



**SIP INDUSTRIES LIMITED**

**30th  
ANNUAL REPORT  
2016 - 2017**



## 30<sup>TH</sup> ANNUAL REPORT 2016-2017

### ANNUAL GENERAL MEETING

On Monday, the 04th September 2017

at

A C Muthiah Conference Hall,  
ICSI-SIRC House, 3<sup>rd</sup> Floor,  
New No.9, Wheat Crofts Road,  
Nungambakkam, Chennai-600034

at 10.00 A.M.

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

### Board of Directors

Mr K C Raghunathan  
(Chairman & Managing Director)

Mr K C Sukumar (Director)

Mr T M Srinivasan (Director)

Mr U Prabhakar Rao (Director)

Mr D Ravi (Director)

Mrs Rama Raghunathan  
(Woman Director)

### Registered Office

Old No. 17, New No. 35,  
First Main Road,  
Raja Annamalaipuram,  
Chennai - 600 028.  
CIN: L24131TN1986PLC012752

### Auditors

P B Vijayaraghavan & Company,  
Chartered Accountants,  
14, (Old No. 27), Cathedral Garden Road,  
Nungambakkam,  
Chennai - 600 034.

### Registrar And Share Transfer Agents

Cameo Corporate Services Limited,  
"Subramanian Building",  
No.1, Club House Road,  
Mount Road, Chennai - 600 002.

### CONTENTS

	Page
Board of Directors	1
Notice and Notes	2
Directors' Report	3
Report on Corporate Governance From MGT -9 (Annual Return)	5 9
Secretarial Audit Report	13
Auditor's Report	16
Annexure to the Auditor's Report	17
Balance Sheet	20
Profit and Loss Account	21
Notes	22
Notes on Accounts	26
Cash flow Statement	28
Ballot Form	29
Route Map	30
Attendance Slip & Proxy form	31
Instructions for E-Voting	32



# SIP INDUSTRIES LIMITED

## NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of **SIP INDUSTRIES LIMITED**, will be held at A/C Muthiah Conference Hall, ICSI-SIRC House, 3rd Floor, New No. 9, Wheat Crofts Road, Nungambakkam, Chennai - 600034 on Monday, 04th September 2017 at 10.00 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2017 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. D Ravi (DIN: 00577682), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. To consider, and if thought fit, to pass, with or without modification, the following resolution as a ordinary resolution:

"RESOLVED THAT pursuant to the provision of sections 139,142 and other provisions of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (Including any statutory modifications or re-enactment thereof for the time being in Force), and pursuant to the recommendations of the Board of Directors, M/s T. A. P. Varadakutti & Co, Chartered Accountants, Chennai, be and is here by appointed as Statutory Auditors of the Company at the 30th Annual General Meeting, to hold office for the period of Five years, till the conclusion of the 35th Annual General Meeting of the company and be fixed their remuneration.

RESOLVED FURTHER THAT appointment of the statutory auditor shall be subject to the ratification at each annual general meeting held after forthcoming annual general meeting.

By Order of the Board

CHENNAI  
09.08.2017

K .C. RAGHUNATHAN  
Chairman & Managing Director

Corporate Identification Number  
(CIN): L24131TN1986PLC012752

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Duly completed Proxy Form in order to be effective should be deposited at the Registered Office of the company not less than forty-eight hours before the time fixed for the commencement of the meeting. Proxy Form is enclosed.
3. Register of Members and Share Transfer Books of the Company will remain closed from 26.08.2017 to 04.09.2017 (both days inclusive).
4. Members are requested to immediately inform the Company if there is any change in their addresses. Members whose shareholding is in the electronic mode are requested to send the intimation for change of address to their respective Depository Participant.
5. Members, who hold shares in Dematerialised form, are requested to bring their Depository Account Number (Client ID Number) for easy identification and recording of attendance at the meeting.
6. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and

Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015) and clause 35 B of the Listing Agreement, the company is pleased to provide members, facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by Central Depository Services (India) Limited (CDSL).

7. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
8. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
9. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.  
Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
10. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to sipshare@gmail.com by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the compliance officer Mr. K.C Raghunathan Old No. 17, New No. 35, First Main Road, Raja Annamalaiapuram, Chennai - 600 028 not later than Sunday, September 03, 2017 (5:00 p.m. IST). Ballot Form received after this date will be treated as invalid.
11. Instructions for E-voting: The complete detail of the instructions for e-voting is annexed to this Annual Report.

### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

##### Item No.3:

M/s. P.B.Vijayaraghavan & Co, Chartered Accountants, Statutory Auditors of the Company would retire on the conclusion of this 30th Annual General Meeting on completion of their term of appointment. Since M/s. P. B. Vijayaraghavan & Co., Chartered Accountants are not eligible for reappointment as Statutory Auditors of the Company as per Section 139 (6) of the Companies Act, 2013, the Board of Directors on recommendation of the Audit Committee, recommends the appointment of M/s T.A.P. Varadakutti & Co, Chartered Accountants, Chennai (Firm Registration No.004511S) as Statutory Auditors of the Company to hold office for a first term of 5 years from the conclusion of this i.e. 30th Annual General Meeting until the conclusion of 35th Annual General Meeting. Consent and certificate from the said firm has been received to the effect that their appointment as Statutory Auditors of the Company, if appointed at this 30th Annual General Meeting, would be according to the terms and conditions prescribed under Section 139(1), 141(1) & (2) and 142 of the Companies Act 2013 and Rules framed thereunder. A resolution seeking their appointment forms part of the Notice convening the 30th Annual General Meeting and the same is recommended for your consideration and approval.

There is no qualification, disclaimer, reservation or adverse remark made by the Statutory Auditors in Auditors' report.

## DIRECTORS' REPORT

Your Directors present their 30th Annual Report to their Shareholders together with the Audited Accounts for the Twelve months ended 31st March 2017.

### FINANCIAL RESULTS:

The financial year ended 31<sup>st</sup> March 2017 resulted in a Net Loss of ₹ 15.56 lakhs as against the Net Profit of ₹ 26.30 lakhs during the previous year.

	2016-2017	2014-2016
		(₹ in lakhs)
Profit/(Loss) before Depreciation, Interest and Tax	(15.50)	35.42
Depreciation	(0.06)	(8.92)
Interest	NIL	NIL
Profit/ (Loss) before taxation	(15.56)	26.30
Provision for Taxation	NIL	NIL
Net Profit/ (Loss) after Tax	(15.56)	26.30
Balance brought forward	(399.11)	(425.41)
Balance carried to Balance Sheet	(414.67)	(399.11)

### DIVIDEND:

There is no operational profit and hence Directors expressed their inability to recommend any dividend.

### CAPITAL EXPENDITURE:

The Company has not made any Capital Expenditure during the year under review.

### PROSPECTS:

The management is contemplating to bring in financial partners to pursue new business venture.

### DIRECTORS:

There is no change in the Constitution of the Board.

Mr. D Ravi (DIN: 00577682) retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

iii) 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;

iv) the Directors had prepared the annual accounts on a going concern basis.

