



**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.

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**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.



# 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:

- 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;

- 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;
- 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:

- 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 Raghunathan*	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



## 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

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## 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