



**SIGNET**  
INDUSTRIES LIMITED



**28<sup>th</sup> ANNUAL REPORT 2012-13**



The Irrigation House

Our Brands



## CONTENTS

	Page No.
Our Brands	-
Corporate Information	-
Chariman's Message	1
Financial Performance	2
Notice	6
Director's Report	8
Auditor's Report	17
Balance Sheet	20
Statement Of Profit & Loss	21
Notes Forming Part to Balance Sheet and Profit & Loss	23
Attendance Slip & Proxy Form	45



## **The Irrigation House**

### **Board of Directors**

**Shri Mukesh Sangla  
Shri Saurabh Sangla  
Shri Ankit Bhandari  
Shri Deepak Mehta  
Shri Murli Dhar Vashist**

### **Company Secretary**

**Mrs. Preeti Singh**

### **Auditors**

**M/s. Ashok Khasgiwala & Co.  
Chartered Accountants  
Indore – 452 001**

### **Registered Office**

**308, ACME Plaza, Opp. Sangam Cinema,  
Andheri Kurla Road, Andheri (East)  
Mumbai – 400 059**

### **Administrative & Corporate Office**

**314/3, SDA Compound, Lasudia Mori, Dewas Naka,  
Indore – 452 010**

### **Registrar & Transfer Agent**

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





SIGNET INDUSTRIES LTD.

## CHAIRMAN'S MESSAGE

"THE FIRST FARMER WAS THE FIRST MAN; ALL HISTORIC  
NOBILITY RESTS ON THE POSSESSION AND USE OF LAND".  
— RALPH WALDO EMERSON



Dear Members,

It gives me immense pleasure to write to you at the end of another successful year at Signet.

I am pleased to inform you that your company has closed fiscal year 2012-13 with a strong 10.5% growth in Net Sales which touched Rs. 56,016.94 lacs with Net Profit for the year recorded 204% growth which reach to Rs. 1193.49 lacs.

Your company which was now able to drive strong volume led growth across its markets in India, inspite of economic headwinds and political challenges in many of these geographies.

I am sure you all must have gone through the Annual Report of the Company for the year 2012-13. The Company's performance for the year under review has been excellent despite aberrant weather and uncertain monsoon leading to factors that destabilize agriculture. It is heartening to note that the company's business has significantly improved on operational performance compared to previous year and records a positive financial growth.

Company's brand, Saurabh Shaktiman, is one of the largest suppliers of micro irrigation system to states of Andhra Pradesh, Madhya Pradesh, Maharashtra and Rajasthan. Its irrigation system was also approved by the Gujarat Green Revolution Company and consequently, the company commenced its supplies to farmers in Gujarat.

The Company plans for addition of Drip Irrigation Lines to enhance capacity to 9,00,000 meters per day, addition of HDPE Sprinkler Irrigation lines to enhance capacity to 900 tonnes per month, addition of PVC pipes manufacturing lines to enhance capacity to 1000 tonnes per month. Apart from this Company also plans for addition of several moulds to produce various currently outsourced products.

Your company has been able to drive strong growth in spite of a challenging environment. All this would not have been possible but for the untiring efforts of our highly committed and dedicated employee force. I would like to take this opportunity to thank all our consumers, business partners and employees for their support and commitment, which has helped us to reach where we are now. I would also like to thank our shareholders for their trust and encouragement and assure that we would continue to strive towards strong, profitable and sustainable growth.

With warm regards,  
Mukesh Sangla  
Chairman

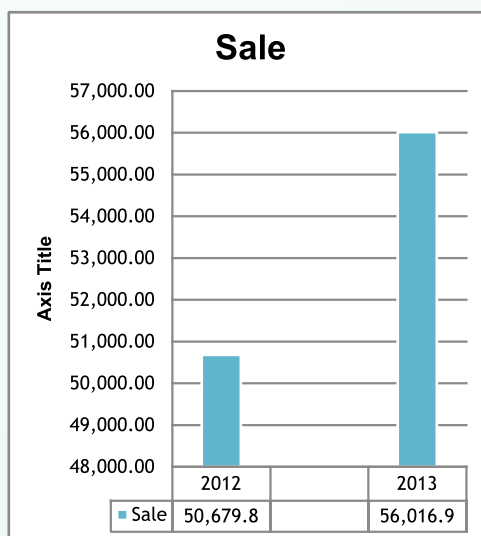


### FINANCIAL PERFORMANCE

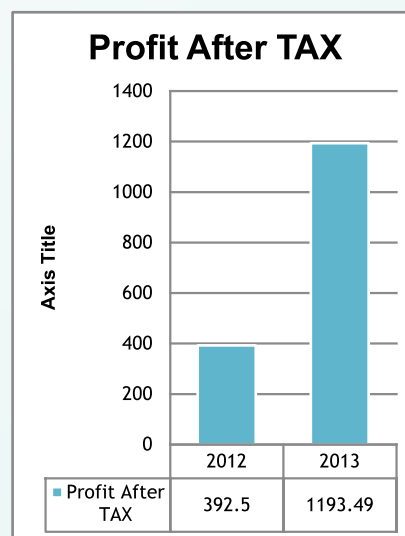
Your Company's performance for the year was excellent with sales grown by 10.5% to Rs. 56016.94 lacs and profit after tax was increased by 204.0% to Rs. 1193.49 lacs.

[Rs. in Lacs]

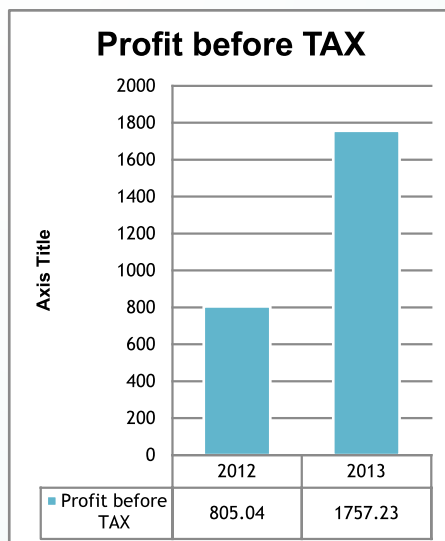
	Year Ended 31.03.2013	Year Ended 31.03.2012	% Increase/Decrease
<b>Sales:</b>	<b>56,016.94</b>	<b>50,679.85</b>	10.5%
<b>PBIDT</b>	<b>5462.62</b>	<b>3295.36</b>	65.8%
(% to sales)	9.8%	6.4%	3.4%
<b>Profit before Tax</b>	<b>1757.23</b>	<b>*805.04</b>	118.3%
(% to sales)	3.1%	1.6%	1.5%
<b>Profit after Tax</b>	<b>1193.49</b>	<b>392.50</b>	204.0%
(% to sales)	2.1%	0.7%	1.4%



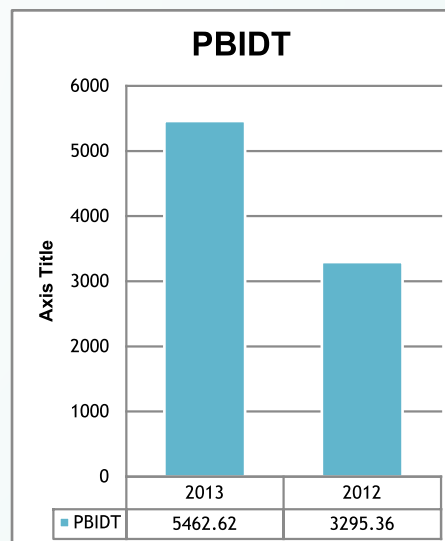
Turnover increased to Rs. **56,016.94** lacs, a growth of 10.5% over previous year turnover of Rs. 50,679.85 lacs. All the divisions of the Company recorded satisfactory growth



Profit after tax increased to Rs. 1193.49 lacs as compared to Rs. 392.5 lacs, increased of 204.0% over the previous year.



