



SIP INDUSTRIES LIMITED

**26th
ANNUAL REPORT
2011-2012**

26TH ANNUAL REPORT 2011-2012

ANNUAL GENERAL MEETING

On Monday, the 31st December 2012

at

A C Muthiah Conference Hall,
ICSI-SIRC House, 3rd 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.

CONTENTS

	Page
Board of Directors	1
Notice and Notes	2
Directors' Report	2
Report on Corporate Governance	3
Auditor's Report	7
Annexure to the Auditor's Report	8
Balance Sheet	10
Profit and Loss Account	11
Notes	12
Notes on Accounts	15

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)

Registered Office

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

Floriculture Farm

Suligunta Village,
Berikai, Firka,
Hosur Taluk,
Krishnagiri District,
Tamil Nadu.

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.



SIP INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 26th 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, 31st December, 2012 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th September 2012 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. U Prabhakar Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint and fix remuneration of Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting. The retiring auditors M/s P.B. Vijayaraghavan & Co., are eligible for re-appointment.

By Order of the Board

K.C. RAGHUNATHAN

CHENNAI

28. 11.2012

Chairman & Managing Director

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 21.12.2012 to 31.12.2012 (both days inclusive).
4. Members are requested to immediately inform the Company if there is any change in their addresses. Members whose shareholding are 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.

DIRECTORS' REPORT

Your Directors present their 26th Annual Report to their Shareholders together with the Audited Accounts for the year ended 30th September 2012

FINANCIAL RESULTS:

The financial year ended 30th September 2012 resulted in a Net Loss of ₹63.47 lakhs as against the Net Loss of ₹139 lakhs during the previous year.

	2011-2012 (₹ in lakhs)	2010-2011 (₹ in lakhs)
Profit/(Loss) before Depreciation, Interest and Tax	(36.67)	(111.91)
Depreciation	26.80	27.11
Interest	NIL	NIL
Profit/(Loss) before taxation	(63.47)	(139.02)
Provision for Taxation	NIL	NIL
Net Profit/(Loss) after Tax	(63.47)	(139.02)
Balance brought forward	(257.81)	(118.79)
Balance carried to Balance Sheet	<u>(321.28)</u>	<u>(257.81)</u>

You will note that the loss is due to the poor yield and quality. This is attributed to the sub standard plants, the vagaries in the weather pattern and menacing pest problem.

DIVIDEND:

In the absence of profit during the year, your Directors express their inability to recommend any dividend for the year.

PERFORMANCE AND PROSPECTS:

Corrective measures are being taken and your Company hopes to overcome all the difficulties and show improvements in over all performance of the Farm.

DIRECTORS:

There is no change in the Constitution of the Board.

Mr. U Prabhakar Rao 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 .

AUDITORS:

M/s P.B. Vijayaraghavan & Company, Chartered Accountants retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

FIXED DEPOSITS:

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 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 in Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules 1975 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 Clause 49 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.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion & Analysis Report, as required in terms of Clause 49 (V) (A) of the Listing Agreement.

During the year under review, the floriculture division has recorded a turnover of ₹ 37.40 lakhs. The low turnover was due to the poor yield and quality of flowers. This is attributed to the sub standard plants and the vagaries in the weather pattern.

Corrective measures are being taken and your Company hopes to overcome all the difficulties and show improvements in over all performance of the Farm in the current year.

As per the audited accounts, the Company's accumulated losses as at 30th September 2012 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:

Your Directors thank Mrs. VALLIAMMAI MUTHIAH, the previous Company Secretary who had served for over two decades. The blemishless performance on Company Law Matters was due to her untiring work and support.

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.

CHENNAI
28.11.2012

By Order of the Board
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 5 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 Companies' 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

*Relationship among Directors: Mr. K C Raghunathan and Mr. K C Sukumar are brothers. 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 five Board Meetings during the financial year.

