade Payables	7	1,725,181,425	1,822,967,349
(c) Other Current liabilities	8	257,511,463	418,256,870
(d) Short-Term Provisions	9	64,637,314	32,008,756
		<b>3,304,118,248</b>	<b>3,308,607,814</b>
	<b>TOTAL</b>	<b>5,145,661,922</b>	<b>5,009,709,262</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	774,690,903	813,686,510
(ii) Intangible Assets		89,744	146,873
(iii) Intangible assets under development		45,000	45,000
(b) Non- Current Investments	11	669,330	651,330
(c) Long Term Loans and Advances	12	48,794,448	53,689,479
(d) Other Non - Current Assets	13	41,859,385	15,531,495
		<b>866,148,810</b>	<b>883,750,687</b>
<b>(2) Current Assets</b>			
(a) Inventories	14	1,034,569,863	1,168,528,857
(b) Trade Receivables	15	2,649,355,953	2,275,251,040
(c) Cash and Bank Balances	16	342,267,947	398,243,932
(d) Short -Term Loans and Advances	17	240,869,243	256,018,964
(e) Other Current Assets	18	12,450,106	27,915,782
		<b>4,279,513,112</b>	<b>4,125,958,575</b>
	<b>TOTAL</b>	<b>5,145,661,922</b>	<b>5,009,709,262</b>
Notes forming an integral part to the financial statements	1 to 50	-	-
Company information and Significant Accounting Policies A-B			
AS PER OUR REPORT OF EVEN DATE FOR ASHOK KHASGIWALA & CO. CHARTERED ACCOUNTANTS CA Avinash Baxi Partner M.No.:79722		FOR AND ON BEHALF OF BOARD OF DIRECTORS Mukesh Sangla Managing Director DIN-00189676 Saurabh Sangla Director DIN-00206069	
Place: Indore Date : 30-05-2016	J C Paliwal Chief Financial Officer Preeti Singh Company Secretary		


**Statement of Profit and Loss for the year ended 31 st March 2016**

(Figures in Rs.)

Particulars	Note	For the year ended 31st March 2016	For the year ended 31st March 2015
<b>I. INCOME</b>			
(a) Revenue from Operations	19	8,088,783,698	6,709,793,723
Less: Excise Duty		153,065,163	147,129,773
		<b>7,935,718,535</b>	<b>6,562,663,950</b>
(b) Other Income	20	31,096,079	69,272,271
	<b>Total Revenue</b>	<b>7,966,814,614</b>	<b>6,631,936,221</b>
<b>II. EXPENSES</b>			
(a) Cost of Materials Consumed	21	1,873,118,327	1,853,904,681
(b) Purchases of Stock in Trade	22	4,705,079,499	3,826,071,307
(c) Changes in inventories of finished goods work-in-progress and Stock-in-trade	23	50,398,312	247,507,663
(d) Employee Benefits Expenses	24	136,601,058	123,015,097
(e) Finance Costs	25	400,103,826	425,872,749
(f) Depreciation and Amortization Expenses	10	65,578,080	64,505,608
(g) Other Expenses	26	504,639,581	438,003,428
	<b>Total Expenses</b>	<b>7,735,518,683</b>	<b>6,483,865,207</b>
<b>III. Profit before exceptional and     extraordinary items and tax (I - II)</b>		<b>231,295,931</b>	<b>148,071,014</b>
<b>IV. Exceptional / Extraordinary Items</b> (Refer note no. 10(b))		-	9,242,584
<b>V. Profit before Extraordinary Items</b>		<b>231,295,931</b>	<b>157,313,598</b>
<b>VI. Extraordinary Items</b>		-	-
<b>VII. Profit before tax (V-VI)</b>		<b>231,295,931</b>	<b>157,313,598</b>
<b>VI. Tax Expenses:</b>			
(a) Current Tax		(49,429,000)	(31,087,483)
Provision for the year	68,000,000		
Less : MAT Credit Entitlement	(18,571,000)		
(b) Deferred Tax		7,686,971)	(9,121,421)
(c) Income Tax for Earlier Years		(88,319)	(69,500)
<b>IX. Profit for the Year</b>		<b>174,091,641</b>	<b>117,035,194</b>
<b>X. Earning per Equity Share of Face Value</b>		0.58	0.40
<b>Rs. 1 Each Basic and Diluted (In Rs.)</b>		<b>36</b>	
Notes forming an integral part to the financial statements		<b>1 to 50</b>	
Significant Accounting Policies		<b>A-B</b>	
AS PER OUR REPORT OF EVEN DATE FOR ASHOK KHASGIWALA & CO. CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF BOARD OF DIRECTORS	
Sd/- CA Avinash Baxi Partner M.No.:79722	Sd/- J C Paliwal Chief Financial Officer	Sd/- Mukesh Sangla Managing Director DIN-00189676	Sd/- Saurabh Sangla Director DIN-00206069
Place: Indore Date : 30-05-2016	Sd/- Preeti Singh Company Secretary		


**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2016**

(Figures In Rs.)

Particulars	For the year 2015-2016	For the year 2014-2015
<b>Cash Flow from Operating Activities</b>		
Profit before tax and extra ordinary items	23,12,95,931	14,80,71,014
<b>Adjustments for:</b>		
Depreciation	6,55,78,080	6,45,05,608
Finance Costs	40,01,03,826	425,872,749
Investments W/off	-	122,260
Dividend	(15,600)	(13,200)
Interest Received	(30,000,312)	(67,910,748)
Loss on sale of fixed asset	13,17,184	-
Profit on sale of Investment	-	(4,16,720)
Reversal of Diminution in value investment	(12,500)	-
Operating Income before working capital changes	<b>668,266,609</b>	<b>570,230,963</b>
<b>Adjustments for:</b>		
Inventories	13,39,58,994	(291,800,548)
Trade & Other Receivables	(36,30,67,206)	105,851,384
Trade & Other Payables	(12,29,67,407)	324,503,399
Cash Flow From Operations	<b>31,61,90,990</b>	<b>70,87,85,198</b>
Taxes Paid	(3,42,19,818)	(62,651,661)
<b>Net Cash From Operating Activities</b>	<b>28,19,71,172</b>	<b>646,133,537</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(2,86,04,639)	(50,456,903)
Dividend	15,600	13,200
Interest Received	3,70,70,597	67,910,748
Purchase of Investment	(5,500)	-
Sale of fixed assets	17,00,000	-
Sale of Investments	-	451,720
Bank balances pledged not considered as cash and cash equivalent	4,91,06,693	352,757,579
<b>Net Cash Used in Investing Activities</b>	<b>5,92,82,751</b>	<b>370,676,344</b>
<b>Cash Flow from Financing Activities</b>		
Proceed From Borrowings	23,19,49,382	26,066,482
Repayment of Borrowings	(19,98,05,330)	(735,095,893)
Proceeds from issue of Preference Shares	3,00,00,000	27,00,00,000
Finance Costs	(41,02,67,267)	(425,872,749)
Dividend Paid (Inclusive of dividend Tax)	-	(43,901,672)
<b>Net Cash Flow From Financing Activities</b>	<b>(34,81,23,215)</b>	<b>(908,803,832)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>	<b>(68,69,292)</b>	<b>108,006,049</b>
Cash & Cash Equivalents at Beginning of the Year	18,75,45,593	79,539,544
Cash & Cash Equivalents at End of the Year	18,06,76,301	187,545,593
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>	<b>(68,69,292)</b>	<b>108,006,049</b>

AS PER OUR REPORT OF EVEN DATE  
**FOR ASHOK KHASGIWALA & CO.**  
 CHARTERED ACCOUNTANTS  
 Sd/-  
**CA Avinash Baxi**  
 Partner  
 Place: Indore  
 Date : 30-05-2016

M.No.:79722

Sd/-  
**J C Paliwal**  
 Chief Financial Officer  
 Sd/-  
**Preeti Singh**  
 Company Secretary

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-  
**Mukesh Sangla**  
 Managing Director  
 DIN-00189676

Sd/-  
**Saurabh Sangla**  
 Director  
 DIN-00206069



## Notes forming an integral part to Financial Statements for the Year Ended 31st March 2016

(Figures In Rs.)

Particulars	As at 31st March 2016	As at 31st March 2015
<b>NOTE 1 : SHARE CAPITAL</b>		
<b>Authorised</b>		
3,00,00,000 (Previous Year : 3,00,00,000) Equity shares of Rs.1 each	300,000,000	300,000,000
50,00,000 (Previous Year : 50,00,000) 5% Non Convertible, Non Cumulative Redeemable Preference Shares of Rs.10 each	50,000,000	50,000,000
150,00,000 (Previous Year : 1,50,00,000) 2% Non Convertible, Non Cumulative Redeemable Preference Shares of Rs.10 each	150,000,000	150,000,000
	<b>500,000,000</b>	<b>500,000,000</b>
<b>Issued, subscribed and fully paid up</b>		
2,91,87,0000 (Previous Year : 2,91,87,000) Equity shares of Rs.1 each fully paid up	291870000	291870000
50,00,000 (Previous Year : 50,00,000) 5% Non Convertible, Non Cumulative Redeemable Preference Shares of Rs.10 each fully paid up	50,000,000	50,000,000
60,00,000 (Previous Year : 54,00,000) 2% Non Convertible, Non Cumulative Redeemable Preference Shares of Rs.10 each fully paid up	60,000,000	54,000,000
	<b>Total</b>	<b>395,870,000</b>
	<b>401,870,000</b>	<b>395,870,000</b>

**1.1 Reconciliation of number of Equity Shares and amount outstanding :**

Particulars	As at 31st March 16		As at 31st March 15	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the year	29,187,0000	291,870,000	29,187,000	291,870,000
Add : Issued during the year	-	-	-	-
Equity Shares at the end of the year	29,187,0000	291,870,000	29,187,000	291,870,000

**1.2 Reconciliation of number of Preference Shares and amount outstanding :**

Particulars	As at 31st March 16		As at 31st March 15	
	No. of Shares	Amount	No. of Shares	Amount
<b>A. 5% Non Convertible, Non Cumulative Redeemable Preference Shares</b>				
At the beginning of the year	5,000,000	50,000,000	5,000,000	50,000,000
Add : Issued during the year	-	-	-	-
At the end of the year	5,000,000	50,000,000	5,000,000	50,000,000
<b>B. 2% Non Convertible, Non Cumulative Redeemable Preference Shares</b>				
At the beginning of the year	5,400,000	54,000,000	-	-
Add : Issued during the year	600,000	6,000,000	5,400,000	54,000,000
At the end of the year	6,000,000	60,000,000	5,400,000	54,000,000

**1.3 Terms / Rights attached to Equity Shares :**

The company has only one class of equity shares having a par value of Rs. 1 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.