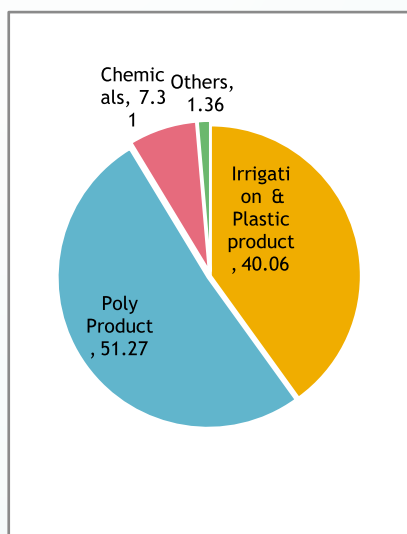
Profit before tax increased to Rs.1757.23lacs as compared to Rs.805.04lacs, increased of 118.3% over the previous year.



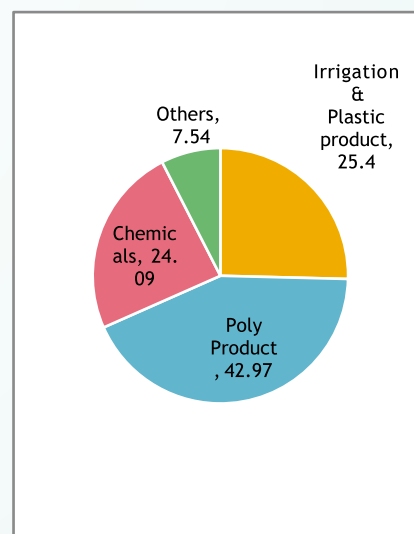
Break Up of Sales						
S. No.	Division	Twelve Months ended on 31-03-2013		Twelve Months ended on 31-03-2012		% increase(+) decrease(-) in Sales
		Total	% of Total	Total	% of Total	
1	Irrigation & Plastic product	22977.56	40.06	13008.48	25.40	14.66
2	Poly Product	29405.77	51.27	22006.71	42.97	8.29
3	Chemicals	4194.52	7.31	12335.49	24.09	-16.78
4	Others	779.27	1.36	3859.13	7.54	-6.18
	<b>Total</b>	<b>57357.12</b>		<b>51209.81</b>		



**SALES COMPOSITION PRODUCT  
(FY 2013)**



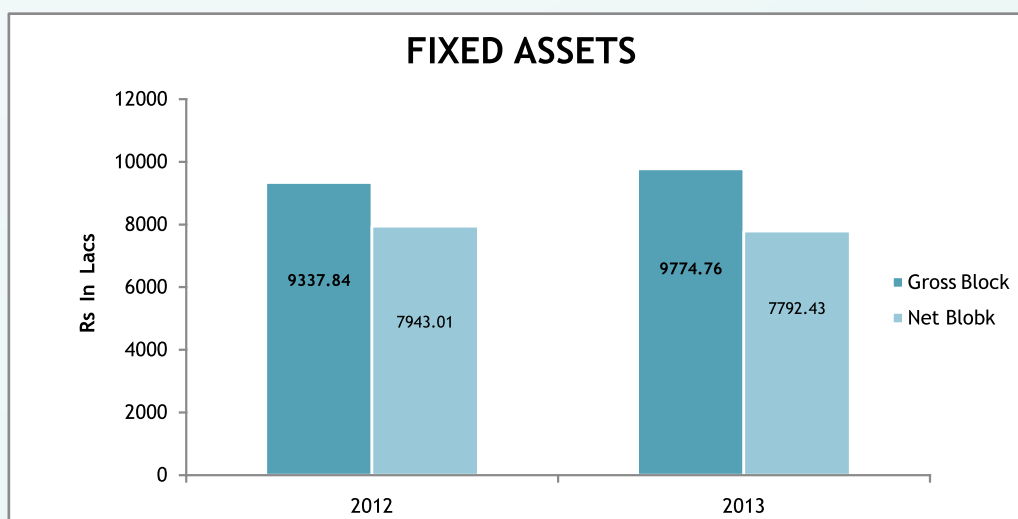
**SALES COMPOSITION PRODUCT  
(FY 2012)**



#### **FIXED ASSETS**

Your Company has been increasing its capacities to increase its market share and improve margins by way of expansions. Accordingly, your company's Gross Block including capital work in progress increased to Rs. 9774.76 lacs as compared to Rs. 9337.84 lacs at the beginning of the year.

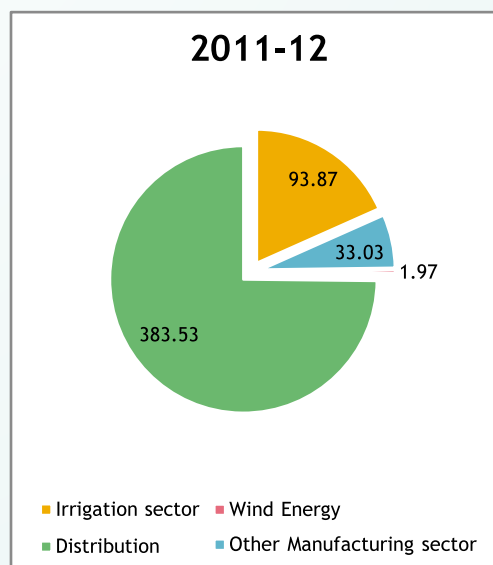
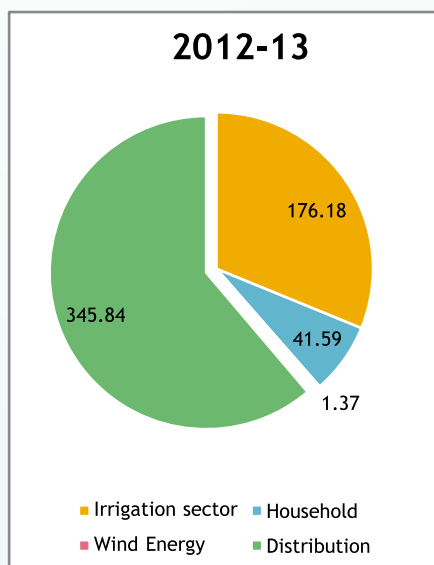
#### **FIXED ASSETS**





**REVENUE CHART**

REVENUE	FINANCIAL YEAR	
	<i>(Figures In crores)</i>	
Business Segments	2012-13	2011-12
Irrigation sector	176.18	93.87
Household	41.59	33.03
Wind Energy	1.37	1.97
Distribution	345.84	383.53





## **NOTICE OF 28<sup>th</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of Signet Industries Limited, will be held at ORIENTAL RESIDENCY HOTELS PVT.LTD. 45 , TARUN BHARAT CO-OP.HSG.SOCIETY, ANDHERI ( E ) , MUMBAI - 400099. on **Monday**, the 30<sup>th</sup> September 2013 at 9.30 A.M. to transact the following business : -

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2013 and Profit & Loss Account of the Company for the year ended on that date, and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Deepak Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), Mr. Ankit Bhandari who pursuant to Article 82 (1) of the Articles of Association of the Company, was appointed as an Additional Director of the Company with effect from 8<sup>th</sup> October, 2012 and who under Section 260 of the Companies Act, 1956, holds office up to the date of this Annual General Meeting and being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing from a member, signifying his intention to propose the candidature of Mr. Ankit Bhandari for the office of the Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation."