The Board Meetings were held on the following dates

- 25.11.2011
- 30.01.2012
- 31.03.2012
- 30.04.2012 and
- 31.07.2012

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	4	Yes
Mr K C Sukumar	3	Yes
Mr T M Srinivasan	1	Yes
Mr U Prabhakar Rao	4	Yes
Mr D Ravi	3	No

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

- Mr. D Ravi (Chairman)
- Mr. T M Srinivasan
- Mr. U Prabhakar Rao

On resignation of Mrs. Valliammai Muthiah, there is no Secretary to the Audit Committee.

**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 25.11.2011, 31.01.2012, 30.04.2012 and 31.07.2012. The attendance of directors at the committee meetings is as follows:

Member	Committee Meetings attended
Mr D Ravi	3
Mr T M Srinivasan	1
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 25.11.2011, 31.01.2012, 30.04.2012 and 31.07.2012. The attendance of directors at the committee meetings is as follows:

Member	Committee Meetings attended
Mr. D Ravi	3
Mr K C Raghunathan	4
Mr K C Sukumar	2

3. DETAILS OF REMUNERATION PAID TO DIRECTORS DURING 2010-11

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	₹ 750/-	-	-	-
4	Mr. U Prabhakar Rao	₹ 3000/-	-	-	-
5	Mr. D Ravi	₹ 2250/-	-	-	-

4. DIRECTORS**Profile of Director retiring by rotation**

Mr. U Prabhakar Rao, is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. U Prabhakar Rao is a graduate of Economics and a Diploma Holder in Business Management. He joined as an officer in The Commercial Credit Corporation (1943) Pvt Limited in 1955 and been a Director since November 1965.

He was a Director of Consolidated Credit Co. Pvt Ltd, M/s Enfield (India) Limited, Kurlon Products Limited and Viswapriya Finance. He served as Chairman of South India Hire Purchase Association and Motor Vehicles & Allied Industries Association.

Mr. U Prabhakar Rao also served as Office Bearer of Tamil Nadu Cricket Association (TNCA), Madras Cricket Club & Madras Boat Club. He was also the president of Madras Cricket Club. At present, Mr. U Prabhakar Rao is the Vice President of TNCA and continues to be a member of Motor Vehicles & Allied Industries Association. He is also director of SSF Limited.

5. DISCLOSURES

1. As per the declarations given by the management to the Board, during the year 2011-12, there were no material, financial and commercial transactions which are in potential conflict with the interest of the Company at large.

List of related party disclosures:

The Company has outstanding loan amount ₹ 3400000/- to M/s SIP Technologies & Exports Limited, an Associate Company and ₹ 2042000/- to Managing Director and the same has been disclosed in the Notes on Accounts as per Accounting Standard - 18 issued by the Institute of Chartered Accountants of India.

2. 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

K C Raghunathan

Chennai

28.11.2012

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-600028.

2. Annual General Meetings Ensuing AGM

Date & Time: 31st December 2012, 10 A.M.
Venue: A C Muthiah Conference Hall, ICSI-SIRC House, 3rd Floor, New No.9,Wheat Crofts Road, Nungambakkam, Chennai - 600 034.

Last 3 Annual General Meetings

AGM for the year	Date	Time	Venue
2008-2009	31.12.2009	10.00 AM	6 th Floor, Crown Court, No.128, Cathedral Road, Chennai – 600086.
2009-2010	31.12.2010	10.00 AM	A C Muthiah Conference Hall, ICSI-SIRC House, 3 rd Floor, New No.9, WheatCrofts Road, Nungambakkam, Chennai - 600 034.

2010-2011 28.12.2011 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

- Quarter ended December 31, 2012 13th February 2013
- Half year ended March 31, 2013 14th May 2013
- Quarter ended June 30, 2013 12th August 2013
- Quarter and year ended
September 30, 2013 15th November 2013

4. Book Closure Dates

21st December 2012 to 31st December 2012. (Both days inclusive)

5. Dividend

Your Directors have not recommended any Dividend for the Financial Year 2011-12.

6. Listing on stock exchanges & 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
October 2011	-	-
November 2011	3.63	3.46
December 2011	3.80	3.80
January 2012	3.99	3.62
February 2012	3.62	3.44
March 2012	-	-
April 2012	3.40	3.40
May 2012	-	-
June 2012	-	-
July 2012	-	-
August 2012	6.32	3.40
September 2012	5.50	4.99

There was no trading in the Equity Shares of the Company in the Madras Stock Exchange for the period from October 1, 2011 to September 30, 2012.