### FIXED DEPOSITS:

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

### EMPLOYEE PARTICULARS:

**None of the personnel in the Company was in receipt of remuneration in excess of the limits prescribed under the Companies Act, 2013 and the rules framed thereunder as amended during the year under review.**

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

The Company has no activity relating to conservation of energy or technology absorption. There is no foreign exchange earnings and outgo during the year.

### CORPORATE GOVERNANCE:

Pursuant to SEBI Listing Obligations and Disclosure Requirements, 2015 (LODR Regulations, 2015) of the Listing Agreement with Stock Exchanges, a report on Corporate Governance along with Certificate of the compliance from the Auditors is included as part of the Annual Report.

### BOARD COMMITTEES:

The details of various Committees and details of their Meetings held under the period under review are given in the report on Corporate Governance, which forms part of this Report

### EXTRACT OF ANNUAL RETURN:

Extract of Annual Return of the Company is annexed herewith as separate Annexure and forms part of this Report.

### AUDITORS' OBSERVATIONS:

The Auditors' Report does not contain any qualification, reservation or adverse remark. The Observations made by the auditors are self explanatory and are dealt with in the notes to the accounts.

### SECRETARIAL AUDITOR:

The Board has appointed Mr. Afzal Hussain, Practicing Company Secretary, to conduct Secretarial Audit for the Financial Year 2016-2017. The Secretarial Audit Report for the financial year ended 31st March, 2017 is annexed herewith as Annexure to this Report. The Board sincerely endeavours to comply with the provisions of Companies Act, 2013 and SEBI Directives referred to in the Secretarial Audit Report.

### GENERAL DISCLOSURES:

- 1 The Particulars of loans, guarantees or investments under Section 186 are given in the Financial Statements



- 2 In view of no major activities undertaken by the Company during the year under review, there are no elements of risks which in the opinion of the Board may threaten the existence of the Company.
- 3 The Company is not making any payment of managerial Remuneration as envisaged under section 197(12) read with Rule 5 of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 except the payment of Fees for attending Meetings of Board/Committee to Independent Director and as such there is nothing to disclose. In view thereof, there is also nothing to disclose on Ratio of remuneration of each director to the median employee's remuneration and other prescribed details as required under Section 197(12) of the Companies Act read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules -2014;
- 4 The Company has no female employee, and as such there is nothing to disclose under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013
- 5 The Company has framed Vigil Mechanism which incorporates the Whistle Blower Policy in terms of the Listing Agreement. Since the Company has not accepted any Public Deposits / Borrowings, there is nothing to disclose.
- 6 The Company has not issued any Equity Shares with Differential Rights, Sweat Equity, ESOS, etc. during the Year under review.
7. No significant or material orders were passed by the Regulators or courts or Tribunals which impact the going concern status and Company's operations in future.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the management is contemplating to bring in financial partners to pursue new business venture.

As per the audited accounts, the Company's accumulated losses as at 31st March 2017 have exceeded 50% of its net worth.

Adequate internal control system is instituted in the Company. The Accounting records provide a true and fair view of the financial condition of the Company.

### **ACKNOWLEDGEMENTS:**

The Directors of your Company would like to record their appreciation on the contribution made by M/s P.B. Vijayaraghavan & Co., Chartered Accountants for the last 30 Years. They were instrumental in guiding the Company with various compliances during changing times.

Your Directors thank the Bankers for their continued support to the Company.

The Directors also wish to place on record their appreciation for the hard work put in by the employees at all levels.

By Order of the Board

CHENNAI  
09.08. 2017

**K .C. RAGHUNATHAN**  
Chairman & Managing Director

## REPORT ON CORPORATE GOVERNANCE

SIP INDUSTRIES LIMITED has implemented the code of Corporate Governance in terms of the Listing Agreement with the Stock Exchange. Good governance ensures that the Company is managed in a responsible manner by monitoring the internal controls and external aspects such as serving all the stakeholders and improving shareholders' value.

The following is a report on the status and progress on major aspects of Corporate Governance.

### 1. BOARD OF DIRECTORS

#### a) Composition

The Board comprises 6 members from various disciplines like finance and business management.

The Board has been constituted in a manner, which will result in an appropriate mix of executive and independent directors.

Name of the Director	Category/ Position	Number of other Company's directorships#, committee memberships and chairmanship		
		Director	Committee Member	Committee Chairman
Mr K C Raghunathan* (Chairman and Managing Director)	Promoter, Executive	2	Nil	Nil
Mr K C Sukumar*	Promoter, Non-Executive	2	Nil	Nil
Mr. T M Srinivasan	Independent, Non-Executive	1	Nil	Nil
Mr. U Prabhakar Rao	Independent, Non-Executive	1	Nil	Nil
Mr. D Ravi	Independent, Non-Executive	Nil	Nil	Nil
Mrs. Rama Rahunathan*	Promoter, Non-Executive	2	Nil	Nil

\*Relationship among Directors: Mr. K C Raghunathan and Mr. K C Sukumar are brothers. Mr Raghunathan and Mrs Rama Raghunathan are husband and wife. None of the other Directors have any interse relationship.

# Other Company directorship do not include directorship in Private Limited Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act 1956.

+ Committee includes only two committees: Audit Committee and Investors Grievance Committee of Public Companies.

The independent directors actively participate in the deliberations at the Board Meetings and offer their ideas and share their experiences.

#### b) Board Meetings

There were Six board Meetings during the financial year. The Board Meetings were held on the following dates

1. 21.05.2016
2. 12.08.2016
3. 11.11.2016
4. 10.02.2017 and
5. 25.05.2017

The attendance of directors at the Board Meetings and last Annual General Meeting is as follows:

Director	Board Meetings attended	Last AGM attendance Yes/No/NA
Mr K C Raghunathan	5	Yes
Mr K C Sukumar	5	Yes
Mr T M Srinivasan	3	No
Mr U Prabhakar Rao	4	No
Mr D Ravi	5	Yes
Mrs Rama Raghunathan	5	Yes

#### c) Code Of Conduct:

The Company has adopted the Code of Conduct for Board Members and Senior Management. All the Board Members and Senior Management personnel (as per clause 49 of the Listing Agreement) have affirmed compliance with the Code of Conduct. A declaration to that effect signed by the Managing Director forms part of this Report.

### 2. BOARD COMMITTEES

In accordance with the code of corporate governance, the Board has set up the following Committees.

#### (I) AUDIT COMMITTEE :

##### a) Composition

The Committee presently consists of the following three non-executive independent directors

1. Mr. D Ravi (Chairman)
2. Mr. T M Srinivasan
3. Mr. U Prabhakar Rao

##### b) Terms of Reference

The Audit Committee plays a significant role in the reporting of financial Performance and review of internal control procedures.