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THIS MEETING.
2. Explanatory Statement setting out all material facts concerning the aforesaid business contained in Item No.4 as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and Share Transfer Register of the Company will remain closed from Tuesday, 24<sup>th</sup> September, 2013 to Monday, 30<sup>th</sup> September, 2013 (both days inclusive).

Shareholders desiring any information as regards the accounts are requested to write to the Company at least 10 days before the Annual General Meeting to enable the Management to keep the information ready.

5. Members are requested to kindly bring their copies of the Annual Report to the Meeting.
6. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
7. Members are requested to quote their folio number in all correspondence.
8. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form 2B.
9. The Ministry of Corporate Affairs (vide circular Nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively, has undertaken a Green initiative in 'Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by representing / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Transfer Agent.

### **ANNEXURE TO NOTICE**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

Item No. 4

The Board of Directors of the Company had appointed Mr. Ankit Bhandari as an Additional Director of the Company on 8<sup>th</sup> October, 2012. In terms of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, Mr. Ankit Bhandari holds office as an Additional Director upto the date of ensuing Annual General Meeting.

Pursuant to provisions of Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member proposing the candidature of Mr. Ankit Bhandari for the office of Director of the Company alongwith the requisite amount of deposit.

It is in the interest of the Company that the Board should avail the valued experience and contribution of Mr. Ankit Bhandari and therefore recommends the resolution for your approval.

None of the Directors of the Company, except Mr. Ankit Bhandari, is concerned or interested in the resolution.

For & On Behalf of the Board of Directors

Place : Indore  
Date : 02.09.2013

**Mukesh Sangla**  
Chairman cum  
Managing Director



**ANNEXURE TO NOTICE**

**Details of Directors seeking appointment /re appointment at the forthcoming Annual General Meeting**

**(In pursuance of Clause 49 of the Listing Agreement)**

<b>Name of Director</b>	<b>Mr. Deepak Mehta</b>	<b>Mr. Ankit Bhandari</b>
Date of Birth	01.10.1966	06.06.1989
Date of Appointment	22.10.2009	08.10.2012
Expertise in specific functional area.	Audit, Finance & Taxation	Audit, Finance & Taxation
Qualification	FCA	ACA
List of outside Directorship held in Public Limited Companies	-	-
Chairman / Member of the Committee of the Board of the Company	Audit Committee – Member Shareholder Committee – Chairman Remuneration Committee - Member	Audit Committee – Chairman Shareholder Committee – Member Remuneration Committee - Member

**DIRECTOR'S REPORT**

To,

The Members

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of the Company and the Audited Financial Statement for the year ended 31st March, 2013.

**FINANCIAL HIGHLIGHTS**

(Rs. in Lacs)

Particulars	2012-2013	2011-2012
Sales & Other Income	56742.53	51236.08
Total Expenditure	51279.91	47940.73
Earning Before Finance Cost,		
Depreciation and Tax	5462.62	3295.35
Less: Financial Costs	3099.45	2038.41
Depreciation and Amortization		
Expenses	605.93	451.90
Profit Before Tax	1757.23	805.04
Current Tax	353.00	175.00
Deferred Tax	210.74	256.18
Relating to earlier years Tax	-	(18.64)
Profit (Loss) for the year	1193.49	392.50
Basic & Diluted Earning Per Equity		
Share of Face Value of Rs.10 each	4.04	1.34

**DIVIDEND**

During the year under review, your Board of Directors had declared an interim dividend of Rs.1.20 per equity share (being 12%) for the financial year 2012-13. Having regard to the substantial interim dividend paid, your Board do not recommend any final dividend for the year. The Total amount of Dividend paid for the year ended 31<sup>st</sup> March 2013 amount to Rs. 3,50,24,400/-.

**BUSINESS REVIEW**

Your Company continued to maintain its upward trend by registering Sales of Rs. 56742.53 lacs as against Rs. 51236.08 lacs in the previous year. Profit before Finance Costs, Depreciation, and Tax has increased from Rs. 3,295.36 lacs to Rs. 5,462.62 lacs. After providing for finance costs and Depreciation amounting to Rs. 3,099.45 lacs and Rs. 2,038.41 lacs respectively, the Profit before Tax for the year under review has amounted to Rs. 1757.23 lacs as compared to Rs 805.04 lacs in the previous year. Net profit After Tax for the year has increased to Rs. 1193.49 lacs as compared to Rs 392.50 lacs in the previous year.

**DIRECTORS**

In accordance with Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Shri Deepak Mehta will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Your Board had appointed Mr. Ankit Bhandari as an Additional Director during the Year. He retires at the ensuing Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 but being eligible offers them self for re-appointment.

Mr. Dipak Kalani has resigned from the Directorship of the Company on 8<sup>th</sup> October 2012. Your Directors place on record his deep appreciation for the guidance received from the out-going Director.

**DEPOSITS**

Your Company has not accepted any public deposits within the meaning of the provisions of section 58 A of the companies Act, 1956.

**INSURANCE**

The assets of the Company are adequately insured against the loss of fire, natural calamities and such other risk considered by management of the Company.

**AUDITORS**

The Statutory Auditors of the Company, M/s. Ashok Khasgiwala & Co., Chartered Accountants, Indore, retires at the conclusion of the ensuing annual general meeting of the Company and have confirmed their willingness and eligibility for re-appointment and have also confirmed that their re-appointment, if made, will be within the limits stipulated under Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment for the next term.

**AUDITORS' REPORT**

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations appearing in the Auditors' Report, does not call for any further explanation/clarification by the Board of Directors under Section 217(3) of the Companies Act, 1956.

**DIRECTORS RESPONSIBILITY STATEMENT**

Your Directors affirm that the audited accounts containing the financial statements for the Financial Year 2012-13 are in conformity with the requirements of the Companies Act, 1956. They believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the accounting policies have been applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;





- c) proper and sufficient care has been taken to the best of their knowledge and belief for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis.

#### **CORPORATE GOVERNANCE**

Your Company has complied with the requirements of corporate governance as per clause 49 of the Listing Agreements with the Stock Exchanges. A detailed report on Corporate Governance is annexed to this Annual Report. A certificate from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance has been obtained and is enclosed with this Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A Management discussion and Analysis Report have been attached and forms part the Directors Report.