#### 1.4 Terms / Rights attached to Preference Shares :

##### A. 5% Non Convertible, Non Cumulative Redeemable Preference Shares

Preference Shares are Non Convertible, Non Cumulative, Redeemable and have a par value of Rs.10/- per share. Each Preference Shareholder is eligible for one vote per share only on resolution affecting their rights and interest. Shareholders are entitled to dividend at the rate of 5% p.a. which is non cumulative. In the event of liquidation of the Company before redemption the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

The Company has allotted 50,00,000 ,5% Non Convertible, Non Cumulative, Redeemable Preference Shares of Rs. 10/- each on 8<sup>th</sup> October 2012. The preference shares are redeemable at par, not being after 20 years from the date of allotment, to be decided by the board of directors.

##### B. 2% Non Convertible, Non Cumulative Redeemable Preference Shares

Preference Shares are Non Convertible, Non Cumulative, Redeemable and have a par value of Rs.10/- per share. Each Preference Shareholder is eligible for one vote per share only on resolution affecting their rights and interest. Shareholders are entitled to dividend at the rate of 2% p.a. which is non cumulative. In the event of liquidation of the Company before redemption the holders of preference shares will have priority over equity shares in the payment of dividend and repayment of capital.

The Company has allotted 54,00,000 ,2% Non Convertible, Non Cumulative, Redeemable Preference Shares of Rs. 10/- each at a premium of Rs. 40/- per share on 27<sup>th</sup> March 2015. and 6,00,000 Shares on 14th May, 2015. The preference shares shall be redeemed out of profits or out of the proceeds of the fresh issue of shares at or after the end of fifth year but within a period of 20 years either in one or more than one tranches as may be determined by the board of directors of the company in its absolute discretion at Rs. 80/- (Rupees Eighty only)

#### 1.5 Equity Shareholders holding more than 5% equity shares:

Name of the Shareholder	As at 31st March 16		As at 31st March 15	
	No. of Shares	%	No. of Shares	%
Shri Balaji Starch & Chemicals Pvt. Ltd.	3,862,000	13.31%	3,886,200	13.31%
Swan Irrigation Private Limited	2,891,700	9.91%	2,891,700	9.91%
Adroit Industries (India) Limited	2,475,000	8.48%	2,475,000	8.48%
Mr. Mukesh Sangla	1,844,382	6.32%	1,844,382	6.32%
Mrs. Monika Sangla	1,843,500	6.32%	1,843,500	6.32%
Mr. Saurabh Sangla	1,812,000	6.21%	1,812,000	6.21%
Ornate Impex Private Limited	2,078,400	7.12%	2,078,400	7.12%
Signet Tradelinks Private Limited	2,065,746	7.08%	2,065,746	7.08%

#### 1.6 5% Non Convertible, Non Cumulative Preference Shareholders holding more than 5% preference shares:

Name of the Shareholder	As at 31st March 16		As at 31st March 15	
	No. of Shares	%	No. of Shares	%
Avance Technologies Limited	1,205,000	24.10%	1,550,000	31.00%
Asan Investments & Finance Limited	1,000,000	20.00%	1,000,000	20.00%
Advance Corpcare (India) Private Limited	600,000	12.00%	600,000	12.00%
Advance Fertilizers (India) Private Limited	500,000	10.00%	500,000	10.00%
Ayushi Daga	350,000	7.00%	-	0.00%
Dinesh Kumar Maheshwari	345,000	6.90%	-	0.00%
RSD Capital Market Private Limited	-	0.00%	350,000	7.00%

#### 1.7 2% Non Convertible, Non Cumulative Preference Shareholders holding more than 5% preference shares:

Name of the Shareholder	As at 31st March 16		As at 31st March 15	
	No. of Shares	%	No. of Shares	%
Adroit Industries (India) Limited	3,800,000	63.33%	3,200,000	29.26%
Lucky Commotrade Private Limited	1,000,000	16.67%	1,000,000	18.52%
Swan Petrochemicals Private Limited	800,000	13.33%	800,000	14.81%
Kamdeep Marketing Private Limited	400,000	6.67%	400,000	7.41%





**1.8** For the period of five years immediately preceding the date at which the Balance Sheet is prepared i.e. 31st March, 2016, the company has -(i) not allotted any bonus shares. (ii) not allotted any shares pursuant to contract(s) without payment being received in cash,(iii) not bought back any shares/class of shares

	As at 31st March 16	As at 31st March 15
<b>NOTE 2 : RESERVES AND SURPLUS</b>		
<b>Securities Premium</b>		
Balance as at the beginning of the year	21,60,00,000	-
Add : Received during the year	2,40,00,000	21,60,00,000
Balance as at the end of the year	<b>24,00,00,000</b>	<b>216,000,000</b>
<b>General Reserve</b>		
Balance as at the beginning of the year	20,522,158	20,522,158
Add : Transfer from Statement of Profit and Loss	-	-
Balance as at the end of the year	<b>20,522,158</b>	<b>20,522,158</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	344,382,598	227,792,388
Add: Profit for the year	174,091,642	117,035,194
Add: Depreciation Adjustment as per Schedule II of the Companies Act, 2013 (Net of tax expenses of Rs. 235504/-) (Refer Note 10 (a))	-	(444,985)
Less: Appropriations :	518,474,239	344,382,597
Transfer to General Reserve	-	-
Proposed Dividend - Preference shares	3,685,902	-
Proposed Dividend - Equity shares	14,593,500	-
Tax on Dividend	3,721,256	-
Balance as at the end of the year	496,473,581	344,382,597
<b>Total</b>	<b>756,995,739</b>	<b>580,904,755</b>
<b>NOTE 3 : LONG TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Term Loans *</b>		
a. From Banks	453,083,975	639,810,450
Less : Current Maturity of long term debts (Refer Note 8)	130,544,505	269,720,889
b. From Financial Institution	322,539,470	370,089,561
Less : Current Maturity of long term debts (Refer Note 8)	22,819,712	26,000,000
	8,661,627	6,194,415
c. Other Loan	14,158,085	19,805,585
Less : Current Maturity of long term debts (Refer Note 8)	798,706	2,664,166
	798,706	1,864,406
	-	799,760
*(Refer Note 31 for security of loans)		
<b>Unsecured</b>		
Intercompany Deposits	206,883,198	204,380,130
<b>Total</b>	<b>543,580,753</b>	<b>595,075,035</b>
<b>NOTE 4 : DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Depreciation difference on Fixed Assets	134,806,602	115,706,047
<b>Deferred Tax Assets</b>		
Disallowance under the Income Tax Act, 1961	2,527,667	(8,885,917)
<b>Total</b>	<b>132,278,935</b>	<b>124,591,964</b>



	As at 31st March 16	As at 31st March 15
<b><u>NOTE 5 : LONG TERM PROVISIONS</u></b>		
For Employee Benefits	6,818,247	4,659,694
(Refer Note 34 for Disclosure as per AS -15)		
<b>Total</b>	<b>6,818,247</b>	<b>4,659,694</b>
<b><u>NOTE 6 : SHORT TERM BORROWINGS</u></b>		
<b><u>Secured</u></b>		
a. I Working capital Loan From Banks (Refer Note (a) below)	875,423,520	728,417,092
b. Buyers Credit from Banks Repayable on Demand (Refer Note (b) below)	-	5,466,625
<b><u>Unsecured</u></b>		
a. I Working capital Loan From Banks (Refer Note (c) below)	14,093,122	-
b. Buyers Credit from Bank (Refer Note (b) below)	364,771,405	296,424,640
c. Intercorporate Deposits (Refer Note (d) below)	2,500,000	5,066,482
<b>Total</b>	<b>1,256,788,047</b>	<b>1,035,374,839</b>
<b>Note :</b>		
a. (i) Working Capital Loans from Banks amounting to Rs. 87,54,23,520/- (Pre. Year Rs. 72,84,17,092/-) are secured by hypothecation of stock of raw materials, work in process, finished goods, other current assets and charge on book debts, second pari passu charge on the Fixed Assets (both present and future) of the company, extension of equitable mortgage of the immovable properties situated at Industrial Area Pithampur and Kelodhala, Dewas Naka, Indore and personal guarantee of Mr. Mukesh Sangla and Mr. Saurabh Sangla, Directors of the company and Mrs. Monika Sangla and Corporate Guarantee of M/s Kamdeep Marketing Private Limited.		
(ii) Short Term Borrowings aggregating to Rs. 87,54,23,520/- (Pre. Year Rs. 72,84,17,092/-) are secured by Personal Guarantee of Directors Mr. Mukesh Sangla & Mr. Saurabh Sangla and Mrs. Monika Sangla and corporate guarantee of M/s Kamdeep Marketing Private Limited.		
b. (i) During the year Company has availed buyer's credit as at 31st March 2016 Rs. NIL (Pre. Year 54,66,625/-) is secured by hypothecation of stocks and book debts and by earmarking the letter of credit facilities sanctioned by the banks, personal guarantee of Mr. Mukesh Sangla and Mr. Saurabh Sangla, Directors of the company and Mrs. Monika Sangla and Corporate Guarantee of M/s Kamdeep Marketing Private Limited.		
(ii) During the year Company has availed buyer's credit, the said facility outstanding as at 31st March 2016 Rs. NIL (Pre. Year 13,23,68,620/-) is secured by lien on Fixed Deposits (included in Balances with banks in deposit accounts in note 16) and balance Rs. 36,47,71,405/- (Pre. Year Rs. 16,95,22,645/-) by earmarking the letter of credit facilities sanctioned by the banks.		
c. During the year company has availed loan from Axis Bank under Channel Financing Scheme, the said facility outstanding as at 31st March, 2016 Rs. 1,40,93,122/- (Pre. Year Rs. NIL) are Guaranteed by Directors Mr. Mukesh Sangla and Mr. Saurabh Sangla.		
d. Intercorporate Deposit amounting Rs. 2500000/- is repayable in 91 days.		
	As at 31st March 16	As at 31st March 15
<b><u>NOTE 7 : TRADE PAYABLE</u></b>		
Due to Micro, Small and Medium Enterprises	37,61,610	51,233
Due to Others	1,72,14,19,815	1,82,29,16,116
(Refer Note 30 for Disclosure under MSMED Act, 2006)		
<b>Total</b>	<b>1,72,51,81,425</b>	<b>1,82,29,67,349</b>

**NOTE 10 : FIXED ASSETS**

(Figurers in Rs.)