8. Share transfer system and Registrar & Transfer Agents

The share transfer committee met almost twice every fortnight during the year 2011-12.

- (i) Name and designation : Mr. K.C. Raghunathan
of Compliance Officer Chairman & Managing Director
- (ii) No. of Shareholder's
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 30.09.2012

Category	% to total capital
Promoter Group	62.480
Financial Institutions	-
Non-residents (NRIs/OCBs/FILs)	2.090
Banks	0.002
Mutual Funds	0.006
Others	35.430
Total	100.000

Distribution of shareholding as on 30.09.2012

Category (in ₹)	No. of holders	% to total	Share Amount (in ₹)	% to total
Upto 5,000	3627	88.7665	5740610	12.2756
5,001-10,000	275	6.7302	2111630	4.5154
10,001- 20,000	82	2.0068	1252060	2.6773
20,001- 30,000	42	1.0279	1085000	2.3201
30,001- 40,000	20	0.4894	686390	1.4677
40,001- 50,000	5	0.1223	234030	0.5004
50,001-1,00,000	14	0.3426	933230	1.9956
1,00,001 and above	21	0.5139	34721200	74.2474
Total	4086	100.00	46764150	100.00

10. Dematerialisation of shares

The Company's shares can be sold through stock exchanges only in dematerialised form. As on date, shares constituting 90.21% 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 Chudhar". These results, Shareholding Pattern and Annual Report are also posted on website of the Company www.sipindustries.in. The annual reports are sent by mail to all shareholders.

12. Compliance Officer

Mr. K.C. Raghunathan, Chairman & 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

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

On behalf of the Board

Chennai
28.11.2012

K C Raghunathan
Chairman and Managing Director



SIP INDUSTRIES LIMITED

CERTIFICATION AND DECLARATION UNDER CLAUSE 49(V) AND CLAUSE 49(I)(D) OF THE LISTING AGREEMENT

To
The Board of Directors
SIP Industries Limited
Chennai

This is to certify that:

- a. I have reviewed financial statements for the Financial Year 30.09.2012 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
28.11.2012

K C Raghunathan
Chairman & Managing Director

AUDITORS' CERTIFICATE ON CLAUSE 49 COMPLIANCE CERTIFICATE

We have reviewed the implementation of the Corporate Governance procedure by SIP Industries Limited for the year ended 30th September, 2012 with the relevant records and documents maintained by the Company as furnished to us for our review.

Based on our verification and information and explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges.

For P B VIJAYARAGHAVAN & Co.
Chartered Accountants
Firm Regn. No. : 004721S

Place : Chennai
Date : November 28, 2012

K RAJAGOPALAN
Partner
Membership No. 014523

AUDITOR'S REPORT

AUDITOR'S REPORT TO THE MEMBERS OF SIP INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **SIP INDUSTRIES LIMITED** as at **30th September 2012**, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appear from our examination of those books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the Directors as on 30th September 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th September 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Balance Sheet, of the state of affairs of the company as at 30th September 2012;
 - ii) In the case of the Profit & Loss Account, of the **LOSS** for the year ended on that date;
 - iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For P B VIJAYARAGHAVAN & Co.