#### **PARTICULARS OF EMPLOYEES**

There were no employees during the current year drawing the remuneration more than the limit prescribed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

#### **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE ETC.**

Information in accordance with the provision of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in annexure 'A' forming part of this report.

#### **ACKNOWLEDGEMENT**

Your Directors acknowledge the vital role of conscientious and hardworking employee of the Company at all levels towards over all progress of the Company. Stockholders, Customers, Bankers have continued to lend their valuable support to the Company. Your Board takes this opportunity to record their appreciation in this regard.

For & On Behalf of the Board of Directors

Place : Indore  
Date : 02.09.2013

**Mukesh Sangla**

Chairman cum Managing Director

#### **ANNEXURE- A**

Information under section 217 (1) (e) Read with Companies (Disclosure of Particulars in the Reports of Board of Directors) rules, 1988. forming part of the Directors Report for the year ended 31st March 2013.

#### **CONSERVATION OF ENERGY:**

Energy Conservation measures taken :

Energy Conservation measures is an outgoing process and the Company considers it as a high priority area.

During the year energy audits were conducted internally. The main measures adopted in energy conservation includes-

1. Modifications /Improvements in process to result in less consumption of the energies for the same output.
2. Installation of proper equipments to improve the power factor.
3. Continuous training of operating staff for effective use of utilities.
4. To achieve significant saving in the energy consumption processing equipments Layouts and service utility layouts were redesigned.

#### **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION, RESEARCH AND DEVELOPMENT:**

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

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

- (ii) Future plan of Action

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

#### **Foreign Exchange Earning and Outgo**

Rs. In lacs			
S.N.	Particulars	Current Year	Previous Year
(i)	<b>Foreign Exchange Earnings</b>		
	FOB Value of Exports	23.25	NIL
(ii)	<b>Foreign Exchange Outgo</b>		
	Value of Import on CIF basis	13430.66	9148.46

For & On Behalf of the Board of Directors

Place : Indore  
Date : 02.09.2013

**Mukesh Sangla**

Chairman cum Managing Director



## ANNEXURE TO THE DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

#### I Company's Philosophy

Your Company's Philosophy on code of Corporate Governance is based on attainment of high level of transparency, accountability, and adequate disclosures and economic value addition. All employees are guided by the Company's policies on important issues, including our relationship with consumers, stakeholders and Government.

#### II Board of Directors

In keeping with the commitment of the Management for the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of executive and independent directors to maintain the independence of the Board, and to separate the board functions of governance and management.

As on 31<sup>st</sup> March 2013, the Board of the Company consisted of five Directors, of which three are non-executive as on 31<sup>st</sup> March 2013.

The Board has no institutional nominee directors.

During the year, 10 Meetings of the Board of Directors of the Company were held on 30.04.2012, 30.05.2012, 30.07.2012, 07.08.2012, 30.08.2012, 08.10.2012, 10.11.2012, 28.01.2013, 07.02.2013 and 07.03.2013.

Except Mr. Saurabh Sangla is son of Mr. Mukesh Sangla, Managing Director of the Company, no inter-se relationships among the Directors.

The particulars of the Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting as also the number of other directorships and committee memberships as on date are as follows:

Name of Director	Category	No. of Board Meetings attended	Attend-ance in last AGM	No. of other Directorship	Committee Membership	
Mr. Mukesh Sangla	Promoter	10	Yes	6	-	-
	- Managing Director					
Mr. Saurabh Sangla	Promoter	10	Yes	5	-	3
	- Executive Director					
Mr. Deepak Mehta	Independent	10	Yes	1	1	2
Mr. Murli Dhar Vashist	Independent	10	Yes	-	1	2
Mr. Dipak Kalani*	Independent	5	No			
Mr. Ankit Bhandari#	Independent	5	No	0	1	2

\*Resigned on 8th October 2012.

# Appointed on 8th October 2012.

#### CODE OF CONDUCT

As per the provisions of Clause 49 of the Listing Agreement, the Company has framed a code of conduct for the Board Members and Senior Management which was approved and adopted by the Board of Directors. The Code of Conduct has been posted on the website of the Company (<http://www.groupsignet.com>). The Code has been circulated to all members of the Board and Senior Management of the Company who have confirmed compliance therewith.

#### III Audit Committee

The objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting processes with a view to ensuring accurate and proper disclosure and the transparency and quality of financial reporting. The committee also reviews the financial and risk management policies, and the adequacy of internal control systems of the Company and meets Statutory Auditors periodically.

Your Company has an Audit Committee consisting of Three Independent Directors as its members, and the The Audit Committee meetings will be held 4 times on 28th May 2012, 16th August 2012, 28th November 2012 and 19th February 2013. The details of the meetings held and attended are as given below:

Name of Director	Meetings held	No. of Meetings attended
Mr. Ankit Bhandari	4	4
Mr. Saurabh Sangla	4	4
Mr. Deepak Mehta	4	4
Mr. Murli Dhar Vashist	4	4



**IV Remuneration Committee**

The Remuneration Committee has reviewed the terms of remuneration of Managing Director. The Committee Meeting was held on 23<sup>rd</sup> April, 2012 during the year 2012-2013. The composition of the remuneration committee is as follows:

Mr. Ankit Bhandari, Mr. Saurabh Sangla, Mr. Deepak Mehta and Mr. Murli Dhar Vashist.

**V Shareholders and Investor's Grievance Committee**

The Committee Meeting was held on 13<sup>th</sup> August, 2012 during the year 2012-2013. There were no complaints pending for reply as on 31<sup>st</sup> March 2013 and no share transfers pending for registration as on the said date. The composition of the Shareholders and Investor's Grievance Committee is as follows:

Mr. Ankit Bhandari, Mr. Saurabh Sangla, Mr. Deepak Mehta and Mr. Murli Dhar Vashist.

**VI Management discussion and analysis**

This is given as a separate chapter in the Annual Report.

**VII CMD & CFO Certification**

The CMD & CFO have been certified to the Board with regard to the financial statement and other matters as required by Clause 49 of the Listing Agreement. The Certificate is contained in this Annual Report.

**VIII General Body Meetings**

The details of Annual General Meetings held in last 3 years are as under:

Year	Venue	Date	Time
2011-2012	HOTEL SUNCITY RESIDENCY, (A Division of Royal Sojourn Pvt. Ltd.), 16th Road, MIDC, Marol, Andheri (E) Mumbai 400093	24.09.2012	11.00 A.M.
2010-2011	Hotel Imperial Residency, Plot No. 163, Sher-E-Punjab, Behind Tolani College, Mahakali Caves Road, Andheri (East), Mumbai- 400 093	10.08.2011	01.00 P.M.
2009-2010	Board Room, 2 <sup>nd</sup> Floor, Hotel Kohinoor Continental, J.B.Nagar, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059	2.09.2010	01.00 P.M.

The details of Extra Ordinary General Meetings held in last 3 years are as under :

Year	Venue	Date	Time
2010-2011	Hotel Imperial Residency, Plot No. 163, Sher-E-Punjab, Behind Tolani College, Mahakali Caves Road, Andheri (East), Mumbai- 400 093	08.11.2010	01.00 P.M.
2009-2010	308, Acme Plaza, Opp. Sangam Cinema, Andheri Kurla Road, Andheri (E) Mumbai - 400 059	30.11.2009	04.00 P.M.