Name of the Assets	GROSS BLOCK				DEPRECIATION AND AMORTISATION					NET BLOCK		
	As at 01.04.2015	Addition	Deduction	Total	Upto 31.03.2015	For the year 2015-16	Adjustment in retained Earnings (a)	Adjustment (b)	Deduction	Total	As at 31.03.2016	As at 31.03.2015
<b>(A) Tangible Assets :</b>												
Land - Free hold	100,760	-	-	100,760	-	-	-	-	-	-	100,760	100,760
Land - Lease hold	10,429,554	-	-	10,429,554	1,620,984	347,304	-	-	-	1,968,288	8,461,266	8,808,570
Building	143,875,943	2,222,080	-	146,098,023	18,598,777	4,676,471	-	-	-	23,275,248	122,822,775	125,277,166
Plant & Machinery	813,751,116	25,609,853	4,380,725	834,980,244	221,859,154	49,868,507	-	-	1,363,541	270,364,120	564,616,124	591,891,962
Windmill	109,912,344	-	-	109,912,344	42,790,954	4,491,052	-	-	-	47,282,006	62,630,338	67,121,390
Furniture & Fixtures	16,885,903	470,447	-	17,356,350	8,386,999	3,157,508	-	-	-	11,544,507	5,811,843	8,498,904
Office Equipments	10,883,736	1,240,148	-	12,123,884	7,495,492	1,433,636	-	-	-	8,929,128	3,194,756	3,388,244
Vehicle	26,347,105	-	-	26,347,105	17,747,591	1,546,473	-	-	-	19,294,064	7,063,041	8,599,514
<b>Total (A)</b>	1,132,186,461	29,542,528	4,380,725	1,157,348,264	318,499,951	65,520,951	-	-	1,363,541	382,657,361	774,690,903	813,686,510
Previous Year :	1,079,978,143	52,208,318	-	1,132,186,461	262,602,365	64,459,681	680,489	(9,242,584)	-	318,499,951	813,686,510	-
<b>(B) Intangible Assets:</b>												
Computer Software	192,800	-	-	192,800	45,927	57,129	-	-	-	103,056	89,744	146,873
<b>Total (B)</b>	192,800	-	-	192,800	45,927	57,129	-	-	-	103,056	89,744	146,873
Previous Year :	-	192,800	-	192,800	-	45,927	-	-	-	45,927	146,873	-

(a) Transition adjustment consequent to enactment of Schedule II of Companies Act, 2013.

(b) Exceptional item amounting Rs 92,42,584 represents reversal of excess depreciation charged in earlier years.



Particulars	As at 31st March 2016	As at 31st March 2015
<b>Note '8' : Other Current Liabilities</b>		
Current Maturities of Long Term Borrowing (Refer note 31 for Details of Securities)	140,004,838	277,779,710
Interest accrued but not due on borrowings	13,429,137	17,779,569
Interest accrued and due on borrowings	602,101	6,415,110
Unclaimed Dividend*	345,251	347,411
<b>Other Payables</b>		
Statutory Dues	22,511,935	31,687,335
Advance from Customers	48,190,735	48,557,539
Creditors for Capital Expenditure	5,146,114	3,268,911
Deposits	7,397,995	6,248,214
Other liabilities**	19,883,358	26,173,070
<b>Total</b>	<b>257,511,463</b>	<b>418,256,870</b>
* There are no amount due for payment to investor Education and Protection Fund.		
* Other liabilities includes Provision for payments to Employees, Other Expenses Etc.		
<b>Note '9' : Short Term Provisions</b>		
For employee benefit (Refer Note 34 for Disclosure as per AS-15)	485,461	340,032
Others		
For Taxation	25,160,842	-
(Net of Advance Tax Rs. 15,61,39,158)		
For Dividend - Preference Shares	3,685,902	-
For Dividend - Equity Shares	14,593,500	-
For Tax on Final Dividend	3,721,256	-
For Excise Duty on Closing Stock	16,990,353	31,668,724
<b>Total</b>	<b>64,637,314</b>	<b>32,008,756</b>
<b>Note '11' : Non Current Investments</b>		
(At cost less provision for diminution other than temporary)		
<b>a. In Equity Shares (Quoted) (Non Trade)</b>		
2000 (Previous Year 2000) Equity Shares of Rs. 10/- each of Andhra Petro Chemicals Ltd fully paid up	47,740	
Less:- Provision for Diminution	<u>(24,460)</u>	23,280
4000 (Previous Year 4000) Equity Shares of Rs. 10/- each of Tirupati Starch & Chemicals Ltd fully paid up	58,500	58,500
15000 (Previous Year 15000) Equity Shares of Rs. 2/- each of DCW Ltd fully paid up	1,31,600	1,31,600
500 (Previous Year 500) Equity Shares of Rs. 10/- each of Nagarjun Fertilizers Ltd fully paid up	10,500	10,500
6 (Previous Year 6) Equity Shares of Rs. 10/- each of Reliance Industries Ltd fully paid up	8,450	8,450
3200 (Previous Year 3200) Equity Shares of Rs. 10/- each of Clariant Chemical (I) Limited fully paid up	2,00,800	2,00,800
750 (Previous Year 750) Equity Shares of Rs. 10/- each of Crescent Finstock Limited fully paid up	-	-
63600 (Previous Year 63600) Equity Shares of Rs. 10/- each of Tribhuvan Housing Finance Ltd fully paid up	5,00,000	5,00,000
Less:- Provision for Diminution	<u>(4,77,500)</u>	<u>(4,90,000)</u>
	22,500	10,000
7800 (Previous year 7800) Equity Shares of Rs. 10/- each of UCO Bank Ltd fully paid up	93,600	93,600



Particulars	As at 31st March 2016	As at 31st March 2015
435 (Previous Year 435) Equity Shares of Rs. 10/- each of Reliance Power Ltd fully paid up	122,400	122,400
Less:- Provision for Diminution	(97,800)	(97,800)
	24,600	24,600
5000 (Previous year 5000) Equity Shares of Rs. 10/- each of M.P. Investments Ltd fully paid up	274,565	274,565
Less:- Provision for Diminution	(224,565)	(224,565)
	50,000	50,000
4000 (Previous year 4000) Equity Shares of Rs. 10/- each of Herald Commerce Ltd fully paid up	457,725	457,725
Less:- Provision for Diminution	(417,725)	(417,725)
	40,000	40,000
<b>b. In Equity Shares (Unquoted)(Non Trade)</b>		
100 (Previous year NIL) Equity Shares of Rs. 10/- each of SVC Bank Ltd.	5,500	-
<b>Grand Total</b>	<b>6,69,330</b>	<b>6,51,330</b>
Aggregate Amount of Quoted Investment	1,905,880	1,905,880
Aggregate Market Value of Quoted Investment	28,37,117	34,75,405
Aggregate Amount of Unquoted Investment	5,500	-
Aggregate provision for diminution in value of investments	12,42,050	12,54,550
<b>Note '12' : Long Term Loans and Advances</b>		
(Unsecured considered good)		
Capital Advances	4,741,945	5,679,834
Security Deposits	24,445,067	23,417,906
Others		
Intercorporate Advance	18,902,022	17,059,587
Balance with Government Authorities	705,414	7,532,152
<b>Total</b>	<b>48,794,448</b>	<b>53,689,479</b>
<b>Note '13' : Other Non-Current Assets</b>		
Interest Accrued on deposits	2,208,620	375,272
<b>Balance with Banks in Deposit Accounts</b>		
Having maturity of more than 12 months		
- Earmarked for credit facility granted by bank	39,650,765	15,156,223
	<b>41,859,385</b>	<b>15,531,495</b>
<b>Note '14' : Inventories</b>		
Raw-Material	320,209,072	393,237,871
Work-in-Progress	2,504,198	7,244,956
Finished Goods	670,495,472	668,993,049
Stock in Trade	25,390,700	87,229,048
Stores and Spares and Consumables	15,970,421	11,823,933
(Note - Inventories are valued at lower of cost or net realisable value)		
<b>Total</b>	<b>1,034,569,863</b>	<b>1,168,528,857</b>
<b>Details of Raw Material</b>		
Polymer	288,828,963	341,540,101
Others	31,380,109	51,697,770
	<b>320,209,072</b>	<b>393,237,871</b>



