



**SIP INDUSTRIES LIMITED**

**29th  
ANNUAL REPORT  
2014 - 2016**



## 29<sup>TH</sup> ANNUAL REPORT 2014-2016

### ANNUAL GENERAL MEETING

On Wednesday, the 22<sup>nd</sup> JUNE 2016

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 (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.

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# SIP INDUSTRIES LIMITED

## NOTICE

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting of the Members of **SIP INDUSTRIES LIMITED**, will be held at A C Muthiah Conference Hall, ICSI-SIRC House, 3<sup>rd</sup> Floor, New No. 9, Wheat Crofts Road, Nungambakkam, Chennai - 600034 on Wednesday, 22<sup>nd</sup> June 2016 at 10.00 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2016 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.

### SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following resolution, with or without modification, as an ORDINARY RESOLUTION.

“RESOLVED that Mrs. Rama Raghunathan be and is hereby appointed as a Director of the company, liable to retire by rotation.”

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

CHENNAI  
21.05.2016

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 15.06.2016 to 22.06.2016 (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](mailto: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 Annamalaipuram, Chennai - 600 028 not later than Tuesday, June 21, 2016 (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.4:

Mrs. Rama Raghunathan, has done her graduation in music and post graduation in education.

To comply with the provisions of the new Company Law, it is necessary to appoint a women Director pursuant to Sec. 149(1) of the Companies Act, 2013. Mrs. Rama Raghunathan was appointed as an additional director of the Company in the meeting of the Board of Directors held on 25<sup>th</sup> March 2015 and as per the Sec 161 of the Companies Act, 2013, she vacates the office at the Annual General Meeting. The company has received a notice from a member of the company proposing Mrs. Rama Raghunathan for the office of Director and her intention to move the Resolution set out in Item No.4 of this notice. The directors feel the aforesaid appointment will help the company in availing her experience.

Directors recommend this resolution for the approval of the share holders. None of the Directors except Mr. K.C. Raghunathan is interested to the extent of her appointment.

## DIRECTORS' REPORT

Your Directors present their 29<sup>th</sup> Annual Report to their Shareholders together with the Audited Accounts for the Eighteen months ended 31<sup>st</sup> March 2016.

## FINANCIAL RESULTS:

The financial year ended 31<sup>st</sup> March 2016 resulted in a Net Profit of ₹ 26.30 lakhs as against the Net Loss of ₹ 47.94 lakhs during the previous year.

	2014-2016	2013-2014
		(₹ in lakhs)
Profit/(Loss) before Depreciation, Interest and Tax	35.42	(21.78)
Depreciation	(8.92)	26.13
Interest	NIL	0.03
Profit/ (Loss) before taxation	26.30	(47.94)
Provision for Taxation	NIL	NIL
Net Profit/ (Loss) after Tax	26.30	(47.94)
Balance brought forward	(425.41)	(377.47)
	<u>(425.41)</u>	<u>(377.47)</u>
Balance carried to Balance Sheet	<u>(399.11)</u>	<u>(425.41)</u>

## DIVIDEND:

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

## 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. 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:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 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 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.

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

As per the audited accounts, the Company's accumulated losses (Rs. 666 /-) as at 31<sup>st</sup> March 2016 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 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  
21.05.2016

**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 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

- 28.11.2014
- 30.01.2015
- 25.03.2015
- 07.05.2015
- 12.08.2015
- 13.11.2015 and
- 12.02.2016

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	7	Yes
Mr K C Sukumar	6	Yes
Mr T M Srinivasan	3	No
Mr U Prabhakar Rao	4	No
Mr D Ravi	7	Yes
Mrs. Rama Rahunathan	4	NA

#### 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

##### 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 28.11.2014, 30.01.2015, 07.05.2015, 12.08.2015, 13.11.2015 and 12.02.2016. The attendance of directors at the committee meetings is as follows:

Member	Committee Meetings attended
Mr D Ravi	6
Mr T M Srinivasan	4
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 28.11.2014, 30.01.2015, 07.05.2015, 12.08.2015, 13.11.2015 and 12.02.2016. The attendance of directors at the committee meetings is as follows:

Member	Committee Meetings attended
Mr. D Ravi	6
Mr K C Raghunathan	6
Mr K C Sukumar	6

## 3. DETAILS OF REMUNERATION PAID TO DIRECTORS DURING 2012-2013

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

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

- a) As per the declarations given by the management to the Board, during the year 2014-16, there were no materials, financial and commercial transactions which are in potential conflict with the interest of the Company at large.
- b) 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**

21.05.2016

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

Requisite special permission has been obtained from Registrar for Companies, Tamil Nadu to conduct Annual General Meeting on or before 30th June 2016.

#### Ensuing AGM

Date & Time: 22nd June 2016, 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
2011-2012	31.12.2012	10.00 AM	A C Muthiah Conference Hall, ICSI-SIRC House, 3rd Floor, New No.9, Wheatcrofts Road, Nungambakkam, Chennai-600034
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



# SIP INDUSTRIES LIMITED

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

Financial Reporting for

- Quarter ended June 30, 2016	14th August 2016
- Half year ended September 30, 2016	30th November 2016
- Quarter ended December 31, 2016	31st January 2016
year ended March 31, 2017	14th May 2017

## 4. Book Closure Dates

15th March 2016 to 22nd June 2016. (Both days inclusive)

## 5. Dividend

Your Directors have not recommended any Dividend for the Financial Year 2014-2016.

## 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
October 2014	—	—
November 2014	—	—
December 2014	—	—
January 2015	—	—
February 2015	3.98	3.98
March 2015	3.95	3.95
April 2015	—	—
May 2015	—	—
June 2015	3.80	3.80
July 2015	—	—
August 2015	3.80	3.80
September 2015	3.80	3.80
October 2015	3.99	3.99
November 2015	4.38	4.38
December 2015	4.17	4.17
January 2016	—	—
February 2016	—	—
March 2016	—	—

There was no trading in the Equity Shares of the Company in the Madras Stock Exchange for the period from October 1, 2014 to March 31, 2016.

## 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 31.03.2016

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 Chudra". 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

21.05.2016

By Order of the Board

**K.C. RAGHUNATHAN**

Chairman & Managing Director