##### c) Committee Meetings

The Committee met four times during the year under review i.e. on 21.05.2016, 12.08.2016, 11.11.2016, 10.02.2017 and 25.04.2017. The attendance of directors at the committee meetings is as follows:

Member	Committee Meetings attended
Mr D Ravi	5
Mr T M Srinivasan	3
Mr U Prabhakar Rao	4

#### (II) INVESTORS' GRIEVANCE COMMITTEE:

##### a) Composition

The Committee presently consists of the following three directors



1. Mr. D Ravi (Chairman)
2. Mr K C Raghunathan
3. Mr K C Sukumar

**b) Terms of reference**

The Committee looks into various issues relating to shareholder/investors grievances.

**c) Committee meetings**

The Committee met four times during the year under review i.e. on 21.05.2016, 12.08.2016, 11.11.2016, 10.02.2017 and 25.04.2017. The attendance of directors at the committee meetings is as follows::

Member	Committee Meetings attended
Mr. D Ravi	5
Mr K C Raghunathan	5
Mr K C Sukumar	5

**3. DETAILS OF REMUNERATION PAID TO DIRECTORS DURING 2016-2017**

Sl No	Name	Sitting fees	Salary/ Allowances	Contribution to PF & other funds	Money value of perquisites
1	Mr. K C Raghunathan	-	-	-	-
2	Mr. K C Sukumar	-	-	-	-
3	Mr. T M Srinivasan	-	-	-	-
4	Mr. U Prabhakar Rao	-	-	-	-
5	Mr. D Ravi	-	-	-	-
6	Mrs. Rama Raghunathan	-	-	-	-

**4. DIRECTORS**

**PROFILE OF DIRECTOR RETIRING BY ROTATION**

Mr. D Ravi, is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Mr. D Ravi, B.Sc.,

FCA, is a renowned Management Consultant. He has more than 35 years of experience at senior level in different types of industries. He is also the Chairman of the Investor Grievance Committee and Audit Committee of the Company.

**5. DISCLOSURES**

- a) As per the declarations given by the management to the Board, during the year 2016-17, there were no materials, financial and commercial transactions which are in potential conflict with the interest of the Company at large.
- b) Vigil Mechanism/Whistle Blower Policy:

The Company has established a Vigil Mechanism/Whistle Blower Policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases.

The Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

- c) There was no instance of non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

**6. GENERAL SHAREHOLDER INFORMATION**

Forms part of this report.

On behalf of the Board

Chennai

**K C Raghunathan**

09.08.2017

Chairman and Managing Director

**GENERAL SHAREHOLDER INFORMATION**

1. Registered Office of the Company  
Old No. 17, New No. 35, First Main Road, Raja Annamalaipuram, Chennai - 600 028  
CIN: L24131TN1986PLC012752

2. Annual General Meetings

**Ensuing AGM**

Date & Time: 04th September 2017, 10 A.M

Venue: A C Muthiah Conference Hall, ICSI-SIRC House, 3rd Floor, New No.9, Wheat Crofts Road, Nungambakkam, Chennai-600034

**Last 3 Annual General Meetings**

AGM for the year	Date	Time	Venue
2012-2013	28-03-2014	10.00 AM	A C Muthiah Conference Hall, ICSI-SIRC House, 3rd Floor, New No.9, Wheatcrofts Road, Nungambakkam, Chennai-600034
2013-2014	23.03.2015	10.00 AM	A C Muthiah Conference Hall, ICSI-SIRC House, 3rd Floor, New No.9, Wheatcrofts Road, Nungambakkam, Chennai-600034
2014-2016	22.06.2016	10.00 AM	A C Muthiah Conference Hall, ICSI-SIRC House, 3rd Floor, New No.9, Wheatcrofts Road, Nungambakkam, Chennai-600034



### 3. Financial Calendar (tentative and subject to change)

Financial Reporting for

- Half year ended March 31, 2016	-	21.05.2016
- Quarter ended June 30, 2016	-	12.08.2016
- Quarter ended September 30, 2016	-	11.11.2016
- Quarter ended December 31, 2016	-	10.02.2017
- Year ended March 31, 2017	-	25.04.2017

### 4. Book Closure Dates

26th August 2017 to 04th September 2017. (Both days inclusive)

### 5. Dividend

Your Directors have not recommended any Dividend for the Financial Year 2016-2017.

### 6. Listing on Stock Exchange & Stock Code

Stock Exchange	Stock Code
The Stock Exchange, Mumbai	523164
Madras Stock Exchange	SIPINDS
Demat ISIN Number for NSDL & CDSL in Equity Shares	INE186B01017

### 7. Market price data

Period	Mumbai Stock Exchange	
	High	Low
April 2016	3.97	3.97
May 2016	3.97	3.97
June 2016	3.97	3.97
July 2016	3.97	3.97
August 2016	3.97	3.97
October 2016	-	-
November 2016	-	-
December 2016	-	-
January 2017	-	-
February 2017	-	-
March 2017	-	-

There was no trading in the Equity Shares of the Company in the Madras Stock Exchange for the period from 01st April 2016 to 31st March 2017.

### 8. Share transfer system and Registrar & Transfer Agents

The share transfer committee met almost twice every fortnight during the year 2014-2016.

i. Name and designation of Compliance Officer	Mr. K C Raghunathan Chairman & Managing Director.
ii. No. of Shareholders' complaints received so far	NIL
iii. No. not solved	NIL
iv. No. of pending share transfers	NIL

### 9. Shareholding pattern/Distribution

Shareholding Pattern as on 31.03.2017

Category	% to total capital
Promoter Group	62.4777
Financial Institutions	-
Non-residents (NRIs/OCBs/FIIs)	2.1188
Banks	0.0021
Mutual Funds	0.0064
Others	35.41570
Total	100.00

Distribution of shareholding as on 31.03.2016

Category (in ₹)	No. of holders	% to total	Share Amount (In ₹)	% to total
1-100	1575	38.7549	86321	1.8458
101-500	2036	50.0984	481394	10.294
501-1000	267	6.5698	204557	4.3742
1001-2000	85	2.0915	130314	2.7866
2001-3000	41	1.0088	105440	2.2547
3001-4000	19	0.4675	64865	1.387
4001-5000	6	0.1476	27498	0.588
5001-10000	14	0.3444	100518	2.1494
10001-AndAbove	21	0.5167	3475508	74.3199

### 10. Dematerialisation of shares

The Company's shares can be sold through stock exchanges only in dematerialised form. As on date, shares constituting 90.28% of the total paid up capital of the Company have been dematerialised.

### 11. Means of communication

The quarterly, half yearly and yearly financial results are intimated to both the Stock Exchanges where the Company's shares are listed and also published in the English Newspaper "News Today" and Tamil Newspaper "Malai Chudal". The annual reports are sent by mail to all shareholders. The Financial Results, Shareholding Pattern and Annual Report are also posted on website of the Company [www.sipindustries.in](http://www.sipindustries.in).