Particulars	As at 31st March 2016	As at 31st March 2015
<b>Details of Work in Progress</b>		
Irrigation and Plastic Products	25,04,198	72,44,956
	<b>25,04,198</b>	<b>72,44,956</b>
<b>Details of Finished Goods</b>		
Irrigation and Plastic Products	670,495,472	668,993,049
	<b>670,495,472</b>	<b>668,993,049</b>
<b>Details of Stock In Trade</b>		
Polymer	20,962,765	80,931,337
Others	4,427,935	6,297,711
	<b>25,390,700</b>	<b>87,229,048</b>
<b>Note '15' : Trade Receivables</b>		
(Unsecured considered good)		
Outstanding Over Six Months from the date they were due for payment	286,934,877	259,320,645
Other debts*	2,362,421,076	2,015,930,394
*(Includes Rs. 44869/- (Pre. Yr Nil) due from company in which directors are interested)		
<b>Total</b>	<b>2,649,355,953</b>	<b>2,275,251,040</b>
<b>Note '16' : Cash and Bank Balances</b>		
<b>a. Cash and Cash Equivalents</b>		
i. Balances with Banks		
In Current Accounts	157,192,921	75,800,272
In Deposit Accounts having maturity upto 3 months		
- Earmarked for credit facility granted by bank	21,100,000	107,530,341
- Others	2,383,380	4,214,980
ii. Cash in hand		
<b>Total</b>	<b>180,676,301</b>	<b>187,545,593</b>
<b>b. Other Bank Balances</b>		
In Deposits Accounts		
Having maturity of more than 3 months upto 12 months		
- Earmarked for credit facility granted by bank	161,146,395	210,250,927
- Others	100,000	100,000
Having maturity of more than 12 months		
- Earmarked for credit facility given by bank	39,650,765	15,156,223
Less :- Shown under Other Non Current Assets (Refer Note 13)	(39,650,765)	(15,156,223)
In Earmarked Unclaimed Dividend Account	345,251	347,411
<b>Total</b>	<b>342,267,947</b>	<b>398,243,932</b>
<b>Note '17' Short Term Loans and Advances</b>		
(Unsecured, considered good)		
Others		
Security Deposits	8,119,852	4,337,207
Balance with Government Authorities	185,993,829	207,400,773
MAT Credit Entitlement	20,983,517	2,412,517
Others advances recoverable in cash or in kind or for value to be received	25,772,046	41,868,467
<b>Total</b>	<b>240,869,243</b>	<b>256,018,964</b>
<b>Note '18' : Other Current Assets</b>		
Interest Accrued on deposits	3,512,528	12,416,161
Claims and other receivable	8,937,578	15,499,621
<b>Total</b>	<b>12,450,106</b>	<b>27,915,782</b>
<b>Note '19' : Revenue from Operations</b>		
Sale of Products	8,029,822,592	6,639,554,709
Sale of Wind Power Generated	9,447,196	11,169,325
Sale of Services	25,542,169	36,510,376
Other Operating revenues	23,971,741	22,559,314
	8,088,783,698	6,709,793,723
Less : Excise Duty	153,065,163	147,129,773
<b>Total</b>	<b>7,935,718,535</b>	<b>6,562,663,950</b>



Particulars	As at 31st March 2016	As at 31st March 2015		
<b>Details of Sales of products</b>				
Irrigation and Plastic Products	3,150,531,183	2,625,334,260		
Polymer	4,162,733,686	3,142,895,869		
Chemicals	714,852,510	869,254,080		
Others	1,705,213	2,070,500		
<b>Total</b>	<b>8,029,822,592</b>	<b>6,639,554,709</b>		
<b>Note '20' : Other Income</b>				
Interest Received (Refer Note 47)	30,000,312	67,910,748		
Dividend income from Non current Investments (non trade)	15,600	13,200		
Profit on sale of Non Current Investment	-	416,720		
Other non-operating income*	1,080,167	931,603		
<b>Total</b>	<b>31,096,079</b>	<b>69,272,271</b>		
<b>Note '21' : Cost of Material Consumed</b>				
Raw Material Consumed	1,873,118,327	1,853,904,681		
<b>Total</b>	<b>1,873,118,327</b>	<b>1,853,904,681</b>		
<b>Imported and Indigenous Raw material consumed:</b>				
Particulars	Year ended 31st March, 2016	% Consumption	Year ended 31st March,2015	% of Consumption
<b>Raw Material</b>				
Imported	1,029,857,918	54.98	740,448,364	39.94
Indigenous	843,260,409	45.02	1,113,456,317	60.06
<b>Details of Raw Materials Consumed</b>				
Polymer	1,648,312,820		1,686,172,444	
Others	224,805,507		167,732,237	
<b>Total</b>	<b>1,873,118,327</b>		<b>1,853,904,681</b>	
<b>Note '22' : Purchases of stock in trade</b>				
Purchases of Traded goods	4,705,079,499		3,826,071,307	
<b>Total</b>	<b>4,705,079,499</b>		<b>3,826,071,307</b>	
<b>Details of Purchase of stock in trade</b>				
Polymer	3,994,449,419		2,964,792,587	
Chemicals	710,630,080		861,278,720	
Others	-		-	
<b>Total</b>	<b>4,705,079,499</b>		<b>3,826,071,307</b>	
<b>Note '23' : Changes in inventories of Finished Goods Work-in-Progress and Stock in trade</b>				
<b>Inventories at the end of the year</b>				
Finished Goods	670,495,472		668,993,049	
Work in Progress	2,504,198		7,244,956	
Stock in trade	25,390,700		87,229,048	
<b>Total</b>	<b>698,390,370</b>		<b>763,467,053</b>	
<b>Less : Inventories at the beginning of the year</b>				
Finished Goods	668,993,049		383,416,991	
Work in Progress	7,244,956		7,442,893	
Stock in trade	87,229,048		112,441,911	
<b>Total</b>	<b>763,467,053</b>		<b>503,301,795</b>	
<b>Net (Increase)/Decrease inventories</b>	<b>65,076,683</b>		<b>(260,165,258)</b>	
(Increase)/Decrease of Excise duty on inventory	(14,678,371)		12,657,595	
<b>Total</b>	<b>50,398,312</b>		<b>(247,507,663)</b>	
<b>Note '24' : Employee Benefits Expense</b>				
Salaries and Wages	128,337,968		116,641,251	
Contribution to Provident and other funds	6,986,850		5,087,410	
Staff Welfare Expenses	1,276,240		1,286,436	
<b>Total</b>	<b>136,601,058</b>		<b>123,015,097</b>	



**Note '25' : Finance Costs**

Interest Expenses	312,379,501	341,030,605
Other Borrowing Cost	61,057,954	52,924,680
Net Loss on foreign currency transactions and translations	26,666,371	31,917,463

**Total**

**400,103,826**

**425,872,749**

**NNote '26' : Other Expenses**

Consumption of Stores and spares	16,787,901	14,471,687
Consumption of Packing Materials	17,810,910	17,226,750
Power & Fuel	69,636,146	59,156,948
Rent	9,135,775	8,435,084
Repairs to Buildings	369,042	170,050
Repairs to Machinery	3,335,740	2,372,250
Repairs others	1,768,385	11,34,955
Insurance	2,617,008	1758213
Rates and Taxes excluding Income Tax	19,959,257	6,332,637
Travelling & Conveyance Expenses	43,925,927	41,137,866
Freight & forwarding charges	7,1447,709	56,987,392
Net loss on foreign currency translation/transaction	11,941,260	5,055,220
Windmill Expenses	2,040,619	2,125,158
Commission	86,909,569	104,204,144
Discount	77,512,699	58,781,632
Diminution in Value of long term Investments	-	122,260
Donation	53,402	2,729,601
Loss on Sale of fixed asset	1,317,184	-
Bank Charges	2,132,699	689,144
Bad Debts	15,840,472	14,827,036
Legal & Professional Expenses	7,350,596	11,810,053
Telephone & internet Expenses	4,663,858	4,074,525
Miscellaneous Expenses	38083424	24400,822

**Total**

**504639581**

**438003428**

**27. Contingent Liabilities and Commitments**

(To the extent not provided for)

(Figures In Rs.)

		2015-16	2014-15
<b>A. Contingent Liabilities</b>			
a. Income Tax / Sales tax / Excise Duty demand disputed in appeal (Amount deposited Rs. 77,55,500/- Previous year 81,63,555/-)		11,72,34,858	12,05,98,994
b. Corporate Guarantee given on behalf of others		10,00,00,000	10,00,00,000
<b>B. Commitments</b>			
Estimated amount of contracts remaining to be executed capital account and not provided for (Net of Advance Rs. 29,29,091/- Previous year Rs 33,88,456)		71,69,141	53,59,330

28. In the opinion of the Board of Directors, Current, Non-Current Assets, Loans and Advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and that the provision for known liabilities is adequate and reasonable.

29. Trade Payable includes bills payable for purchase of goods Rs.1,17,94,70,511 /- (Pre. Yr. Rs. 1,32,57,20,044/-).

**30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

- Trade Payables includes **Rs. 37,61,610/-** (Previous Year Rs. **51,233/-**) amount payable to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME).
- The details of amount outstanding to Micro and Small Enterprises as identified based on information available with the company are as under :

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Principle amount due and remain unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest payment made beyond appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest due and payable in succeeding years	-	-



31. Disclosure of Term Loan Security, repayment schedule, period of maturity and rate of interest																	
Name of Bank	a.Sanctioned amount b. Outstanding as at the year end	Security	Repayment														
SVC Bank Limited	a. Rs.29,00,00,000 b. Rs 29,00,00,000 (Pre. Yr. Rs. NIL)	<p><b>a. Primary Security</b> 1<sup>st</sup> pari passu mortgage and hypothecation charges over land &amp; building, plant &amp; machinery &amp; other immovable and movable fixed assets of the company at Pithampur Plant (Both Present &amp; Future) ranking pari passu charge with other term loan lenders (except Siemens) and WCTL Lenders.</p> <p><b>b. Collateral Security</b></p> <ol style="list-style-type: none"> <li>2<sup>nd</sup> pari passu charges on current assets of the company with WCTL &amp; Working Capital Lenders.</li> <li>First charge on pari passu basis by way of equitable mortgage of immovable property situated at block no. 1, Khajrana, 1307/2 Gulmohar Colony, Indore belonging to Mr. Mukesh Sangla and Mrs. Monika Sangla.</li> <li>First Charge on pari passu basis by way of equitable mortgage of office premises situated at 114-116 Trade Centre, 14/3 South Tukoganj, Indore in name of Shri Saurabh Sangla</li> <li>First Charge on pari passu basis by way of equitable mortgage of office premises situated at 315-316 Trade Centre, 14/3 South Tukoganj, Indore in name of Smt. Monika Sangla</li> </ol> <p><b>c. Guarantee</b> Personal Guarantee of Directors Mr. Mukesh Sangla &amp; Mr. Saurabh Sangla and others Mrs. Monika Sangla and Corporate Guarantee of Kamdeep Marketing Private Limited</p>	<p>28 scattered quarterly installments comprising of</p> <table border="1"> <thead> <tr> <th>No. of Installment</th> <th>Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>14</td> <td>72,50,000</td> </tr> <tr> <td>12</td> <td>1,08,75,000</td> </tr> <tr> <td>2</td> <td>2,90,00,000</td> </tr> </tbody> </table> <p>First installment of Rs. 72,50,000 commencing from June, 2016 and last installment due in 2022-23. Rate of interest 12.00%. (Pre. Year NIL) p.a. as at the year end.</p>	No. of Installment	Amount (Rs.)	14	72,50,000	12	1,08,75,000	2	2,90,00,000						
No. of Installment	Amount (Rs.)																
14	72,50,000																
12	1,08,75,000																
2	2,90,00,000																
Dena Bank	d. Rs.10,00,00,000 b. Rs NIL (Pre. Yr. Rs. 6,05,38,017/-)	<p><b>a. Primary Security</b> 1<sup>st</sup> pari passu mortgage and hypothecation charges over land &amp; building, plant &amp; machinery &amp; other immovable and movable fixed assets of the company at Pithampur Plant (Both Present &amp; Future) along with other consortium members.</p> <p><b>b. Collateral Security</b> 2<sup>nd</sup> pari passu charges on current assets of the company with other consortium members</p> <p><b>c. Guarantee</b> Personal Guarantee of Directors Mr. Mukesh Sangla &amp; Mr. Saurabh Sangla and others Mrs. Monika Sangla and Corporate Guarantee of Kamdeep Marketing Private Limited</p>	<p>24 scattered quarterly installments comprising of</p> <table border="1"> <thead> <tr> <th>No. of Installment</th> <th>Amount (Rs. )</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>21,00,000</td> </tr> <tr> <td>4</td> <td>29,00,000</td> </tr> <tr> <td>4</td> <td>37,50,000</td> </tr> <tr> <td>4</td> <td>46,00,000</td> </tr> <tr> <td>8</td> <td>50,00,000</td> </tr> <tr> <td>2</td> <td>54,00,000</td> </tr> </tbody> </table> <p>First installment of Rs. 21,00,000 commencing from 2011-12 and last installment was due in 2017-18, however Loan has been taken over by SVC Bank Limited. Rate of interest 13.15%. (Pre. Year 13.70%) p.a. as at the year end.</p>	No. of Installment	Amount (Rs. )	2	21,00,000	4	29,00,000	4	37,50,000	4	46,00,000	8	50,00,000	2	54,00,000
No. of Installment	Amount (Rs. )																
2	21,00,000																
4	29,00,000																
4	37,50,000																
4	46,00,000																
8	50,00,000																
2	54,00,000																