Chartered Accountants
Firm Regn. No.: 004721S

Place : Chennai
Date : 28.11.2012

K. Rajagopalan
Partner
Membership No. 014523



SIP INDUSTRIES LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATED

- 1) **In respect of fixed assets:**
 - a) The company has maintained 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 having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
 - c) The company has not disposed off substantial part of fixed assets during the year.
- 2) **In respect of inventories:**
 - a) All the inventories maintained in the Floriculture Division are perishable in nature. Hence, the company has not taken any value for the closing inventory.
 - b) The Stock In Trade shown under Balance Sheet relates to shares. These shares are valued at lower of the cost or market value.
 - c) The consumables are valued at lower of the cost or market value.
 - d) In our opinion and according to the information and explanations given to us, the procedures followed by the management for physical verification of the above said items are reasonable and adequate in relation to size of the company and nature of its business.
 - e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. There are no material discrepancies noticed on physical verification.
- 3) In respect of loans, secured or unsecured, taken by the company from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a) The company has taken unsecured loan from SIP TECHNOLOGIES & EXPORTS LIMITED and from Managing Director. The maximum amount outstanding during the period of such loans was ₹ 58.42 Lacs and the amount remaining unpaid at the year end was ₹ 54.42 Lacs.
 - b) The company is not charging any interest on the said loan. The question of payment of interest on the said loan does not arise as interest is payable as per the mutual arrangement at the time of final settlement that may be on demand along with the principal. All other terms and conditions are prima-facie not prejudicial to the interest of the company.
 - c) In respect of repayment of principal, the agreement between the companies does not specify a fixed repayment schedule. The company has repaid an amount of ₹ 4 lakhs during the financial year under consideration. Considering the above, question of overdue does not arise.
 - d) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered

in the register maintained under section 301 of the companies Act, 1956.

- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods. During the course of audit, no major weakness has been noticed in the internal control.
- 5) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.
 - a) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements, if any, that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956 and Rules there under are not applicable to the Company.
- 7) The internal audit for the period has not been carried out even though required. The management informs us that there have been no manufacturing activities during the period and the other activities are not significant.
- 8) No cost audit has been prescribed for the Floriculture Division.
- 9) In respect of statutory dues:
 - a) According to the information and explanations given to us, the company is regular in depositing dues in respect of Employees Provident Fund, Employees State Insurance Fund, Income Tax and other statutory dues with the appropriate authority during the year.
 - b) At the end of the financial year there were no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except as follows:

Name of the statute	Nature of Dues	Amount in ₹	Forum where dispute is pending and status.
Income Tax Act 1961	Tax, Interest u/s 234B u/s 234C u/s 220(2) AY 2000-01.	₹ 301697/-	Waiver petition before the Chief Commissioner of Income Tax, Chennai for interest and rectification petition U/s 154 before AO.

26th Annual Report

- | | | | |
|---------------------|--|-------------|---|
| Income Tax Act 1961 | Tax, Interest u/s. 234B u/s 220(2) AY 1996-97. | ₹ 3998745/- | Waiver petition before Chief commissioner of Income Tax, Chennai for interest and rectification petition U/s 154 before AO. |
|---------------------|--|-------------|---|
- 10) **The company's accumulated losses as at 30th September 2012 have exceeded 50% of its net worth. Though the company has incurred cash loss during the year, it has not incurred cash loss in the immediately preceding financial year.**
- 11) The company has not taken any loan from Banks or any other Financial Institutions. So the question of default in repayment does not arise.
- 12) In our opinion and according to information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other security.
- 13) The Provision of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies is not applicable to the Company.
- 14) The company is a dealer in shares, debentures etc., and proper records and books of accounts are maintained. Also the company in its name holds the shares and debentures.
- 15) As per the information and explanation given to us by the management, the company has not given any guarantee for loans taken by others from banks or Financial Institutions.
- 16) The Company has not taken any term loan from Banks or Financial Institutions.
- 17) The company has not acquired any Long Term or Short Term loans. So the question of utilization does not arise.
- 18) The company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956, during the year.
- 19) No debentures have been issued during the year.
- 20) The Company has not raised money by way of public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For P B VIJAYARAGHAVAN & Co.
Chartered Accountants
Firm Regn. No.: 004721S