### 12. Compliance officer

Mr. K C Raghunathan, Chairman and Managing Director  
SIP Industries Limited,  
Regd Office: Old No. 17, New No. 35, First Main Road,  
Raja Annamalaipuram, Chennai - 600 028.  
E Mail: [sipshare@sipindustries.in](mailto:sipshare@sipindustries.in)

### 13. Contact address for shareholders' assistance

M/s Cameo Corporate Services Limited,  
"Subramanian Building", No.1, Club House Road,  
Mount Road, Chennai - 600 002.  
Telephone: (044) 28460390-94  
Fax: (044) 28460129  
E Mail: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

CHENNAI

09.08.2017

By Order of the Board

**K .C. RAGHUNATHAN**

Chairman & Managing Director



# SIP INDUSTRIES LIMITED

## CERTIFICATION AND DECLARATION

(Pursuant to SEBI Listing Obligations and Disclosure Requirements, Regulations 2015)

To  
The Board of Directors  
SIP Industries Limited  
Chennai

This is to certify that:

- a. I have reviewed financial statements for the Financial Year 31.03.2017 and the cash flow statement for the year and that to the best of my knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls. The effectiveness of the internal control systems of the Company has been evaluated and deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps taken or proposed to be taken to rectify these deficiencies have been disclosed to the auditors and the Audit Committee.
- d. I have indicated to the auditors and the Audit committee
  - i. significant changes in internal control during the year, whenever applicable;
  - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. that there were no instances of significant fraud of which I have become aware and the involvement therein, if any, of the managements or an employee having such significant role in the company's internal control system.
- e. I further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Chennai  
25.04.2017

By Order of the Board  
**K .C. RAGHUNATHAN**  
Chairman & Managing Director

---

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Board of Directors  
SIP Industries Limited

We have examined the compliance of conditions of Corporate Governance by SIP Industries Limited for the year ended 31st March 2017 as per Regulations 17-27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in above mentioned Listing Regulations as applicable.

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

Place : Chennai  
Date : 25.04.2017

For **P.B. Vijayaraghavan & Co.**  
Chartered Accountants  
Firm Regn No. 004721S

**K. Rajagopalan**  
Partner  
M No. 01452

## EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

i.	CIN	L24131TN1986PLC012752
ii.	Registration Date	05/03/1986
iii.	Name of the Company	SIP INDUSTRIES LIMITED
iv.	Category / Sub-Category of the Company	PUBLIC LIMITED
v.	Address of the Registered office and contact details	Old No. 17, New No. 35, First Main Road, Raja Annamalaipuram, Chennai - 600 028.
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Building", No.1, Club House Road, Mount Road, Chennai - 600 002.

### 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 and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
NOT APPLICABLE			

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr.No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	NIL				

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>	SEE CORPORATE GOVERNANCE REPORT								
1) Indian									
a) Individual/ HUF									
a) Central Govt									
b) State Govt(s)									
c) Bodies Corp									
d) Banks / FI									
e) Any Other									
Sub-total(A)(1):-									



# SIP INDUSTRIES LIMITED

Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Foreign</b>									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-									
<b>B. Public Shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1)									
<b>1) Institutions</b>									
a) Bodies Corp.									
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others(Specify)									
Sub-total(B)(2)									
TotalPublic Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares heldby Custodianfor GDRs&ADRs									
Grand Total (A+B+C)									

SEE CORPORATE GOVERNANCE REPORT

## ii. Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change 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	Promoter Group	2921719	62.48	---	2921719	62.48	---	NIL
	<b>Total</b>	<b>2921719</b>	<b>62.48</b>	<b>---</b>	<b>2921719</b>	<b>62.48</b>	<b>---</b>	<b>NIL</b>

## iii. Change in Promoters' Shareholding (please specify, if there is no change)

SI No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares shares of the company	% of total shares of the company	No of shares shares of the company	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NO CHANGE			
	At the End of the year				

## V. Indebtedness

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	79,000	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued and due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and /or Manager

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1.	Grosssalary	NIL	
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2)Income-taxAct, 1961		
	(c)Profits in lieu of salary under section17(3) Income- taxAct,1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as%ofprofit - others,specify...		
5	Others,pleasespecify		
	Total(A)		
	Ceiling as per the Act		



## B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of MD / WTD / Manager	Total amount
1	Independent Directors • Fee for attending board committee meetings •Commission •Others ,please specify	NIL	
	Total(1)		
2	Other Non-Executive Directors • Fee for attending board committee meetings •Commission •Others ,please specify		
	Total (2)		
	Total (B) = (1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

## C. Remuneration to Key Managerial Personnel Other Than MD/ Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Grosssalary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Valueof perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act,1961	NIL			
2	Stock Option				
3	Sweat Equity				
4	Commission - as%of profit - others, specify...				
5	Others,please specify				
	Total				

## 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 – NOT APPLICABLE		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NIL – NOT APPLICABLE		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			NIL – NOT APPLICABLE		
Punishment					
Compounding					

Place : Chennai  
Date : 25.04.2017

By the order of the Board  
**K C Raghunathan**  
Chairman and Managing Director

## SECRETARIAL AUDIT REPORT

Form No. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

To,  
The Members,  
SIP INDUSTRIES LIMITED,  
Old No.17, New No. 35,  
First Main Road,  
Raja Annamalaipuram,  
Chennai-600028,  
India.

We were appointed by the Board of Directors of **SIP INDUSTRIES LIMITED** (hereinafter called "the Company") to conduct Secretarial Audit for the financial year ended 31st March, 2017.

We have conducted the Secretarial Audit in respect of compliance with applicable statutory provisions and adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

### Management's Responsibility for Secretarial Compliances

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

### Auditor's Responsibility

Our Responsibility is to express on the Secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us provide a basis for our opinion.

### Opinion

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under, as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as applicable;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment, as applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- (As amended from time to time);
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - Not applicable as the Company did not issue any security during the financial year under review;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;- Not applicable as the Company did not issue any security during the financial year under review;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements), 2009 – Not applicable as the Company did not issue any security during the financial year under review;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Effective 28th October 2014) – Not applicable as the Company has not granted any Options to its employees during the financial year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable as the Company has not issued any debt securities during the financial year under review;



# **SIP INDUSTRIES LIMITED**

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not done delisting of equity shares during the financial year under review;
- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 – Not applicable as the Company has not bought back any of its securities during the financial year under review.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India (not applicable as yet to be notified);
- ii) The Listing Agreements entered into by the Company with BSE Limited.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the financial year ended on March 31, 2017 complied with the aforesaid laws. Material compliances are listed in the Annexure attached to this Report.

Based on information received and records maintained, we further report that:

1. 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 year under review were carried in compliance with the provision of the act.
2. Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent 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.
3. Decisions at the Board Meeting, as represented by the management and recorded in minutes, were taken unanimously.

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary in practice and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has:-

- (a) Adequate system and process commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and
- (b) Complied with the following other laws specifically applicable to the Company:-
  1. Income Tax Act, 1961 and Indirect Tax Laws.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards and Listing Agreements etc. as mentioned above.

We further report that compliance of applicable financial laws including direct and indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

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 instances of:

- i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii) Redemption/buy-back of securities
- iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv) Merger/amalgamation/reconstruction, etc.