Name of Bank	a. Sanctioned amount b. Outstanding as at the year end	Security	Repayment														
Indian Overseas Bank	a. Rs. 10,00,00,000  b. Rs. NIL (Pre. Yr. Rs. 5,52,00,000)	<p><b>a. Primary Security</b></p> <p>1. 1st pari passu mortgage and hypothecation charges over land &amp; Building, Plant &amp; Machinery &amp; other immovable &amp; Movable fixed assets of the company at Pithampur Plant (Both Present &amp; Future) with other consortium members.</p> <p><b>b. Collateral Security</b></p> <p>1. Second charge on current assets of the company on pari passu with other term lenders</p> <p>2. First charge on pari passu basis by way of equitable mortgage of immovable property situated at block no. 1, Khajrana, 1307/2 Gulmohar Colony, Indore belonging to Mr. Mukesh Sangla and Mrs. Monika Sangla.</p> <p>3. First Charge on pari passu basis by way of equitable mortgage of office premises situated at 114-116 Trade Centre, 14/3 South Tukoganj, Indore in name of Shri Saurabh Sangla</p> <p>4. First Charge on pari passu basis by way of equitable mortgage of office premises situated at 315-316 Trade Centre, 14/3 South Tukoganj, Indore in name of Smt. Monika Sangla</p> <p><b>c. Guarantee</b></p> <p>Personal Guarantee of Directors Mr. Mukesh Sangla &amp; Mr. Saurabh Sangla and others Mrs. Monika Sangla and Corporate Guarantee of Kamdeep Marketing Private Limited</p>	<p>24 scattered quarterly installments comprising of</p> <table border="1" data-bbox="1084 478 1349 737"> <thead> <tr> <th>No. of Installment</th> <th>Amount (Rs. )</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>21,00,000</td> </tr> <tr> <td>4</td> <td>29,00,000</td> </tr> <tr> <td>4</td> <td>37,50,000</td> </tr> <tr> <td>4</td> <td>46,00,000</td> </tr> <tr> <td>8</td> <td>50,00,000</td> </tr> <tr> <td>2</td> <td>54,00,000</td> </tr> </tbody> </table> <p>First installment of Rs. 21,00,000 commencing from Dec 2011 and last installment of Rs. 54,00,000 was due in Sept 2017, however Loan has been taken over by SVC Bank Limited. Rate of interest 13.20% (Pre. Year 13.70%) p.a. as at the year end.</p>	No. of Installment	Amount (Rs. )	2	21,00,000	4	29,00,000	4	37,50,000	4	46,00,000	8	50,00,000	2	54,00,000
No. of Installment	Amount (Rs. )																
2	21,00,000																
4	29,00,000																
4	37,50,000																
4	46,00,000																
8	50,00,000																
2	54,00,000																
Indian Overseas Bank	c. Rs. 10,00,00,000  d. Rs. 4,16,66,669/- (Previous Year. Rs.7,50,00,001)	<p><b>a. Primary Security</b></p> <p>1. 1st pari passu mortgage and hypothecation charges over land &amp; Building, Plant &amp; Machinery &amp; other immovable &amp; Movable fixed assets of the company at Pithampur Plant (Both Present &amp; Future) with other consortium members.</p> <p>2. Second charge on current assets of the company on pari passu with other term lenders</p> <p><b>b. Collateral Security</b></p> <p>1. First charge on pari passu basis by way of equitable mortgage of immovable property situated at block no. 1, Khajrana, 1307/2 Gulmohar Colony, Indore belonging to Mr. Mukesh Sangla and Mrs. Monika Sangla.</p> <p>2. First Charge on pari passu basis by way of</p>	<p>Repayable in 12 equal quarterly installments of Rs. 83,33,333 commencing from June, 2014 and last installment due in Mar, 2017. Rate of Interest 13.20% (Pre. Year 13.70%) p.a. as at the year end.</p>														



Name of Bank	a.Sanctioned amount b. Outstanding as at the year end	Security	Repayment														
		<p>equitable mortgage of office premises situated at 114-116 Trade Centre, 14/3 South Tukoganj, Indore in name of Shri Saurabh Sangla</p> <p>3. First Charge on pari passu basis by way of equitable mortgage of office premises situated at 315-316 Trade Centre, 14/3 South Tukoganj, Indore in name of Smt. Monika Sangla</p> <p>4. First Charge on pari passu basis by way of equitable mortgage of immovable property situated at Survey No. 314/2, Kelodhala, Dewas Naka, Indore in name of Smt. Monika Sangla</p> <p>5. First Charge on pari passu basis by way of equitable mortgage of immovable property situated at Survey No. 314/3, Kelodhala, Dewas Naka, Indore in name of Shri Saurabh Sangla</p> <p><b>c. Guarantee</b> Personal Guarantee of Directors Mr. Mukesh Sangla &amp; Mr. Saurabh Sangla and others Mrs. Monika Sangla and Corporate Guarantee of Kamdeep Marketing Private Limited</p>															
UCO Bank	<p>a. Rs. 40,00,00,000</p> <p>b. Rs. NIL (Pre. Yr. Rs.25,81,43,780)</p>	<p><b>a. Primary Security</b></p> <p>1. 1<sup>st</sup> pari passu mortgage and hypothecation charges over land &amp; building, plant &amp; machinery &amp; other immovable &amp; movable fixed assets of the company at Pithampur Plant (Both Present &amp; Future) with other consortium members.</p> <p><b>b. Collateral Security</b></p> <p>1. Second charge on current assets of the company on pari passu with other term lenders</p> <p>2. Second charge on pari passu basis by way of equitable mortgage of immovable property situated at block no. 1, Khajrana, 1307/2 Gulmohar Colony, Indore belonging to Mr. Mukesh Sangla and Mrs. Monika Sangla.</p> <p>3. First Charge on pari passu basis by way of equitable mortgage of office premises situated at 114-116 Trade Centre, 14/3 South Tukoganj, Indore.</p> <p>4. Second Charge on pari passu basis by way of equitable mortgage of office premises situated at 315-316 Trade Centre, 14/3 South Tukoganj, Indore.</p> <p><b>c. Guarantee</b> Personal Guarantee of Directors Mr. Mukesh Sangla &amp; Mr. Saurabh Sangla and others Mrs. Monika Sangla and Corporate Guarantee of Kamdeep Marketing Private Limited</p>	<p>Repayable in 24 scattered quarterly installments comprising of</p> <table border="1" data-bbox="1092 1108 1352 1381"> <thead> <tr> <th data-bbox="1092 1108 1214 1192">No. of Installment</th> <th data-bbox="1222 1108 1352 1192">Amount (Rs. )</th> </tr> </thead> <tbody> <tr> <td data-bbox="1092 1192 1214 1224">2</td> <td data-bbox="1222 1192 1352 1224">83,50,000</td> </tr> <tr> <td data-bbox="1092 1224 1214 1255">4</td> <td data-bbox="1222 1224 1352 1255">1,16,75,000</td> </tr> <tr> <td data-bbox="1092 1255 1214 1287">4</td> <td data-bbox="1222 1255 1352 1287">1,50,00,000</td> </tr> <tr> <td data-bbox="1092 1287 1214 1318">4</td> <td data-bbox="1222 1287 1352 1318">1,83,25,000</td> </tr> <tr> <td data-bbox="1092 1318 1214 1350">8</td> <td data-bbox="1222 1318 1352 1350">2,00,00,000</td> </tr> <tr> <td data-bbox="1092 1350 1214 1381">2</td> <td data-bbox="1222 1350 1352 1381">2,16,50,000</td> </tr> </tbody> </table> <p>First installment of Rs. 83,50,000 commencing from March 2012 and last installment of Rs. 2,16,50,000 was due in Dec 2017, however Loan has been taken over by SVC Bank Limited. Rate of Interest 13.20% (Pre. Year 13.70%) p.a. as at the year end.</p>	No. of Installment	Amount (Rs. )	2	83,50,000	4	1,16,75,000	4	1,50,00,000	4	1,83,25,000	8	2,00,00,000	2	2,16,50,000
No. of Installment	Amount (Rs. )																
2	83,50,000																
4	1,16,75,000																
4	1,50,00,000																
4	1,83,25,000																
8	2,00,00,000																
2	2,16,50,000																