Place : Chennai
Date : 28.11.2012

K. Rajagopalan
Partner
Membership No. 014523



SIP INDUSTRIES LIMITED

BALANCE SHEET AS ON 30th SEPTEMBER, 2012

Particulars	Note No.	As at 30th September 2012 Amount	Amount in ₹ As at 30th September 2011 Amount
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	46,789,360	46,789,360
(b) Reserves and surplus	2	(32,123,428)	(25,772,538)
2 Non-current liabilities			
(a) Long-term borrowings	3	5,442,000	3,825,000
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
3 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		3,698,198	1,717,524
(c) Other current liabilities	4	818,334	765,800
(d) Short-term provisions		-	-
TOTAL		24,624,464	27,325,146
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	5	17,447,376	20,127,664
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	6	45,110	45,110
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
2 Current assets			
(a) Current investments		-	-
(b) Inventories	7	3,911,205	4,014,485
(c) Trade receivables	8	157,368	25,278
(d) Cash and cash equivalents	9	43,504	57,275
(e) Short-term loans and advances		-	-
(f) Other current assets	10	3,019,901	3,055,334
TOTAL		24,624,464	27,325,146

Notes to the Accounts

13

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

As Per our Report of even date annexed

For and on behalf of the Board

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

K.C. Raghunathan (Chairman & Managing Director)
K.C. Sukumar (Director)
T.M.Srinivasan (Director)
U.Prabhakar Rao (Director)
D. Ravi (Director)

Chennai
28.11.2012

26th Annual Report

PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED 30th SEPTEMBER, 2012

Particulars	Refer Note No.	As at 30th September 2012 Amount	Amount in ₹ As at 30th September 2011 Amount
I. Revenue from operations		3,739,647	9,426,439
II. Other income		-	-
III. Total Revenue (I + II)		3,739,647	9,426,439
IV. Expenses:			
Cost of materials consumed	7	1,294,255	2,275,478
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Employee benefits expense	11	1,525,197	2,017,897
Finance costs		2,923	4,708
Depreciation and amortization expense		2,680,288	2,711,214
Other expenses	12	4,587,874	4,636,842
Provision for Diminution in value of Stock in Trade		-	11,697,000
Total expenses		10,090,537	23,343,139
Profit before exceptional and extraordinary items and V. tax (III-IV)		-6,350,890	-13,916,700
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		-6,350,890	-13,916,700
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		-6,350,890	-13,916,700
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI Profit/(Loss) for the period		-6,350,890	-13,916,700
XVI Basic and Diluted Earnings per equity share:		-1.36	-2.97
Notes to the Accounts	13		

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

As Per our Report of even date annexed

For and on behalf of the Board

Chennai
28.11.2012

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

K.C. Raghunathan (Chairman & Managing Director)
K.C. Sukumar (Director)
T.M.Srinivasan (Director)
U.Prabhakar Rao (Director)
D. Ravi (Director)



SIP INDUSTRIES LIMITED

Note-1 Share Capital

Share Capital	As at 30th September 2012 Amount	As at 30th September 2011 Amount
Authorised		
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
Issued		
46,81,457 Equity shares of ₹10 Each	46,814,570	46,814,570
Subscribed & Paid up		
46,76,415 Equity shares of ₹10 Each	46,764,150	46,764,150
Add: Shares Forfeited	25,210	25,210
Total	46,789,360	46,789,360

Particulars	Equity Shares Amount	Preference Shares Amount
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 30th September 2012	
	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

Reserves & Surplus	As at 30th September 2012	As at 30th September 2011
a. Capital Reserves		
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. Securities Premium Account		
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
c. Surplus		
Opening balance	(52,557,602)	(38,640,902)
(+) Net Profit/(Net Loss) For the current year	(6,350,890)	(13,916,700)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(58,908,492)	(52,557,602)
Total	(32,123,428)	(25,772,538)

Note-3 Long Term Borrowings

Long Term Borrowings	As at 30th September 2012	As at 30th September 2011
	Amount	Amount
Secured	-	-
Unsecured		
(a) Loans and advances from related parties		
Loan from SIP Technologis and Exports Limited	3,400,000	3,800,000
Loan from Managing Director	2,042,000	25,000
	5,442,000	3,825,000
Total	5,442,000	3,825,000

Note-4 Other Current Liabilities

Other Current Liabilities	As at 30th September 2012	As at 30th September 2011
	Amount	Amount
Outstanding Liabilities	818,334	765,800
Total	818,334	765,800