Place: CHENNAI

Date: 25.04.2017

For **AFZAL HUSSAIN & CO**  
Company Secretary in Practice

**B. AFZAL HUSSAIN**  
Proprietor  
ACS. 33434,CP12597



To,  
The Members,  
SIP INDUSTRIES LIMITED,  
Old No.17, New No. 35,  
First Main Road,  
Raja Annamalaipuram,  
Chennai-600028,  
India.

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

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

Place: CHENNAI  
Date: 25.04.2017

For **AFZAL HUSSAIN & CO**  
Company Secretary in Practice

**B. AFZAL HUSSAIN**  
Proprietor  
ACS. 33434,CP12597



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of SIP INDUSTRIES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of M/s. SIP Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone 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 financial statements 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 Standards 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 provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions 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 the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, 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 Annexure - I 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements 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 written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 of the Act.
- f) With respect to the adequacy of internal financial control systems and the operating effectiveness of such controls, we give our Report in Annexure – II
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations and hence there has been no disclosure on its financial position in its financial statements.
  - ii. The company did not have any long-term contracts including derivative contracts 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.

Place : Chennai  
Date : 25.04.2017

For **P.B. Vijayaraghavan & Co.**  
Chartered Accountants  
Firm Regn No. 004721S

**K. Rajagopalan**  
Partner  
M No. 014523

---

## Annexure - I to Independent Auditor's Report

### Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (11) of section 143

#### 1) Fixed Assets

- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) As per the information and explanation given to us, all the fixed assets have been physically verified by the management at regular intervals, which in our opinion, is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification
- c) The company has been maintaining title deeds of immovable properties and the same are held in the name of the company.

#### 2) Inventory

The company has physically verified the inventories during the year in accordance. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

#### 3) Transactions with parties covered by register referred to in section 189

The company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013

#### 4) Loans by company to persons covered by section 185 & 186

The company has not made any investment or granted loan guarantees, and security to persons referred to in section 185 and/or section 186 of the Companies Act, 2013

#### 5) Public Deposits

In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public and hence the provisions of sections 73 to 76 or any other provisions of the Companies Act and the rules made there under are not applicable to the company.



## **6) Maintenance of Cost Records**

Maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the company

## **7) Statutory dues**

- a) The company has generally been regular in depositing Provident Fund dues of its employees. Based on information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues were outstanding as at 31st 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 Income Tax, Sales Tax, Customs duty, Wealth Tax, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute.

## **8) Repayment of Loans**

The company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders during the relevant financial year.

## **9) Raising of monies through Public Offer and/or Term Loans**

The company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the period covered the relevant financial year. Also the company has not taken any term loans during the relevant financial year.

## **10) Frauds**

According to the information and explanations given to us no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

## **11) Managerial Remuneration**

Managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act

## **12) Compliance with Net Owned Funds Ratio & unencumbered term deposits**

The company is not a Nidhi company and hence the provisions relating maintenance of ratio of Net Owned Funds to Deposits and maintenance of minimum prescribed percentage of unencumbered term deposits are not applicable to the Company

## **13) Transaction with Related Parties**

In our opinion all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

## **14) Preferential Allotment or Private Placement**

The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review as referred to in section 42 of the Companies Act, 2013

## **15) Non-cash transactions**

The company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013

## **16) Registration with Reserve Bank of India**

The company not carrying any activities which require registration under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Chennai  
Date : 25.04.2017

For **P.B. Vijayaraghavan & Co.**  
Chartered Accountants  
Firm Regn No. 004721S

**K. Rajagopalan**  
Partner  
M No. 0014523

## **Annexure – II to Independent Auditor’s Report**

### **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 SIP Industries Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

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

Because of the inherent limitations of internal financial controls 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, 2017, 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.

Place : Chennai  
Date : 25.04.2017

For **P.B. Vijayaraghavan & Co.**  
Chartered Accountants  
Firm Regn No. 004721S

**K. Rajagopalan**  
Partner  
M No. 014523



# SIP INDUSTRIES LIMITED

## BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2017

Amount in Rs.

Particulars	Note No.	As at 31st March 2017 Amount	As at 31st March 2016 Amount
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	46,789,360	46,789,360
(b) Reserves and surplus	2	(41,455,234)	(39,898,426)
<b>2 Share application money pending allotment</b>			
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	790,000	-
<b>4 Current liabilities</b>			
(a) Trade payables		1,281	146,522
(b) Other current liabilities	4	848,083	564,266
<b>TOTAL</b>		<b>6,973,490</b>	<b>7,601,722</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible asset	5	6,070	12,526
(b) Non-current investments	6	45,110	45,110
<b>2 Current assets</b>			
(a) Inventories		3,899,000	3,899,000
(b) Trade receivables		-	-
(c) Cash and cash equivalents	7	37,235	657,490
(d) Other current assets	8	2,986,075	2,987,595
<b>TOTAL</b>		<b>6,973,490</b>	<b>7,601,722</b>

Notes to the Accounts

The Schedules referred to above form an integral Part of the Balance Sheet

As Per our Report of even date annexed

For P.B.Vijayaraghavan & Co.  
Chartered Accountants  
Firm Regn. No.: 004721S  
K.Rajagopalan  
Partner  
Membership No.014523

For and on behalf of the Board

K.C. Raghunathan  
(Chairman & Managing Director)

K. C. Sukumar  
(Director)

D. Ravi  
(Director)

Chennai  
25.04.2017

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Refer Note No.	As at 31st March 2017	As at 31st March 2016
<b>I. Revenue from operations</b>		-	-
<b>II. Other income</b>		-	6,349,548
<b>III. Total Revenue (I + II)</b>		-	6,349,548
<b>IV. Expenses:</b>			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Employee benefits expense	9	677,042	1,036,906
Finance costs		-	-
Depreciation and amortization expense		6,456	892,070
Other expenses	10	873,310	1,840,004
Total expenses		1,556,808	3,768,980
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		(1,556,808)	2,580,568
VI. Exceptional items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		(1,556,808)	2,580,568
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		(1,556,808)	2,580,568
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>XI Profit/(Loss) for the period</b>		(1,556,808)	2,580,568
<b>XVI Basic and Diluted Earnings per equity share:</b>		(0.33)	0.55

Notes to the Accounts

11

The Schedules referred to above form an integral part of the Profit and Loss Account

As Per our Report of even date annexed

For P.B.Vijayaraghavan & Co.  
Chartered Accountants  
Firm Regn. No.: 004721S  
K.Rajagopalan  
Partner  
Membership No.014523

For and on behalf of the Board

K.C. Raghunathan  
(Chairman & Managing Director)

K. C. Sukumar  
(Director)

D. Ravi  
(Director)

Chennai  
25.04.2017



# SIP INDUSTRIES LIMITED

## Note-1 Share Capital

Particulars	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>Authorised</b>		
3,00,000 Preference shares of ₹ 100 Each	30,000,000	30,000,000
70,00,000 Equity shares of ₹ 10 Each	70,000,000	70,000,000
<b>Issued</b>		
46,81,457 Equity shares of ₹ 10 Each	46,814,570	46,814,570
<b>Subscribed &amp; Paid up</b>		
46,76,415 Equity shares of ₹ 10 Each	46,764,150	46,764,150
Add: Shares Forfeited	25,210	25,210
<b>Total</b>	<b>46,789,360</b>	<b>46,789,360</b>