The shareholders passed all the resolutions including the special resolutions set out in the respective notices. No Postal Ballots were used for voting at these meetings.

**IX Disclosure**

- During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related parties' transaction viz., Promoters, Directors or the Management, their subsidiaries or relatives that had a potential conflict with the interest of the Company at large.
- No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the period.

**X Means of Communication**

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after the Board has approved them. These are widely published in national and regional newspapers.

**XI General Shareholders Information****Annual General Meeting**

Date : 30th September 2013

Day : Monday

Time : 9.30 A.M.

Venue : ORIENTAL RESIDENCY HOTELS PVT.LTD. 45 , TARUN BHARAT CO-OP.HSG.SOCIETY, ANDHERI ( E ) ,  
MUMBAI - 400099.

**Date of Book Closure**

The Register of Members and Share Transfer Register of the Company will remain close from Tuesday, 24th September, 2013 to Monday, 30th September, 2013 (both days inclusive).

**Financial Calendar 2013-2014**

1	First Quarter Results	August 2013
2	Second Quarter & Half Yearly Results	November 2013
3	Third Quarter Results	February 2014
4	Fourth Quarter	May 2014

**Listing of Securities**

Name of the Stock Exchanges

Madhya Pradesh Stock Exchange,

201, Palika Plaza

M.T.H. Compound

Indore - 452001.

Bombay Stock Exchange Limited,

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai - 400 001

Your Company confirms that it has paid annual listing fees to the Stock Exchanges for the year 2013-14 and as such there are no arrears.

**Market Price Data**

High/ low of market price of the Company's equity shares traded on BSE during the last financial year was as follows.

Month	Quotation at Mumbai Stock Exchange	
	High (Rs.)	Low (Rs.)
April, 2012	112	96
May, 2012	127	105
June, 2012	127	112
July, 2012	169	120
August, 2012	209	140
September, 2012	179	147
October, 2012	182	160
November, 2012	177	161
December, 2012	200	162
January, 2013	259	194
February, 2013	244	226
March, 2013	239	230

**Registrar & Transfer Agent**

As per the directives of SEBI, the Company has appointed M/s. Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) - 452 010 as its Registrar and Share Transfer Agent and all the Share transfer and the relating queries may please be forwarded to the Share Transfer Agent directly at their address.





#### Share Transfer Systems

Shares received for transfer in physical form are registered and dispatched within thirty days of receipt of the documents. If shares are under objection then the same are returned within fifteen days. Request for dematerialization of shares are processed within fifteen days.

#### Distribution of Shareholding

Distribution of Shareholding as on 31st March 2013 is as under:

Shareholding of nominal value of Rs. Rs.	No. of Shareholders	% of Shareholders	Shares amount in Rs.	% of share holding
0001 – 1000	439	76.35	75150	0.03
1001 – 2000	19	3.30	33110	0.01
2001 – 3000	9	1.57	24420	0.01
3001 – 4000	6	1.04	20520	0.01
4001 – 5000	3	0.52	14050	0.00
5001 – 10000	5	0.87	38560	0.01
10001 – 20000	40	6.96	659500	0.23
20001 – 30000	8	1.39	197420	0.07
30001 – 40000	14	2.43	504000	0.17
40001 – 50000	5	0.87	227400	0.08
50001 – 100000	5	0.87	360000	0.12
100001 & above	22	3.83	289715870	99.26
<b>Total</b>	<b>575</b>	<b>100.00</b>	<b>291870000</b>	<b>100.00</b>

The Shareholding Pattern as on 31<sup>st</sup> March 2013 is given below :

S.No	Category	No. of Shares held	% Shareholding
1	Promoter	2,14,11,000	73.36
2	Private Corporate Bodies	75,72,876	25.95
3	Indian Public	2,03,124	0.69
	<b>Total</b>	<b>2,91,87,000</b>	<b>100.00</b>

#### Dematerialization of Shares and Liquidity

Equity shares of the Company are under compulsory demat trading by all categories investors. As on 31st March 2013, 2,90,40,900 equity shares have been dematerialized which account for 99.50% of the total equity.

#### Address for Correspondence

The Shareholders may address their communications to:

**Mrs. Preeti Singh,**  
CS & Compliance Officer,  
Signet Industries Limited,  
314/3, SDA Compound  
Lasudia Mori, Dewas Naka  
Indore – 452 010 (M.P.)

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Overview**

India is expected to record 6.1 per cent gross domestic product (GDP) growth in the current fiscal. The growth is expected to increase further to 6.7 per cent in 2014-15, according to the World Bank's latest India Development Update, a bi-annual report on the Indian economy. While, the Prime Minister's Economic Advisory Panel expects the economic growth rate to increase to 6.4 per cent in 2013-14 from 5 per cent during 2012-13, on back of improvement in performance of agriculture and manufacturing sectors.

Despite being among the fastest growth markets globally, India's per capita plastic consumption (PE, PP and PVC) at 6.6 Kg remains far behind those of the US (67.3 Kg), China (36.7 Kg) and Brazil (24.6 Kg). However, it is advancing at 2.5 times its GDP growth. Besides, the subcontinent's surging industrialisation and increasingly powerful economy holds immense untapped growth potential.

Polymer consumption in India is poised to grow multifold, with the help of new developments in packaging applications, infrastructure growth, modernisation of agriculture sector, improved healthcare facilities, improved lifestyle and disposable incomes, automobile demand and rural penetration.

PVC finds applications in irrigation pipes, drinking water supply, sewerage schemes, profiles for the building industry, wires and cables. Pipes and fittings continue to account for 74% of the domestic PVC demand. India's PVC consumption was estimated to be 2.24 MMT in FY 2012-13, growing by 14% over the previous year.

SIL successfully installed additional annual capacity of 6,000 MTs for production of PVC pipes used in irrigation as well as infrastructure sector. Further, the SIL plans to install additional annual capacity of 10,000 MTs for production of PVC pipes by August, 2013. The likely annualized impact on company's turnover shall be Rs.75 crores.

To reduce its dependence upon bought out components and to increase its profitability, the SIL successfully launched various fittings and accessories in relation to micro irrigation and sprinkler irrigation systems. The SIL plans to significantly reduce its dependence upon the bought out components during the financial year to improve its profitability and market share.

Drip Irrigation system is an advanced method of irrigation about the usefulness of which the farmers are convinced but the adoption of the same is slow due to high investment cost recurring with operation & maintenance costs. It essentially consists of main, sub-main, laterals, drippers and few other accessories to deliver the required quantity of water at the root zone of the crop. The main accessories are filter and fertilizer tanks/venturi. Filters are necessary to prevent clogging of the drippers. Fertilizers can be applied through venturi/fertilizer tanks to avoid wastage of this costly input. Low cost drip tapes of various diameters, slit sizes and slit spacing are now available.

SIL has obtained allocation for supply of drip irrigation system to irrigate 5000 hectares of land as first installment for the year 2012-13 by Government of Andhra Pradesh, Department of Horticulture, Andhra Pradesh Microirrigation Project.