Note-5
FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION BLOCK			WRITTEN DOWN VALUE		
	ASON 01.10.2011	ADDITIONS	DELETIONS ADJUSTMENTS	ASON 30.09.2012	ASON 01.10.2011	FOR THE YEAR	ASON 30.09.2012	ASON 30.09.2011	ASON 30.09.2012
Air Conditioners	134312	-	-	134312	98660	6192	104852	35652	29460
Furniture And Fittings	457108	-	-	457108	448139	3919	452058	8969	5050
Office Equipment	520088	-	-	520088	412792	24060	436852	107296	83236
Plant & Machinery	49868556	-	-	49868556	36251388	2311788	38563176	13617168	11305380
Building - Factory	4686185	-	-	4686185	2279997	152676	2432673	2406188	2253512
Electrical Installations	1915611	-	-	1915611	1324343	89772	1414115	591268	501496
Land - Free Hold	3021433	-	-	3021433	-	-	-	3021433	3021433
Mother Plant	28686315	-	-	28686315	28606670	60624	28667294	79645	19021
Vehicles	305000	-	-	305000	47893	28320	76213	257107	228787
Computers	29300	-	-	29300	26363	2937	29300	2937	-
TOTAL	89623909	-	-	89623909	69496245	26080288	72176533	20127664	17447376

Note-6 Non Current Investments

Non Current Investments	As at 30th September 2012	As at 30th September 2011
	Amount	Amount
Investment in Equity Shares of M/s. SIP Florals Private Limited (4511 Equity Shares of ₹10 Each)	45,110	45,110
Total	45,110	45,110

**Note-7 Inventories**

Particulars	Stores and Consumables	Packing materials	Equity shares in SIP TECHNOLOGIES LTD.	Total
Opening Stock	115,485	-	15,596,000	15,711,485
Add: Purchases	1,035,777	155,198	-	1,190,975
Less: Provision for Diminution in Value	-	-	11,697,000	11,697,000
Less: Stores Consumed	1,139,057	155,198	-	1,294,255
Closing Stock	12,205	-	3,899,000	3,911,205

Note-8 Trade Receivables

Trade Receivables	As at 30th September 2012	As at 30th September 2011
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	157,368	25,278
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
Total	157,368	25,278

Note-9 Cash and Cash Equivalents

Cash and cash equivalents	As at 30th September 2012	As at 30th September 2011
a. Balances with banks	42,675	44,136
b. Cash on hand	829	13,139
	43,504	57,275

Note-10 Other Current Assets

Other current assets	As at 30th September 2012	As at 30th September 2011
Rental Advance	155,000	215,000
Wages Settlement Advance	1,167,960	1,167,960
Electricity Deposit	80,250	-
Other Advances	21,751	77,434
Advance Tax net of Provisions	1,594,940	1,594,940
Total	3,019,901	3,055,334

Note-11 Employee Benefit Expenses

Employee Benefit Expenses	for the period ended 30th September 2012	for the period ended 30th September 2011
	Amount	Amount
Salaries, Wages & Bonus	1,377,724	1,605,984
Contribution to PF, Gratuity & Other Funds	113,988	136,511
Staff Welfare Expenses	33,485	275,402
Total	1,525,197	2,017,897

Note-12 Other Expenses

Other Expenses	for the period ended 30th September 2012	for the period ended 30th September 2011
	Amount	Amount
Repairs & Maintenance	2,515,637	2,577,579
Rent	369,880	310,800
Petrol & Fuel	676,106	738,413
Rates & Taxes	18,795	20,473
Insurance	47,989	21,816
Travelling and Conveyance	377,864	338,601
Printing & Stationery	-	60,435
Postage, Telegrams, Telephones & Telex	86,186	43,369
Advertisement	10,785	59,224
Selling Expenses	-	11,150
Bad Debts Written off	-	33,163
Donation	-	6,000
Audit Fee	66,180	66,180
Statutory Audit - 44,120.00		
Tax Audit - 22,060.00		
Directors Sitting Fee	6,750	6,750
Miscellaneous Exp	411,702	342,889
Total	4,587,874	4,636,842

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 rates specified in accordance with Schedule XIV of the Companies Act, 1956, including extra shift allowance wherever applicable. The Value of Mother Plants for the Floriculture Division, is charged off considering the estimated useful life of the Plants.