Particulars	Equity Shares ₹	Preference Shares ₹
Shares outstanding at the beginning of the year	46,764,150	-
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	46,764,150	-

Name of Shareholder	As at 31st March 2017	
	No. of Shares held	% of Holding
K.C. Raghunathan	658557	14.08%
K.C. Sukumar	653070	13.97%
Rama Raghunathan	805076	17.22%
Amudha Sukumar	805016	17.21%

## Note-2 Reserves and Surplus

Particulars	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>a. Capital Reserves</b>		
Opening Balance	26,401,784	26,401,784
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	26,401,784	26,401,784
<b>b. Securities Premium Account</b>		
Opening Balance	383,280	383,280
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Closing Balance	383,280	383,280
<b>c. Surplus</b>		
Opening balance	(66,683,490)	(69,332,458)
(+) Net Profit/(Net Loss) For the current year	(1,556,808)	2,580,568
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<b>(68,240,298)</b>	<b>(66,751,890)</b>
<b>Total</b>	<b>(41,455,234)</b>	<b>(39,966,826)</b>



## Note-3 Long Term Borrowings

Particulars	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>Unsecured</b>		
<b>(a) Loans and advances from related parties</b>		
Loan from SIP Technologis and Exports Limited	-	-
Loan from Managing Director	790,000	-
<b>Total</b>	<b>790,000</b>	<b>-</b>

## Note-4 Other Current Liabilities

Particulars	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Duties & Taxes	2,648	2,541
Rent payable	-	-
Provision for Expenses	827,795	544,488
Others	17,640	17,237
<b>Total</b>	<b>848,083</b>	<b>632,666</b>

## Note-5 Fixed Assets

S. No	DESCRIPTION	GROSS BLOCK				DEPRECIATION			WRITTEN DOWN VALUE	
		As on 01.04.2016	Addi- tions	Deletions/ Adjustments	As on 31.03.2017	As on 01.04.2016	For the Year	As on 31.03.2017	As on 01.04.2016	As on 31.03.2017
1	Air Conditioner	38,765	-	-	38,765	33,264	5,112	38,376	5,501	389
2	Furniture & Fittings	22,456	-	-	22,456	18,583	336	18,919	3,873	3,537
4	Plant & Machinery	68,283	-	-	68,283	65,131	1,008	66,139	3,152	2,144
5	Computers	29,300	-	-	29,300	29,300	-	29,300	-	-
	<b>TOTAL</b>	<b>158,804</b>	<b>-</b>	<b>-</b>	<b>158,804</b>	<b>146,278</b>	<b>6,456</b>	<b>152,734</b>	<b>12,526</b>	<b>6,070</b>

## Note-6 Non Current Investments

Particulars	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Investment in Equity Shares of M/s. SIP Florals Private Limited (4511 Equity Shares of ₹ 10 Each)	45,110	45,110
<b>Total</b>	<b>45,110</b>	<b>45,110</b>

**Note-7 Cash and Cash Equivalents**

Particulars	As at 31st March 2017 ₹	As at 31st March 2016 ₹
a. Balances with banks	37,143	647,965
b. Cash on hand	91	9,525
<b>Total</b>	<b>37,234</b>	<b>657,490</b>

**Note-8 Other Current Assets**

Particulars	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Rental Advance	150,000	150,000
Wages Settlement Advance	1,167,960	-
Electricity Deposit	1,000	1,000
Other Advances	72,175	1,241,355
Advance Tax net of Provisions	1,594,940	1,595,240
<b>Total</b>	<b>2,986,075</b>	<b>2,987,595</b>

**Note-9 Employee Benefit Expenses**

Particulars	for the period ended 31st March 2017 ₹	for the period ended 31st March 2016 ₹
Salaries, Wages & Bonus	547,267	882,848
Contribution to PF, Gratuity & Other Funds	118,936	122,198
Staff Welfare Expenses	10,839	31,860
<b>Total</b>	<b>677,042</b>	<b>1,036,906</b>

### Note-10 Other Expenses

Particulars	for the period ended 31st March 2017 ₹	for the period ended 31st March 2016 ₹
Repairs & Maintenance	39,275	98,396
Rent	231,504	319,476
Electricity	6,813	111,120
Rates & Taxes	9,956	243,315
Insurance	1,443	12,531
Travelling and Conveyance	116,175	194,142
Printing & Stationery	7,301	12,244
Postage, Telegrams, Telephones & Telex	2,685	149,646
Advertisement	28,458	242,758
Audit Fee	68,521	143,985
Audit Expenses	-	44,880
Other Professional Charges	-	117,760
AGM Expenses	91,856	90,154
Miscellaneous Exp	269,323	38,410
Loss on sale of asset	-	21,187
<b>Total</b>	<b>873,310</b>	<b>1,840,004</b>



## NOTE-13 NOTES ON ACCOUNTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### (a) FIXED ASSETS AND DEPRECIATION :

Expenditure of capital nature are capitalised at cost which comprises of purchase price and any cost directly attributable to bring the asset to its working condition for the intended use. Depreciation is provided from the date the assets have been put to use and on straight line basis at the useful lives prescribed in Schedule ii of the Companies Act, 2013.

#### (b) INVESTMENTS :

Long term investments are valued at cost. Provision if any, is made to recognise a decline other than a temporary, in the value of long term investments. Investments held as stock in trade are valued at lower of cost or market value.

#### (c) REVENUE RECOGNITION :

Revenue is recognised on accrual basis.

#### (d) RETIREMENT BENEFITS :

Provident Fund is administered through Regional Provident Fund Commissioner. The Company has taken a Group Gratuity Policy for the employees with Life Insurance Corporation of India. The contributions to Provident Fund and the premiums paid to Life Insurance Corporation of India are charged against revenue. Encashment of leave is at the discretion of the management and is charged to Revenue in the year of payment.

#### (e) INVENTORY :

Raw Materials, Finished Goods, Stores and Spares and Packing Materials are valued at lower of cost or market value. The cost formula used is First In First Out Method.

### 2. DIRECTOR'S REMUNERATION

Mr. K.C. Raghunathan continues as Managing Director without remuneration w.e.f 21st August 2011.

### 3. PARTICULARS REGARDING OPENING, CLOSING STOCK:

STOCK IN TRADE	Period ending on 31st March 2017 (₹)	Period ending on 31st March 2016 (₹)
1559600 Equity Shares of ₹ 10/- each fully paid in M/s.SIP Technologies & Exports Limited,	<b>15,596,000</b>	15,596,000
Less: Provision for Diminution in Value	<b>11,697,000</b>	11,697,000
<b>TOTAL</b>	<b>3,899,000</b>	<b>3,899,000</b>

The Company has provided an amount of ₹ 1,16,97,000 as provision for diminution in value of shares held for trading on an estimated basis. The management is of the view that the provision is adequate considering the future prospects of the company.