Name of Bank	a.Sanctioned amount b. Outstanding as at the year end	Security	Repayment
UCO Bank	a. Rs. 15,00,00,000  b. Rs. 3,75,00,000/- (Previous Year Rs. 8,61,89,288/-)	<p><b>a. Primary Security</b></p> <ol style="list-style-type: none"> <li>1st pari passu mortgage and hypothecation charges over land &amp; Building, Plant &amp; Machinery &amp; other immovable &amp; Movable fixed assets of the company (Both Present &amp; Future) with other consortium members.</li> <li>Second charge on current assets of the company on pari passu with other term lenders</li> </ol> <p><b>b. Collateral Security</b></p> <ol style="list-style-type: none"> <li>First charge on pari passu basis by way of equitable mortgage of immovable property situated at block no. 1, Khajrana, 1307/2 Gulmohar Colony, Indore belonging to Mr. Mukesh Sangla and Mrs. Monika Sangla.</li> <li>First Charge on pari passu basis by way of equitable mortgage of office premises situated at 114-116 Trade Centre, 14/3 South Tukoganj, Indore.</li> <li>Second Charge on pari passu basis by way of equitable mortgage of office premises situated at 315-316 Trade Centre, 14/3 South Tukoganj, Indore</li> <li>First Charge on pari passu basis by way of equitable mortgage of immovable property situated at Survey No. 314/2, Kelodhala, Dewas Naka, Indore in name of Smt. Monika Sangla</li> <li>First Charge on pari passu basis by way of equitable mortgage of immovable property situated at Survey No. 314/3, Kelodhala, Dewas Naka, Indore in name of Shri Saurabh Sangla</li> </ol> <p><b>c. Guarantee</b></p> Personal Guarantee of Directors Mr. Mukesh Sangla & Mr. Saurabh Sangla and others Mrs. Monika Sangla and Corporate Guarantee of Kamdeep Marketing Private Limited	Repayable in 12 equal quarterly installments of Rs. 1,25,00,000 commencing from Dec, 2014 and last installment due in Sep, 2016. Rate of interest 13.20% (Pre. Year 13.70%) p.a. as at the year end.
Export Import Bank of India	<p><b>A. In Indian Currency</b></p> <ol style="list-style-type: none"> <li>a. Rs. 8,31,35,000</li> <li>b. Rs. 6,23,51,250 (Pre. Yr. Rs. 7,89,78,250)</li> </ol> <p><b>B. In Foreign Currency</b></p> <ol style="list-style-type: none"> <li>a. \$ 4,33,966</li> <li>b. \$ 3,25,476 (Pre. Yr. \$ 4,12,268)</li> </ol>	<p><b>a. Primary Security</b></p> <ol style="list-style-type: none"> <li>Pari passu first charge over entire immovable properties and movable fixed assets of Signet Industries Limited, present and future</li> <li>Pari passu second charge over entire current assets of Signet Industries Limited, present and future</li> <li>Exclusive lien in favour of EXIM Bank over FDR for an amount of Rs. 35.00 Lakhs</li> </ol> <p><b>c. Guarantee</b></p> <ol style="list-style-type: none"> <li>Corporate Guarantee for Rs. 11.00 Crores of M/s Adroit Industries (India) Limited</li> <li>Personal Guarantee of Director Mr. Mukesh Sangla and Mr. Saurabh Sangla &amp; Others Mrs. Monika Sangla.</li> </ol>	<p><b>A) In Indian Currency -</b>                      Repayable in 20 equal quarterly installments of Rs. 41,56,750/- commencing from March, 2015 and last Installment due in December, 2019, Rate of Interest 12.95% (Pre. Yr. 12.95%) p.a.</p> <p><b>B) In Foreign Currency -</b>                      Repayable in 20 quarterly installments of \$21698/- commencing from March, 2015 and last installment of \$21705 due in December, 2019. Rate of Interest 6M Libor + 600 bps p.a.</p>



Name of Bank	a.Sanctioned amount b. Outstanding as at the year end	Security	Repayment
Siemens Financial Services Private Limited	a. Rs. 2,60,00,000 b. Rs. 1,98,05,585/- (Pre. Yr. Rs.2,60,00,000/-)	<b>a. Primary Security</b> 1. Exclusive Charge / Hypothecation on the Assets funded by Siemens Financial Services Private Limited 2. Non – Interest bearing SD of Rs. 785302/- refundable at the end of one year subject to satisfactory repayment track record. <b>b. Guarantee</b> Personal Guarantee of Directors Mr. Mukesh Sangla & Mr. Saurabh Sangla	Repayable in 42 equal monthly installments of Rs. 7,85,302/- (Including Interest) commencing from Apr, 2015 and last installment due in Sep, 2018. Rate of interest 13.90% (Pre. Year 13.90%) p.a. as at the year end.
Siemens Financial Services Private Limited	a. Rs. 32,52,138 b. Rs. 30,14,127/- (Pre. Yr. Rs. NIL/-)	<b>a. Primary Security</b> 1. Exclusive Charge / Hypothecation on the Assets funded by Siemens Financial Services Private Limited 2. Non – Interest bearing SD of Rs. 3,54,910/- refundable at the end of 14 Months subject to satisfactory repayment track record. <b>b. Guarantee</b> Personal Guarantee of Directors Mr. Mukesh Sangla & Mr. Saurabh Sangla	Repayable in 24 equal monthly installments of Rs. 1,55,991/- (Including Interest) commencing from Feb, 2016 and last installment due in Jan, 2018. Rate of interest 13.90% (Pre. Year NIL) p.a. as at the year end.
HDFC Bank	a. Rs. 3,92,000 b. Rs NIL (Pre. Yr. 25,754)	Loan is secured by charge on specific equipment vehicle purchased.	Repayable in 36 monthly installments of Rs. 13,075 (including interest) commencing from June 2012 and last Installment due in May 2015, Rate of Interest 11.55 % (Pre. Yr. 11.55 %) p.a. as at the end of year.
ICICI Bank	a. Rs. 5,50,000 b. Rs. NIL (Pre. Yr. Rs. 85,600)	Loan is secured by charge on specific equipment vehicle purchased.	Repayable in 36 monthly installments of Rs. 18,073 (including interest) commencing from September 2012 and last Installment due in August 2015, Rate of Interest 11.25 % (Pre. Yr. 11.25 %) p.a. as at the end of year.
ICICI Bank	a. Rs. 9,50,000 b. Rs. NIL (Pre. Yr. Rs. 1,46,361)	Loan is secured by charge on specific equipment vehicle purchased.	Repayable in 36 monthly installments of Rs. 30,970 (including interest) commencing from September 2012 and last Installment due in August 2015, Rate of Interest 10.70% (Pre. Yr. 10.70%) p.a. as at the end of year.

Name of Bank	a.Sanctioned amount b. Outstanding as at the year end	Security	Repayment
HDFC Bank	a. Rs. 4,72,000 b. Rs. 30,085/- (Pre. Yr. Rs. 2,00,474/-)	Loan is secured by charge on specific equipment vehicle purchased.	Repayable in 36 monthly installments of Rs. 15,231 (including interest) commencing from June 2013 and last Installment due in May 2016, Rate of Interest 10.00% (Pre. Yr. 10.00%) p.a. as at the end of year.
Indian Overseas Bank	a. Rs. 41,00,000 b. Rs. 7,68,621/- (Pre. Yr. Rs. 22,05,978/-)	Loan is secured by charge on specific equipment vehicle purchased.	Repayable in 36 monthly installments of Rs. 1,33,744 (including interest) commencing from Oct 2013 and last Installment due in Sep 2016, Rate of Interest 10.75% (Pre. Yr. 10.75%) p.a. as at the end of year.
Secured Long term borrowing aggregating to Rs 47,64,98,496/- (Previous Year Rs 67,21,77,123/-) including interest accrued and due Rs 5,94,809/- (Previous year Rs 63,66,673/-) are secured by personal guarantee of directors Mr. Mukesh Sangla, Mr. Saurabh Sangla and Mrs. Monika Sangla and corporate guarantee of Kamdeep Marketing Private Limited and Adroit Industries (India) Limited. For Intercorporate Deposits there is no stipulation of schedule of repayment of principal and repayment of interest.			

**32. Leases** (Where company is Lessee)

The Company has taken various premises under operating leases with no restrictions and are renewable/ cancelable at the option of either parties. There is no escalation clause in the lease agreement. There is no sub-leases. There are no restrictions imposed by lease arrangements.

The total future minimum lease rentals payable in respect of non cancellable lease at the balance sheet date is as under:

Particulars	2015-16	2014-15
For a period not later than one year	6,43,120	643,120
For a period later than one year and not later than five years	20,20,480	2,158,480
For a period later than five years	97,65,653	10,312,867

The aggregate amount of operating lease payments recognized in the statement of profit and loss is Rs.91,35,775/- (Pre. Year Rs. 84,35,084/-). The company has not recognized any contingent rent as expense in the statement of profit and loss.

**33. Related Party Disclosure**
**A. Relationships**
**Key Management Personnel**

Shri Mukesh Sangla	-	Managing Director
Shri Saurabh Sangla	-	Director
Mr. Sumit Jamad	-	Chief Financial Officer

(upto 10<sup>th</sup> march 2016)

**B. Relative of Key Managerial Personnel**

Smt. Monika Sangla	-	Wife of Managing Director
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**C. Other parties / Companies where key managerial persons or their relatives have significant influence**

Adroit Industries (India) Limited

Note: Related party relationship is as identified by the Company on the basis of information available



(Figures in Rs.)

NATURE OF TRANSACTIONS	2015-2016			2014-2015		
<b>Sales</b>						
Adroit Industries (India) Ltd	—	—	1,72,244	—	—	85,038
<b>Purchases</b>						
Adroit Industries (India) Ltd	—	—	41,22,053	—	—	—
<b>Sale of Investment</b>						
Monika Sangla	—	—	—	—	4,51,720	—
<b>Remuneration to Director</b>						
Mukesh Sangla	84,00,000	—	—	84,00,000	—	—
<b>Remuneration to CFO</b>						
Sumit Jamad						
(Upto 10 <sup>th</sup> March, 2016)	11,12,693	—	—	11,64,264		
<b>Rent Paid</b>						
Saurabh Sangla	5,58,000	—	—	5,58,000	—	—
Monika Sangla	—	7,22,400	—	—	7,22,400	—
Guarantee issued in favour of	—	—	10,00,00,000	—	—	10,00,00,000
Adroit Industries (India) Limited						
<b>Outstanding</b>						
<b>Rent Deposit</b>						
Saurabh Sangla	25,00,000	—	—	25,00,000	—	—
Monika Sangla	—	60,00,000	—	—	60,00,000	—
<b>Receivable</b>						
Adroit Industries (India) Limited	—	—	—	—	—	44,869
Mukesh Sangla	—	—	—	70,000	—	—

**34. Disclosure as per AS - 15 “Employee Benefits”(Revised 2005):**

(i) Reconciliation of opening and closing balances of Defined benefit obligation.