(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	2011- 2012 (₹)	2010- 2011 (₹)
1559600 Equity Shares of ₹10/- each fully paid in M/s.SIP Technologies & Exports Limited,	15596000	15596000
Less: Provision for Diminution in Value	11697000	11697000
TOTAL	3899000	3899000

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. 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.
5. No provision has been made towards Tax in view of the Loss incurred by the Company.
6. 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 not made any payment from Gratuity fund.
7. Sundry Debtors and Sundry Creditors and Advances are as per books subject to confirmation and reconciliation.
8. Earnings Per Share (EPS) is calculated as under:

	2011 - 2012	2010 - 2011
a) Numerator - Net Loss as disclosed in Profit & Loss account	(6350980)	(13916700)
b) Denominator - Weighted average number of Equity Shares outstanding - Basic	4678936	4678936
c) Earnings Per Share	(1.36)	(2.97)
d) Nominal value of Shares (in ₹)	10	10

9. Deferred Tax for the Year 2011-2012

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

10. 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	-	-	8,700
Loan at the end of the year - Cr.	-	3400000	-	3400000
Loan from Managing Director - Cr.	-	-	2042000	2042000

11. 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.
12. Previous year's figures have been regrouped and reclassified wherever necessary.
13. Figures have been rounded off to the nearest Rupee.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER 2012

S No	PARTICULARS	2011-12	2010-11
		₹	₹
A	CASH FLOW FROM OPERATING ACTIVITIES	-6,350,890	-13,916,700
	Net Profit before Tax and Exceptional Items		
	Adjustments for:		
	Depreciation	2,680,288	2,711,214
	(Profit)/Loss on write off of Inventories	-	11,697,000
	Interest Expenditure	2,923	-
	Operating Profit before working capital changes	-3,667,679	491,514
	Decrease / (Increase) in Inventories	103,280	-66,130
	Decrease / (Increase) in Sundry Debtors	-132,090	1,115,050
	Decrease / (Increase) in Loans and Advances	35,433	146,224
	Increase / (Decrease) in Current Liabilities	2,033,208	715,141
	Cash from Operations	-1,627,848	2,401,799
	Income Tax Paid	-	-
	Cash from Operating before Exceptional Items	-1,627,848	2,401,799
	Exceptional Items	-	-
	Cash from Operating Activities	-1,627,848	2,401,799
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Addition to Fixed Assets & Capital Work-in-Progress	-	-5,408
	Net Cash from Investing Activities	-	-5,408
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowings	2,017,000	-
	Repayment of Borrowings	-400,000	-2,400,000
	Interest Paid	-2,923	-
	Net Cash from Financing Activities	1,614,077	-2,400,000
D	TOTAL INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR (A+B+C)	-13,771	-3,609
	Cash and Cash Equivalents at the beginning of the year	57,275	60,884
	Cash and Cash Equivalents at the end of the year	43,504	57,275

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)
T.M.Srinivasan (Director)
U.Prabhakar Rao (Director)
D. Ravi (Director)

Chennai
28.11.2012

SIP INDUSTRIES LIMITED

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

ATTENDANCE SLIP

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

I/We hereby record my/our presence at the **26TH ANNUAL GENERAL MEETING** at A C Muthiah Conference Hall, ICSI-SIRC House, 3rd Floor, New No.9, Wheatcrofts Road, Nungambakkam, Chennai-600034, on Monday, 31st December, 2012 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.

PROXY FORM

I/We _____

being a Member/Members of SIP INDUSTRIES LIMITED hereby appoint _____
_____ of _____

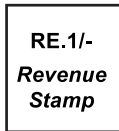
(or failing him) _____ of _____

(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 26th Annual General Meeting of the Company to be held on Monday, 31st December, 2012 at 10 A.M. and at any adjournment thereof.

AS WITNESS my hand/our hands signed this _____ day of _____ 2012.

Signature



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

SIP INDUSTRIES LIMITED
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, initiative 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.

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 1st 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 :

SIP INDUSTRIES LIMITED

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