4. The previous year figures will cover 18 months from 1st October 2014 to 31st March 2016 and hence the previous year figures are not comparable.
5. No provision has been made pending disposal of rectification petition filed u/s. 154 of Income Tax Act,1961 and waiver petition filed for waiver of interest.
6. No provision has been made towards Tax in view of the Accumulated business and depreciation losses incurred by the Company.
7. The company has not conducted business activity during the period and has earned no income from operations and the

same is shown as 'NIL' in the Profit and Loss Account.

8. The Company created Employees' Gratuity Trust and Group Gratuity Policy has been taken with Life Insurance Corporation of India. The Annual Premium calculated by LIC as per actuarial assessment has been charged to revenue. During the year the Company has made payment of Rs.166,595/- on account of workers settlement paid out of Gratuity fund.
9. Sundry Debtors and Sundry Creditors and Advances are as per books.  
subject to confirmation and reconciliation.

**10. Earnings Per Share (EPS) is calculated as under:**

	Period ending on 31st March 2017 (₹)	Period ending on 31st March 2016 (₹)
a) Numerator - Net Loss as disclosed in Profit & Loss account	<b>(1,556,808)</b>	2,580,569
b) Denominator - Weighted average number of Equity Shares outstanding - Basic	<b>4,678,936</b>	4,678,936
c) Earnings Per Share	<b>(0.33)</b>	0.55
d) Nominal value of Shares (in ₹)	<b>10</b>	10

**11. Deferred Tax for the Year 2016-17**

Deferred Tax Asset has not been created in respect of Losses including depreciation incurred by the Company during the year on a conservative basis.

**12. Disclosure in respect of related parties pursuant to Accounting Standard 18 :**

**Associates**

- a) SIP Technologies & Exports Limited
- b) SIP Florals Private Limited  
Key Managerial Personnel :  
K.C. Raghunathan, Chairman & Managing Director

Particulars	SIP Florals	SIP Tech	M.D.	Total
Deposit Balance at the end of the year - Dr.	8,700	-	790,000	798,700

13. Investment in SIP Florals Private Limited has been valued at cost. The decline in value of investment is temporary and non-significant, hence not provided for.
14. Previous year's figures have been regrouped and reclassified wherever necessary.
15. Figures have been rounded off to the nearest Rupee.



# SIP INDUSTRIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	For the period ended 31st March 2017	For the period ended 31st March 2016
<b>(A) Cash Flow From Operating Activities</b>		
Net Profit before Tax and Exceptional Items	(1,556,808)	2,580,568
<b>Adjustments for:</b>		
Depreciation	6,456	892,070
(Profit) / Loss on Sale of Fixed Assets	-	21,187
<b>Operating Profit before working capital adjustments</b>	<b>(1,550,352)</b>	<b>3,493,825</b>
<b>Adjustments for Working Capital Changes:</b>		
(Increase) or Decrease in Other Current Assets	1,520	99,522
Increase or (Decrease) in Trade Payables	(145,241)	(742,956)
Increase or (Decrease) in Other Current Liabilities	283,817	(1,782,884)
Sub-total	140,096	(2,426,318)
<b>Cash from Operations</b>	<b>(1,410,256)</b>	<b>1,067,507</b>
Income Tax Paid	-	-
Cash from Operating Activities before exceptional Items	(1,410,256)	1,067,506
<b>Exceptional Items</b>		
Cash from Operating Activities	(1,410,256)	1,067,506
<b>Cash from Operating Activities</b>	<b>(1,410,256)</b>	<b>1,067,506</b>
<b>(B) Cash Flow from Investing Activities</b>		
(Purchase) / Sale of Fixed Assets	-	11,276,283
<b>Net Cash From / (Used in) Investing Activities (B)</b>	<b>-</b>	<b>11,276,283</b>
<b>(C) Cash Flow from Financing Activities</b>		
Proceeds from Borrowings	790,000	-
Repayment of Borrowings	-	(11,804,984)
<b>Net Cash From / (Used in) Financing Activities ( C )</b>	<b>790,000</b>	<b>(11,804,984)</b>
<b>Total Increase or Decrease in Cash and Cash Equivalents during the year(A + B + C)</b>	<b>(620,256)</b>	<b>538,805</b>
Cash and Cash Equivalents at the beginning of the year	657,490	118,685
<b>Cash and Cash Equivalents at the end of the year</b>	<b>37,235</b>	<b>657,490</b>

As Per our Report of even date annexed

For P.B.Vijayaraghavan & Co.  
Chartered Accountants  
Firm Regn. No.: 004721S  
K.Rajagopalan  
Partner  
Membership No.014523

Chennai  
25.04.2017

For and on behalf of the Board

K.C. Raghunathan  
(Chairman & Managing Director)

K. C. Sukumar  
(Director)

D. Ravi  
(Director)

## SIP INDUSTRIES LIMITED

Registered Office: Old No. 17, New No. 35,  
First Main Road, Raja Annamalaipuram, Chennai - 600 028. CIN: L24131TN1986PLC012752  
Phone: 044- 28193521 Fax: 044- 28193524, Website: www.sipindustries.in  
email:, sipshare@gmail.com sipshare@sipindustries.in

### BALLOT FORM (In Lieu Of E-Voting)

Sr. No.

1.	Name & Registered Address of the sole/first Shareholder	:	
2.	Name(s) of Joint Shareholder(s), if any		
3.	Registered Folio No./DP ID No./Client ID No.		
4.	Number of Shares held		

I/we hereby exercise my/our vote in respect of the Resolution(s) to be passed at the 30<sup>th</sup> Annual General Meeting of the Company to be held on September 04, 2017 for the business stated in the Notice of the meeting dated August 09, 2017 by conveying my/our assent or dissent to the

said Resolution(s) by placing tick mark ( ✓ ) at the appropriate box below:

Resolution No.	Description of Resolutions	Type of Resolution	I/We Assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	To receive, consider and adopt the Audited Balance Sheet as at 31 <sup>st</sup> March 2017 and the Profit and Loss Account for the year ended on that date, together with the Reports of the Directors and Auditors thereon.	Ordinary		
2	To appoint a Director in place of Mr. D. Ravi, who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary		
3	To consider, and if thought fit, to pass, with or without modification, the following resolution as a ordinary resolution:  "RESOLVED THAT pursuant to the provision of sections 139,142 and other provisions of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (Including any statutory modifications or re-enactment thereof for the time being in Force), and pursuant to the recommendations of the Board of Directors, M/s T. A. P. Varadakutti & Co, Chartered Accountants, Chennai, be and is here by appointed as Statutory Auditors of the Company at the 30th Annual General Meeting, to hold office for the period of Five years, till the conclusion of the 35th Annual General Meeting of the company and be fixed their remuneration.  RESOLVED FURTHER THAT appointment of the statutory auditor shall be subject to the ratification at each annual general meeting held after forthcoming annual general meeting.	Ordinary		

Place:

Date:

\_\_\_\_\_  
Signature of the Shareholder

NOTE: Kindly read the instructions printed overleaf before filling the form.