The SIL will further launch piping solutions for cold water supply as per ASTM standards.

**Opportunities**

Plastic Industry is growing rapidly and plastic is readily replacing metal in all walks of life and with skilled manpower, the industry could certainly reach newer heights.

This has facilitated the plastic processors to build capacities for the service of both the domestic market and the markets overseas. Today Indian Plastic processing sector comprises of over 30,000 units involved in producing a variety of items through injection moulding, blow moulding, extrusion and calendaring. The capacities built in most segments of this industry coupled with inherent capabilities have made us capable of servicing the overseas markets. The Indian plastic industry has taken great strides and in the past few decades, the industry has grown to the status of a leading sector in the country with a sizable base.

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

**Threats**

In India irrigation water charges are quite low. Water pricing is used as a political tool rather than reflecting the costs of O & M of the irrigation infrastructure. The water charges collected are not sufficient to properly maintain the system infrastructure. Also each State has a different system of collecting and utilizing the water charges.



In many irrigation schemes, infrastructure has been deteriorated; there are heavy leakages and seepages at various locations of conveyance network. Water control and measuring structures are not provided. Unless these systems are rehabilitated, farmers are reluctant to takeover the system management. Rehabilitation/ modernization of such systems require huge investment by the governments.

**Internal Control Systems**

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

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

The Company has received the approval of the Bureau of Indian Standard (BIS) for supply of in-house manufactured 20 mm round drip irrigation lateral pipes.

**Material Development in Human Resources/Industrial Relations Front including Number of persons employed.**

During the year under review, the Industrial relations were cordial. The SIL has given direct employment to \_\_\_\_\_ persons and indirect employment to \_\_\_\_\_.

**Cautionary Statement**

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

Place: Indore  
Date: 30.05.2013

For **SIGNET INDUSTRIES LIMITED**  
Chairman & Managing Director





**CMD/CFO CERTIFICATION**

We, Mukesh Sangla, Managing Director and Sumit Jamad, Chief Financial Officer do hereby, certify to the Board that:

- a) We have reviewed the Financial Statement and the Cash Flow Statement and to the best of our 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; and
  - 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) To the best of our knowledge and belief, no transactions entered in to by the Company during the period are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept the responsibility for establishing and maintaining internal controls for financial reporting, evaluate the effectiveness, disclosing the deficiencies in the design or operation of internal controls, if any, to the Auditors and Audit Committee and take steps or propose to take steps to rectify these deficiencies.
- d) We have indicated, wherever applicable, to the Auditors' and the Audit Committee:
  - i) Significant changes in internal Control over financial reporting during the period;
  - ii) Significant changes in Accounting Policies, the same have been disclosed in the notes to the financial statement; and
  - iii) Instances of significant fraud of which we have become aware.

Place : Indore  
Date : 30.05.2013

**Mukesh Sangla**  
Managing Director

**Sumit Jamad**  
Chief Financial Officer

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Signet Industries Limited

We have examined the compliance of corporate governance by Signet Industries Limited, Mumbai for the year ended on 31st March 2013, as stipulated in clause 49 of the Listing agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by Signet Industries Limited for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of Signet Industries Limited.

On the basis of our review and according to the information and explanation given to us and representation made to us by the management, we state that to the best of our knowledge and belief, the Company has complied in all material respects with the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges.

**For Ashok Khasgiwala & Co.**  
Chartered Accountants

**(Avinash Baxi)**  
(Partner)

**M.No.79722**



**Independent Auditors Report**

To,  
The Members of  
**Signet Industries Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Signet Industries Limited ("The Company") which comprises the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Basis for Qualified Opinion**

The company has shown interest expense of Rs. 20,95,15,382/- (in Note 23 finance costs) after netting off Rs. 6,50,34,992/- being the interest income. As per the requirements of Revised Schedule VI the interest income and interest expenses should have been shown at gross on income and expense side respectively. However this disclosure has no impact on the profit of the company.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified opinion paragraph, the financial statements give the information required by the Act in the manners so required and give a true and fair view in conformity with accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- ii. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order 2003 (as amended), issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227 (3) of the Act, 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 purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
  - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;

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

**CA Avinash Baxi**  
Partner

M.No. 79722

Place : Indore  
Date : 30<sup>th</sup> May, 2013



**Annexure To Independent Auditor's Report**

(Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i. In respect of its Fixed Assets :
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b. The fixed assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
  - c. During the year, the Company has not disposed off a substantial part of fixed assets and we are of the opinion that the going concern status of the company is not affected.
- ii. In respect of its Inventories:
  - a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii.
  - a. According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under 301 of the Companies Act, 1956. Hence the provisions of clauses iii (b), iii(c) and iii (d) of the Order are not applicable to the company.
  - b. According to the information and explanations given to us, the Company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of clauses iii (f) and iii (g) of the Order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system in respect of these areas.
- v. In respect of transactions covered U/s 301 of the Companies Act, 1956.
  - a. According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 has been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of the rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public to which the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



**ix. In respect of Statutory dues :**

- a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it. There were no undisputed statutory dues in arrears, as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they became payable.
- b) The details of dues of sales tax, value added tax, income tax, service tax, custom duty, wealth tax, excise duty and cess to the extent applicable, which have not been deposited with appropriate authorities on account of any dispute are as under:

<b>Name of the Statute</b>	<b>Nature of Liability</b>	<b>Related Period</b>	<b>Amount (in Rs.)</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961.	Income Tax	2008-09	596515	CIT Appeal
Income Tax Act, 1961.	Income Tax	2009-10	837529	CIT Appeal
Value added Tax Act. 2002	Sales Tax	2008-09	384839	Additional Commissioner (Appeal)
Custom & Central Excise	Excise Duty	2007-08	1575198	Commissioner (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	2008-09	637793	Joint Commissioner (Appeal)

- x. In our opinion, the Company has no accumulated losses as at 31st March 2013 and it has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a Financial Institutions or Banks. The Company has not issued any debenture.
- xii. In our opinion, according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor Report) Order, 2003 are not applicable to the Company.
- xv. The Company has given guarantee for loans taken by Others from Bank. In our opinion and according to the information and explanations given to us the terms and condition of the guarantee given are not prima facie prejudicial to the interest of the company.
- xvi. In our opinion, the company has not raised any term loan during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Act.
- xix. The Company has not issued any debentures.
- xx. The Company has not raised money by public issues during the year under audit.
- xxi. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

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

Place : Indore  
 Date : 30<sup>TH</sup> May, 2013



**Balance Sheet as at 31st March, 2013**

(Figures in Rs.)