	2015-16 Gratuity	2014-15 Gratuity
<b>I. Change in Benefit Obligation</b>		
Liability at the beginning of the year	49,99,726	26,74,370
Interest Cost	3,89,979	2,16,357
Current Service Cost	1,600,973	9,97,469
Past Service Cost (Non Vested Benefit)	0	0
Past Service Cost (Vested Benefit)	0	0
Liability Transfer in	0	0
Liability transfer out	0	0
Benefit Paid	0	0
Actuarial (gain)/loss on obligations	3,13,030	11,11,530
Liability at the end of the year	73,03,708	49,99,726
<b>II. Amount Recognised in the Balance Sheet</b>		
Liability at the end of the year	73,03,708	49,99,726
Fair Value of Plan Assets at the end of the year	0	0
Difference	(73,03,708)	(49,99,726)
Unrecognised Past Service Cost	0	0
Un recognised Transition Liability	0	0
Amount Recognised in the Balance Sheet	73,03,708	49,99,726



	2015-16 Gratuity	2014-15 Gratuity
<b>III. Expenses Recognised in Profit and Loss Account</b>		
Current Service Cost	16,00,973	9,97,469
Interest Cost	3,89,979	2,16,357
Expected Return on Plan Assets	0	0
Past Service Cost (Non Vested Benefit) Recognised	0	0
Past Service Cost (Vested Benefit) Recognised	0	0
Recognition of Transition Liability	0	0
Actuarial (Gain) or Loss	3,13,030	11,11,530
Expense Recognised in P&L	23,03,982	23,25,356
<b>IV. Balance Sheet Reconciliation</b>		
Opening Net Liability	49,99,726	26,74,370
Expense as above	23,03,982	23,25,356
Employers Contribution	0	0
Amount Recognised in Balance Sheet	73,03,708	49,99,726
<b>V. Assumptions :</b>		
Discount Rate Current	7.80%	8.09%
Salary Escalation Current	5.00%	5.00%
Attrition Rate—Current	2.00%	2.00%

(ii) Expected contribution for defined benefit plan for the next financial year would be in line with F.Y. 2015-16.

(iii) Amounts recognized in current year and previous four years:

Particulars	31st March 2016	31st March 2015	31st March 2014	31st March 2013	31st March 2012
Defined Benefit Obligation	7303708	4999726	2674370	2063978	1198811
Fair Value of Plan Assets	-	-	-	-	-
Surplus/ (Deficit) in plan	(7303708)	(4999726)	(2674370)	(2063978)	(1198811)
Experience Adjustments on Plan Liabilities Loss / (Gain)	94190	622294	417931	(143230)	-
Experience Adjustments on Plan Assets (Loss) / Gain	-	-	-	-	-

Experience adjustments have been disclosed for the years for which information available.

**35. Payment to Auditors  
(Excluding Service Tax)**

	2015-16	2014-15
For Audit Fees	4,00,000	4,00,000
For Tax Audit Fees	1,00,000	1,00,000
For Cost Audit Fees	80,000	10,000
For Other Services	1,68,000	61,000
Reimbursement of Expenses	3,440	6,180

**36. Earnings Per Share (EPS)**

	2015-16	2014-15
(a) Net Profit after tax	17,40,91,641	11,70,35,194
Less : Preference Dividend including tax thereon	(44,36,265)	—
Net Profit available for equity shareholders	16,96,55,376	11,70,35,194
(b) Weighted Average Number of Equity Shares (in Nos.)	29,18,70,000	29,18,70,000
(c) Nominal Value of Per Equity Share	1	1
(d) Basic & Diluted Earnings Per Share (in Rs.)	0.58	0.40

With effect from record date 19 August 2015, the face value of company's shares has been sub-divided from Rs. 10.00 per share to Re. 1.00 per share. Earnings per share for previous periods have been computed based on the revised number of shares.





37. Pursuant to disclose pertaining to Section 186 (4) of the Companies Act, 2013 the following are loan given balance:-

Particulars	2015-16	2014-15
Manjeet Cotton Private Limited	1,89,02,022	1,70,59,587

The above loan given is classified under Long Term Loans and Advances (Note no. 12). Interest provided at the rate of 12% p.a. The same is utilized by the recipient for working capital needs.

38. (a) Pursuant to disclose pertaining to Section 186 (4) of the Companies Act, 2013 the following guarantees given:-

Particulars	2015-16	2014-15
Adroit Industries (India) Limited	10,00,00,000	10,00,00,000

The above corporate guarantee has been given to Export Import Bank of India in relation to Term Loan availed by our associate concern M/s Adroit Industries (India) Limited.

- (b) Investment made and outstanding as at the year end. The same are classified under respective heads for purposes as mentioned in their object clause (Refer Note 11).

**39. Imported and Indigenous Stores and Spares consumed**

	2015-16		2014-15	
	Value in Rs.	% of Consumption	Value in Rs.	% of Consumption
<b>Imported</b>	1,99,222	1.19%	2,11,899	1.46
<b>Indigenous</b>	1,65,88,679	98.81%	1,42,59,788	98.54

40. During the year company has made sales on consignment basis Rs.90,87,52,348/- (Pr. Yr. Rs.1,71,66,15,251/-) commission income from which is included in sales of services.

**41. Value of Import calculated on CIF Basis**

	2015-16	2014-15
Raw Materials	112,00,85,457	96,73,87,770
Store and Spare Parts	45,508	1,57,500
Capital Goods	—	45,39,932

**42. Expenditure in Foreign Currency**

	2015-16	2014-15
Interest	72,01,084	54,63,164
Other Expenses	0	5,83,360

**43. Earnings in Foreign Currency**

	2015-16	2014-15
FOB Value of Exports	-	-


**44. Segment Reporting**
**(a) Primary Reporting Information (Business Segment)**

	Manufacturing Rs.	Windmill Rs.	Trading Rs.	Unallocable Rs.	Total Rs.
Segment revenue	3,022,505,428	9,447,196	4,904,833,578	30,028,412	7,966,814,614
	2,500,795,404	11,169,325	4,051,630,824	68,340,668	6,631,936,221
Segment results(PBIT)	546,016,622	2,734,305	70,946,242	11,702,589	631,399,758
	416,244,962	4,412,851	106,508,327	46,777,623	573,943,763
Less : Interest	-	-	-	-	(400,103,826)
					(425,872,749)
Profit before exceptional item	546,016,622	2,734,305	70,946,242	11,702,589	231,295,931
					148,071,014
Less:- Exceptional item	-	-	-	-	-
					9,242,584
Profit/(loss) before tax	546,016,622	2,734,305	70,946,242	11,702,589	231,295,931
					157,313,598
Less : Current Tax					(49,429,000)
					(31,087,483)
Deferred Tax					(7,686,971)
					(9,121,421)
Relating to Earlier Years					(88,319)
					(69,500)
Profit after tax					174,091,641
					117,035,194
Prior period adjustments					-
Net Profit					174,091,641
					117,035,194
Segment assets	3,550,409,930	66,384,672	1,081,491,276	447,376,045	5,145,661,922
	3,148,725,706	79,540,462	1,300,627,035	469,695,889	4,998,589,092
Segment liabilities	1,226,382,510	705,464	618,213,940	2,141,494,268	3,986,796,182
	1,088,133,651	-	882,784,902	2,050,895,781	4,021,814,334
Segment depreciation	56,149,411	4,491,052	360,000	4,577,617	65,578,080
	53,547,634	4,479,674	480,000	5,998,300	64,505,608

**(b) Secondary Segment Geographical**

The Company's operating facilities are located in India.

Particulars	2015-2016	2014-2015
Domestic Revenue	7,935,718,535	6,562,663,950
Export Revenue	-	-

**45. Information relating to derivative instruments :-**

- a. The Company has foreign currency/forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The company does not use forward contracts for speculative purposes.

Amount Payable in foreign currency On account of the following :	No. of Contracts	Currency	Foreign Currency		INR Equivalent	
			2014-5-16	2014-15	2015-16	2014-15
<b>Buyers Credit</b>						
Principal	Nil (3)	USD	—	587030.00	—	3,69,42,502
Interest			—	2621.89	—	1,64,991



- b. Foreign exchange currency exposure not covered by derivative instrument or otherwise outstanding as at 31<sup>st</sup> March 2016 are given below :-

Amount Payable in foreign currency On account of the following :	Currency	Foreign Currency		INR Equivalent	
		2015-16	2014-15	2015-16	2014-15
Import of goods and services	USD	18,19,645	28,24,114	12,05,69,678	17,64,78,901
	EURO	—	1,904	—	1,27,491
Buyers Credit	USD	55,05,153	42,42,665	36,47,71,413	26,49,48,763
Buyers Credit	EURO	—	—	—	—
Term Loan	USD	3,25,476	4,12,243	2,15,66,058	2,57,61,115

46. Intangible assets under development amounting to Rs 45,000 (Previous Year 45000) represent fees paid for acquisition of Patent.
47. Interest Income Rs. 2,13,64,152/- (Pre. Year Rs. 3,57,20,715/-) included in Interest Received (Note 20 Other Income) represents interest earned on FDRs pledged with banks for various credit facilities availed by the company.
48. The expenditure required by the company for complying with the provision for CSR Expenditure required under section 135 of Companies Act, 2013 is as follows:-

	<b>2015-16</b>	<b>2014-15</b>
CSR Expenditure to be incurred	36,34,833	31,22,767

However company has not spent any amount on account of CSR Expenditure as on 31.03.2016

49. Income Tax authorities have carried out a search u/s 132 of the Income Tax Act at the premises of the company and others in November 2011. The Demand raised by Assessing Officer has been substantially been reduced in First Stage of Appeal i.e. CIT (Appeal) and Second Stage of Appeal i.e. ITAT. Some of the issues has been redirected to Assessing Officer for Re-examination which in the opinion of the management and consultants are either to be deleted or substantially reduced and accordingly no provision has been made for the liability and disclosed as contingent / disputed liability.
50. Previous year's figures are regrouped / rearranged wherever considered necessary to make them comparable with current year's figures.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

**Mukesh Sangla**  
Managing Director  
DIN-00189676

**Saurabh Sangla**  
Director  
DIN-00206069

**J C Paliwal**  
Chief Financial Officer

**Preeti Singh**  
Company Secretary

AS PER OUR REPORT OF EVEN DATE  
**FOR ASHOK KHASGIWALA & CO.**  
CHARTERED ACCOUNTANTS

**CA Avinash Baxi**  
Partner  
M.No.:79722

**Place: Indore**  
**Date: 30<sup>th</sup> May 2016**

**A. COMPANY INFORMATION**

Signet Industries Limited was incorporated on January 29, 1985 under the Companies Act 1956, having its Registered Office in Mumbai. Company is engaged in Merchant Trading of All Kind of Polymers & Other Products and Manufacturing of Micro Irrigation System (DRIP), Sprinkler Pipe / PVC Pipe & Agro fittings and its Allied Products, all type of House Hold & Plastic Moulded Furniture. The Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company's shares are traded on both Bombay Stock Exchange and National Stock Exchange.