# SIP INDUSTRIES LIMITED

## Instructions:

Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

In the event member casts his/her votes through both the processes i.e. e-voting and ballot from the votes in electronic system would be considered and the ballot form would be ignored.

To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic demat form is verified with the Specimen Signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the Registrar and Share Transfer Agent of the Company (i.e. Cameo Corporate Services Limited). Members are requested to keep the same updated.

There will be only one Ballot for every Folio/DP ID/Client ID irrespective of the number of joint holders.

In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holder shall be treated valid if signed as per records available with the company and the company shall not entertain any objection on such Ballot Form signed by other joint holders.

For the votes to be considered valid, the institutional shareholders (i.e other than individuals, HUF, NRI, etc) are required to send certified true copy of relevant authorization/board resolution along with Ballot Form. A member may sign the form through an attorney appointed specifically for this purpose. In which case an attested true copy of the Power of Attorney should be attached to the Ballot Form.

## ROUTE MAP



A C Muthiah Conference Hall,  
ICSI-SIRC House, 3rd Floor, New No.9,  
Wheat Crofts Road, Nungambakkam  
Chennai 600034



**SIP INDUSTRIES LIMITED**

CIN: L24131TN1986PLC012752

Regd.Office: Old No. 17, New No. 35, First Main Road, Raja Annamalaipuram, Chennai - 600 028.

**ATTENDANCE SLIP**

Name of the Shareholder/Proxy : Folio Number/ Client ID :  
(In Block Letters)

/We hereby record my/our presence at the 30TH ANNUAL GENERAL MEETING at A C Muthiah Conference Hall, ICSI-SIRC House, 3rd Floor, New No.9, Wheat Crofts Road, Nungambakkam Chennai 600034 on Monday 04th September 2017 at 10 A.M.

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.**

Signature of the Shareholder(s) 1. \_\_\_\_\_ 2. \_\_\_\_\_  
3. \_\_\_\_\_ 4. \_\_\_\_\_  
Signature of Proxy Holder 1. \_\_\_\_\_ 2. \_\_\_\_\_

**SIP INDUSTRIES LIMITED**

Regd.Office: Old No. 17, New No. 35, First Main Road, Raja Annamalaipuram, Chennai - 600 028.

CIN L24131TN1986PLC012752

**PROXY FORM (Form No MGT-11)**

I/We \_\_\_\_\_  
being a Member/Members of SIP INDUSTRIES LIMITED hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
(or failing him) \_\_\_\_\_ of \_\_\_\_\_  
(or failing him) \_\_\_\_\_ of \_\_\_\_\_

as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on Monday 04th September 2017 at 10 A.M. and at any adjournment thereof.

AS WITNESS my hand/our hands signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

**Signature**

**RE.1/-  
Revenue  
Stamp**

**NOTE:** The Proxy Form duly completed and signed must be deposited at the Company's Registered Office not less than 48 hours before the time fixed for holding the meeting.



# SIP INDUSTRIES LIMITED

## SIP INDUSTRIES LIMITED

Regd.Off. Old No. 17, New No. 35, First Main Road, Raja Annamalaipuram, Chennai – 600 028. CIN: L24131TN1986PLC012752

Dear Member

### **Sub: Instruction for e-voting**

In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

In case of members receiving e-mail:

Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

Click on "Shareholders" tab.

Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

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. If you are a first time user follow the steps given below.

Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. (Sl. No. mentioned in your address label can be used as Sequence No. for this purpose)

# Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the <Default Value> in the Dividend Bank details field.

After entering these details appropriately, click on "SUBMIT" tab.

Members holding shares in physical form will then reach directly 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.

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on <Company Name> on which you choose to vote.

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.

Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

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.

Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

The voting period begins on 10.00AM 02nd September 2017 and ends on 6.00 PM 03rd September 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The record date for the purpose of e-voting is 25th August 2017.

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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

By Order of the Board  
K .C. RAGHUNATHAN  
Chairman & Managing Director

CHENNAI  
09.08.2017

**SIP INDUSTRIES LIMITED**

CIN: L24131TN1986PLC012752

Regd.Off. Old No. 17, New No. 35, First Main Road,  
Raja Annamalaipuram, Chennai – 600 028.

Dear Shareholders,

**Re : Green Initiative in Corporate Governance**

As a sequel to the initiative about environment protection, initiated by the Ministry of Corporate Affairs (MCA) in sending communication such as annual report and such other documents in electronic mode to the shareholders instead of sending through the conventional postal department, your Company would encourage the same by following the initiative of MCA.

Shareholders are aware that several advantages will fall out by such on initiative, for example, receiving communication promptly, avoid loss in postal transit, conserve valuable paper and save on printing and postage cost. To fully support this, it is proposed to send communication through documents to shareholders by electronic mode through e-mail which include Notice, Audited financial statements, Auditors Report, Directors Report, Corporate Governance Disclosures, etc.

To enable use of electronic mode, it is requested that the e-mail address be registered with the Company / Cameo Corporate Services Pvt. Ltd., (The Registrar and Share Transfer Agents (RTA) in the following manner.

1. By sending e-mail request giving therein your registered folio number / DP ID and CLIENT ID to the e-mail address

of the Company at sipshare@sipindustries.in or to its RTA at investor@cameoindia.com

2. By sending a scanned copy of duly filled in attached form through e-mail to the dedicated e-mail address of the Company at sipshare@sipindustries.in or to its RTA at investor@cameoindia.com

Your communication by e-mail in the above manner will kindly be noted as your consent for receiving all the above documents by electronic mode. Should you want to change in future you may write to us a separate letter to send by physical mode.

A fully annual report of the Company will however, be made available on the website of the Company www.sipindustries.in

Your support and co-operation is solicited for the eco-friendly measures encouraged by MCA and followed by the Company.

Yours faithfully,  
For SIP INDUSTRIES LIMITED,  
**Mr. K.C. RAGHUNATHAN**  
Chairman & Managing Director

**SIP INDUSTRIES LIMITED**

Regd.Off. Old No. 17, New No. 35, First Main Road,  
Raja Annamalaipuram, Chennai – 600 028.  
CIN: L24131TN1986PLC012752

**E-Communication Registration Form**

To  
Cameo Corporate Services Limited,  
(Unit : SIP Industries Limited)  
"Subramanian Building",  
No.1, Club House Road,  
Mount Road, Chennai - 600 002.

Dear Sirs,

**Re : Green Initiative in Corporate Governance**

I / We agree to receive all communication from the Company through e-mail. Please register my / our e-mail ID in your records for sending communication. Please note my / our said request in your records.

Registered Folio No. (as given overleaf) .....

Name of the 1<sup>st</sup> Registered Holder .....  
(as given overleaf)

e-mail ID : .....

Date : ..... Signature of the first shareholder .....

Note: On registration, all the communication will be sent to the e-mail ID registered in the Folio.

**BOOK-POST**

*If undelivered please return to :*



OLD NO. 17, NEW NO. 35,  
FIRST MAIN ROAD,  
RAJA ANNAMALAIPURAM  
CHENNAI - 600 028  
INDIA