Particulars	Note	As at 31st March 2013	As at 31st March 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	341,870,000	291,870,000
(b) Reserves and Surplus	2	135,715,384	58,474,622
		<b>477,585,384</b>	<b>350,344,622</b>
<b>(2) Share application money     Pending allotment</b>	3	-	50,000,000
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	919,098,745	952,376,005
(b) Deferred tax liabilities (Net)	5	104,518,550	83,444,810
(c) Long term provisions	6	1,839,859	1,128,673
		<b>1,025,457,154</b>	<b>1,036,949,488</b>
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	7	1,626,577,105	1,419,153,777
(b) Trade payables	8	1,172,621,246	1,145,556,154
(c) Other current liabilities	9	256,085,744	214,228,583
(d) Short-term provisions	10	10,703,333	17,031,069
		<b>3,065,987,428</b>	<b>2,795,969,583</b>
<b>Total</b>		<b>4,569,029,966</b>	<b>4,233,263,693</b>
<b>II. Assets</b>			
<b>(1) Non-Current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	779,243,764	754,938,706
(ii) Capital work-in progress		-	39,361,639
(b) Non-Current investments	12	76,945,880	76,945,880
(c) Long term loans and advances	13	81,211,723	73,557,282
		<b>937,401,367</b>	<b>944,803,507</b>
<b>(2) Current assets</b>			
(a) Inventories	14	729,142,110	673,722,503
(b) Trade receivables	15	2,031,064,285	1,846,705,872
(c) Cash and Bank Balances	16	678,153,341	498,033,802
(d) Short-term loans and advances	17	110,018,051	204,369,100
(e) Other current assets	18	83,250,812	65,628,909
		<b>3,631,628,599</b>	<b>3,288,460,186</b>
<b>Total</b>		<b>4,569,029,966</b>	<b>4,233,263,693</b>
Notes forming an integral part of the financial statements			
	1 to 47		

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

**CA Avinash Baxi**

Partner

M.No.:79722

Place: Indore

Date : 30th May, 2013

FOR AND ON BEHALF OF BOARD OF DIRECTORS

**Mukesh Sangla**  
Managing Director

**Saurabh Sangla**  
Director





**Statement of Profit and Loss for the year ended 31st March 2013**

Particulars	Note	For the year ended 31st March 2013	For the year ended 31st March 2012
<b>I. INCOME</b>			
a. Revenue from operations	19	5,783,762,925	5,177,029,867
Less excise duty		134,017,526	52,996,120
b. Other Income	20	5,649,745,399	5,124,033,747
		24,507,468	4,355,087
<b>Total Revenue</b>		<b>5,674,252,867</b>	<b>5,128,388,834</b>
<b>II. EXPENSES</b>			
a. Cost of materials consumed	21	1,520,558,351	948,484,486
b. Purchases of Stock-in-Trade	22	3,234,382,919	3,624,909,309
c. Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	22,196,133	(113,576,746)
d. Employee Benefits Expense	24	76,489,204	59,535,793
e. Finance costs	25	309,945,104	258,586,059
f. Depreciation and Amortization Expense	11	60,593,492	45,190,824
g. Other Expenses	26	274,364,588	224,755,487
<b>Total Expenses</b>		<b>5,498,529,791</b>	<b>5,047,885,212</b>
III. Profit before exceptional and extraordinary items and tax		175,723,076	80,503,622
IV. Exceptional / Extraordinary Items		-	-
V. Profit before tax (III - IV)		175,723,076	80,503,622
VI. Tax expense :			
a. Current tax		(35,300,000)	(17,500,000)
b. Deferred tax		(21,073,740)	(25,617,809)
c. Relating to earlier years		-	1,864,397
VII. Profit for the Year		<b>119,349,336</b>	<b>39,250,210</b>
VIII. Earning per Equity share of Face Value Rs. 10 each		4.04	1.34
Basic and Diluted (in Rs.)			

**Notes forming an integral part of the financial statements 1 to 47**

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

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

FOR AND ON BEHALF OF BOARD OF DIRECTORS

**Mukesh Sangla**  
Managing Director

**Saurabh Sangla**  
Director

Place: Indore  
Date : 30th May, 2013



<b>SIGNET INDUSTRIES LIMITED</b>		
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013</b>		
	<b>For the year 2012-2013</b>	<b>For the year 2011-2012</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax</b>	175,723,076	80,503,622
<b>ADJUSTMENT FOR :</b>		
Depreciation	60,593,492	45,190,824
Finance Costs	309,945,104	258,586,059
Loss/(Profit) on sales of Fixed Assets	(14,083)	-
Investments W/off	-	135,000
Dividend	(29,800)	(4,355,087)
Interest Received	(65,034,992)	(25,489,431)
<b>Operating Income Before Working Capital Changes</b>	<b>481,182,797</b>	<b>354,570,987</b>
<b>ADJUSTMENT FOR :</b>		
Inventories	(55,419,607)	(133,314,014)
Trade & Other Receivables	(124,324,288)	(594,757,248)
Trade & Other Payables	37,709,742	591,033,781
<b>Cash Flow From Operations</b>	<b>339,148,644</b>	<b>217,533,506</b>
Taxes Paid	(18,376,460)	(24,508,535)
<b>Net Cash From Operating Activities</b>	<b>320,772,184</b>	<b>193,024,971</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(44,808,915)	(186,828,044)
Dividend	29,800	4,355,087
Interest Received	65,034,992	25,489,431
Sales of Fixed Assets	480,000	-
Purchase of shares	-	-
Bank balances pledged not considered as cash and cash equivalent	(300,570,686)	(163,816,088)
<b>Net Cash Used in Investing Activities</b>	<b>(279,834,809)</b>	<b>(320,799,614)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed From Borrowing	292,136,484	589,523,877
Repayment of Borrowings	(85,912,738)	(22,944,136)
Share Application Money	-	14,500,000
Finance Costs	(309,945,104)	(258,586,059)
Dividend Paid (Inclusive of dividend Tax)	(57,667,164)	(42,543,245)
<b>Net Cash Flow From Financing Activities</b>	<b>(161,388,522)</b>	<b>279,950,437</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>	<b>(120,451,147)</b>	<b>152,175,794</b>
<b>Cash &amp; Cash Equivalents at Beginning of the Year</b>	<b>215,764,868</b>	<b>63,589,074</b>
<b>Cash &amp; Cash Equivalents at End of the Year</b>	<b>95,313,721</b>	<b>215,764,868</b>
<b>Bank balances not considered as cash and cash equivalent</b>	<b>582,839,620</b>	<b>282,268,934</b>
<b>Cash and Bank balances at the end of the year</b>	<b>678,153,341</b>	<b>498,033,802</b>
AS PER OUR REPORT OF EVEN DATE		
<b>FOR ASHOK KHASGIWALA &amp; CO.</b>		
CHARTERED ACCOUNTANTS		
<b>CA Avinash Baxi</b>	<b>Mukesh Sangla</b>	<b>Saurabh Sangla</b>
Partner	Managing Director	Director
M.No.:79722		
Place: Indore		
Date : 30th May, 2013		



**Notes forming integral part of Financial Statements for the Year Ended  
31st March 2013** (Figures in Rs.)

Particulars	As at 31st March 2013	As at 31st March 2012
<b>Note 1. Share Capital</b>		
<b>Authorised</b>		
3,00,00,000 (Previous Year : 3,00,00,000) Equity shares of Rs. 10 each	300,000,000	300,000,000
50,00,000 (Previous Year : 50,00,000) 5% Non-Cumulative Redeemable Preference Share of Rs.10 each.	50,000,000	50,000,000
	<u>350,000,000</u>	<u>350,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
2,91,87,000 (Previous Year : 2,91,87,000)		
Equity shares of Rs. 10 each fully paid up	291,870,000	291,870,000
50,00,000 (Previous Year : NIL) 5% Non-Cumulative Redeemable Preference Share of Rs. 10 each fully paid up	50,000,000	-
	<u>341,870,000</u>	<u>291,870,000</u>

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

Particulars	As at 31st March,2013		As at 31st March,2012	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the year	29,187,000	291,870,000	29,187,000	291,870,000
Add: Shares issued during the year	-	-	-	-
Equity Shares at the end of the year	29,187,000	291,870,000	29,187,000	291,870,000

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

Particulars	As at 31st March,2013		As at 31st March,2012	
	No. of Shares	Amount	No. of Shares	Amount
Preference Shares at the beginning of the year	-	-	-	-
Add : Issued during the period	5,000,000	50,000,000	-	-
Preference Share at end of the year	5,000,000	50,000,000	-	-

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

The company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation the equity shareholders will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts in proportion of their shareholding.