**B. SIGNIFICANT ACCOUNTING POLICIES****i) Basis Of Accounting**

The Accounts have been prepared in accordance with the historical cost convention. The financial statements are prepared as a going concern under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India.

These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies.

**ii) Use Of Estimates**

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates and difference between actual results and estimates are recognized in the period in which the results are known/materialize.

**iii) Valuation Of Inventories**

Inventories are valued at lower of cost or net realizable value on FIFO basis. Cost of Inventory is generally comprise of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as cost of finished goods and goods in transit are stated at cost.

**iv) Depreciation**

Depreciation on fixed assets is provided in the manner specified in Schedule II to the Companies Act, 2013. Depreciation of an asset is the difference between Original cost / revalued amount and the estimated residual value and is charged to the statement of profit and loss over the useful life of an asset on straight line basis. The estimated useful life of assets and estimated residual value is taken as prescribed under Schedule II to the Companies Act, 2013.

Depreciation on additions during the year is provided on pro rata basis with reference to date of addition/ installation. Depreciation on assets disposed /discarded is charged up to the date on which such asset is sold.

Intangible assets are amortized over a period of 3 year.

**v) Revenue Recognition**

The Company follows mercantile system of the accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

Sales revenue is recognised on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated net of sales tax, VAT, trade discounts and rebates but includes excise duty.

Interest income is recognised on time proportion basis.

Income from services is recognised as they are rendered (based on arrangement / agreement with the concern customers).

Dividend income on investments is accounted for as and when the right to receive the payment is established.

The Government Incentives are accounted for on accrual basis taking into account certainty of realisation or its subsequent utilisation.



**vi) Fixed Assets**

Fixed assets are stated at cost of acquisition or construction or development, net of tax /duty credit availed if any, including any cost attributable for bringing the assets to its working condition for its intended use, less depreciation, amortization and impairments, if any.

Assets under installation are shown as “Capital work in progress”. Expenditure during construction period is shown as “pre-operative expenses” to be capitalized on installations of the assets.

**vii) Foreign Currency Transaction**

All transactions in foreign currency are recorded at the rates of the exchange prevailing on the dates when the relevant transactions took place; any gain/ loss on account of the fluctuations in the rate of exchange is recognized in the Statement of Profit and Loss.

Monetary items in the form of loans, current assets and current liabilities in foreign currencies outstanding at the close of the year are converted in the Indian currency at the appropriate rate of exchange prevailing on the dates of the Balance Sheet. Resultant gain or loss on account of fluctuation in the rate of exchange is recognized in the Statement of Profit and Loss.

In respect of the Forward Exchange Contracts entered into to hedge foreign currency risks, the difference between the Forward Rate and Exchange Rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange difference arising on such contracts are recognized as income or expense along with the exchange difference on the underlying assets/ liabilities.

**viii) Investments**

Investments that are readily realisable and are intended to be held for not more than one year are classified as current investments. All other investments are classified as non-current investments. Current Investments are carried at lower of cost or fair value.

Non-Current investments are carried at cost of acquisition. However, no provision is made for diminution in the value of investments, where, in the opinion of the Board of Directors such diminution is temporary.

**ix) Employee Benefits**

**(a) Post- employment benefit plans**

**Defined Contribution Plan** - Contributions to provident fund and Family Pension Fund are accrued in accordance with applicable statute and charged to statement of profit and loss.

**Defined Benefit Plan** - The company has carried out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 “Employee Benefits” (Revised 2005) liability as per actuarial valuation as at year end is recognized in the financial statement. Actuarial gains and losses are recognized in full in Statement of Profit and Loss for the year in which they occur.

**(b) Short term employment benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees render the services. These benefits include compensated absence also.

**x) Borrowing Cost**

Borrowing costs attributable to acquisitions and construction of qualifying assets are added to / capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to Statement of Profit and Loss.

**xii) Segment Accounting Policies**

(1) The company has disclosed business segment as the primary segment. Segments have been identified taking into account the type of products, the differing risk return and the internal reporting system. The various segments identified by the company comprised as under:-

<u>Name of Segment</u>	-	<u>Comprised of</u>
Manufacturing	-	Manufacturing of Irrigation and Plastic Products
Wind Power Unit	-	Wind Turbine Power Unit
Trading	-	Merchant Trading of Various Products



- (2) Segment revenue, segment results, segment assets and segment liabilities include respective amounts directly identified with the segment and also an allocation on reasonable basis of amounts not directly identified. The expenses which are not directly relatable to the business segment are shown as unallocated corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as un-allocable corporate assets and liabilities respectively.
- (3) The Company has identified geographical segments as the secondary segment. Secondary segments comprise of domestic and export markets.

**xiii) Lease Accounting****As a Lessee**

Leases, where risk and reward of ownership, are significantly retained by the lessor are classified as operating leases and lease rentals thereon are charged to the statement of profit and loss over the period of lease.

**xiv) Taxes on Income**

Current tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized on timing difference between taxable income and accounting income that originate in one period and are capable of reversal on one or more subsequent period.

Deferred Tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**xv) Impairment of Assets**

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/ external factors.

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting period is reversed if there has been an indication that impairment loss recognised for an asset no longer exists or may have decreased.

**xvi) Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

**xvii) Cash Flow Statement**

Cash flows are reported using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.

**SIGNET INDUSTRIES LIMITED**

CIN: L51900MH1985PLC035202

**Regd. Office : 308, Acme Plaza, Oppo. Sangam Cinema, Andheri Kurla Road,  
Andheri (E), Mumbai – 400 059****ATTENDANCE SLIP**

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

I hereby record my presence at 31<sup>st</sup> Annual General Meeting on 30<sup>th</sup> September, 2016 at 11.00 A.M. at Imperial Residency (II) Unit of Hotel Imperial Palace (I) Plot No. 163, Cts 368/20, Sher-E-Panjab, Unique Lane Behind Tolani College, Andheri(E), Mumbai-400 099

Full Name of the Share Holder \_\_\_\_\_

(in Block Letters)

Folio No. \_\_\_\_\_ No. of Shares Held \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(If the Proxy attends, instead of the shareholder)

Signature of the Shareholder/Proxy/Representative\*

\*Strike out whichever in not applicable

Note:

1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the meeting venue. Attendance slips shall also be issued at the venue.
2. Electronic copy of the Annual Report for the year ended March 31, 2016 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual report for the year ended March 31, 2016 and Notice of the Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email id is not registered or have requested for a hard copy.



**SIGNET INDUSTRIES LIMITED**

**CIN: L51900MH1985PLC035202**

**Regd. Office : 308, Acme Plaza, Oppo. Sangam Cinema, Andheri Kurla Road,  
Andheri (E), Mumbai – 400 059**

**Form No. MGT-11**

**PROXY FORM**

(Please complete this attendance slip and hand it over at the entrance of the hall)  
[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN :	<b>L51900MH1985PLC035202</b>		
Name of Company :	<b>SIGNET INDUSTRIES LIMITED</b>		
Registered Office :	<b>308, Acme Plaza, Opp. Sangam Cinema, Andheri Kurla Road, Andheri (E), Mumbai – 400 059</b>		
Name of Member (s) :			
Registered Address :			
E-mail Id :			
Folio No/Client Id		DP ID	

I/We, being the member(s) of ..... Shares of the above named company, hereby appoint

1.	Name		
	Address		
	E-mail Id	Signature	
	Or falling him		
2.	Name		
	Address		
	E-mail Id	Signature	
	Or falling him		
3.	Name		
	Address		
	E-mail Id	Signature	



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting on 30<sup>th</sup> September, 2016 at 11.00 A.M. at Imperial Residency (II) Unit of Hotel Imperial Palace (I) Plot No. 163, Cts 368/20, Sher-E-Panjab, Unique Lane Behind Tolani College, Andheri(E), Mumbai-400 099 and at any adjournment of such resolutions as are indicated below:

\*\* I wish my above proxy to vote in the manner as indicated in the box below:

<b>Resolutions</b>
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors Report
2. Re-appointment of Shri Mukesh Sangla who retires by rotation
3. Ratification of appointment of Auditors M/s Ashok Khasgiwala & Co., Chartered Accountant
4. Appointment of M/s. A. K. Jain & Associates as Cost Auditor U/s 148 of Companies Act, 2013

\*Applicable for investors holding shares in the electronic form.

Affix a  
15 paise  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder

\_\_\_\_\_  
Signature of first proxy holder

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10 % of the total share capital of the Company carrying Voting rights. A member holding more than 10 % of the total share capital carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all joint holders should be stated.

To,

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*If undelivered, Please return to :*  
**SIGNET INDUSTRIES LIMITED**  
308, Acme Plaza,  
Opposite Sangam Cinema, Andheri Kurla Road,  
Andheri (E), Mumbai 400 059

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SRETN RP TNA DAR