**1.4 Terms / Rights attached to Preference Shares**

The company has issued 50,00,000 non-cumulative preference shares of Rs.10/- each to various parties on 8th October, 2012. These preference shares are redeemable at par, not being after 20 years from the allotment of these shares, to be decided by the Board of Directors. The Preference shareholders are entitled to a preferential right to dividend at the rate of 5% subject to approval of the shareholders in their General Meeting. In the event of liquidation of the company, the preference shareholders shall have a preferential right to repayment of the amount of capital invested by them.

**1.5 Equity Shareholders holding more than 5% equity shares along with number of equity shares is given below :**

Name of the Shareholders	As at 31st March,2013		As at 31st March,2012	
	No of shares held	% Held	No of shares held	% Held
Shri Balaji Starch & Chemicals Ltd.	3,886,200	13.31%	3,886,200	13.31%
Swan Holdings Pvt. Ltd.	2,891,700	9.91%	2,891,700	9.91%
Adroit Industries(India) Ltd.	2,475,000	8.48%	2,475,000	8.48%
Mukesh Sangla	1,844,382	6.32%	1,844,382	6.32%
Monica Sangla	1,843,500	6.32%	1,843,500	6.32%
Saurabh Sangla	1,812,000	6.21%	1,812,000	6.21%
Ornate Leasing & Finance Pvt. Ltd.	2,078,400	7.12%	2,078,400	7.12%
Signate Leasing & Finance Pvt. Ltd.	2,065,746	7.08%	2,065,746	7.08%





Particulars	As at 31st March 2013		As at 31st March 2012	
1.6 Preference Shareholders holding more than 5% preference shares along with number of preference shares is given below :				
Name of the Shareholders	As at 31st March,2013		As at 31st March,2012	
	No of shares held	% Held	No of shares held	% Held
Advance Technologies Limited	1,550,000	31.00%	-	-
Asan Investments & Finance Limited	1,000,000	20.00%	-	-
Advance Cropcare India Private limited	600,000	12.00%	-	-
Advance Fertilizers (India) Private limited	500,000	10.00%	-	-
RSD Capital Market Private Limited	350,000	7.00%	-	-
1.7 During the year ending March 31, 2011 the company allotted 24322500 equity shares of Rs. 10 each fully paid up bonus shares by capitalisation of Share Premium Reserve Rs.40500000/- and Surplus in Statement of Profit and Loss Rs. 202725000/-				
1.8 During the year ending on March 31, 2010 the company allotted 3243000 equity shares as fully paid up bonus shares of by capitalisation of Surplus in Statement of Profit and Loss.				
<b>Note 2 Reserves and Surplus</b>				
<b>General Reserve</b>				
Balance as at the beginning of the year		13,625,425		13,625,425
Add: Transfer from Statement of Profit and Loss		2,983,733		-
Balance as at the end of the year			<b>16,609,158</b>	<b>13,625,425</b>
<b>Surplus in Statement of Profit and Loss</b>				
Balance as at the beginning of the year		44,849,197		22,559,918
Add: Profit for the year		119,349,336		39,250,210
			<b>164,198,533</b>	<b>61,810,128</b>
<b>Less: Appropriations :</b>				
Transfer to General Reserve		2,983,733		-
Proposed Dividend - Preference Shares		1,198,632		-
Proposed Dividend - Equity Shares		-		14,593,500
Interim Dividend - Equity Shares		35,024,400		-
Tax on Dividend		5,885,542		2,367,431
		45,092,307	16,960,931	
Balance as at the end of the year			<b>119,106,226</b>	<b>44,849,197</b>
<b>Total</b>			<b>135,715,384</b>	<b>58,474,622</b>
<b>Note 3 Share Application Money Pending Allotment</b>				
Shares Application for Redeemable Preference Shares			-	50,000,000
			-	50,000,000
<b>Note 4 Long Term Borrowings</b>				
<b>Secured</b>				
a. Term Loans				
From Banks		491,309,963		554,458,787
Less : Current Maturity of long term debts (Refer Note No. 9)		119,887,821		85,325,000
(Refer note no. 31 for security against loans)			371,422,142	469,133,787
b. Buyers Credit			77,133,393	65,780,869
(Refer note given below )				





Particulars	As at 31st March 2013	As at 31st March 2012
c. Other Loan	2,641,961	20,135,243
Less : Current Maturity of long term debts (Refer Note No. 9)	1,262,595	587,738
(Refer note no. 31 for security against loans)	1,379,366	19,547,505
<b>Unsecured</b>		
Intercompany Deposits	469,163,844	397,913,844
<b>Total</b>	<b>919,098,745</b>	<b>952,376,005</b>
<b>NOTE:</b>		
Buyers credit is secured against the charge on Imported plant and machineries.		
<b>Note 5 Deferred Tax Liabilities (Net)</b>		
Deferred Tax Liabilities		
Depreciation difference on Fixed Assets	105,220,096	83,839,866
Deferred Tax Assets		
Disallowance under the Income Tax Act 1961	701,546	395,056
<b>Total</b>	<b>104,518,550</b>	<b>83,444,810</b>
<b>Note 6 Long Term Provisions</b>		
For Employee Benefits	1,839,859	1,128,673
(Refer Note No. 35)		
<b>Total</b>	<b>1,839,859</b>	<b>1,128,673</b>
<b>Note 7 Short Term Borrowings</b>		
Loans repayable on demand		
Secured		
Working capital Loans		
a. From Banks (Refer Note (a) below)	772,076,678	656,433,279
b. Buyers credit (Refer Note (b) below)	848,611,167	761,544,498
Unsecured		
Intercompany Loan	1,553,260	
Deposit	4,336,000	1,176,000
<b>Total</b>	<b>1,626,577,105</b>	<b>1,419,153,777</b>
<b>Note :</b>		
a. Working Capital Loans from Banks are secured against hypothecation of stock of raw materials, work in progress, finished goods, other current assets and charge on book debts, second pari passu charge on the Fixed Assets (both present and future) of the company, extension of equitable mortgage of the immovable properties situated at Industrial Area Pithampur and Kelodhala, Dewas Naka, Indore and personally guaranteed by Shri Mukesh Sangla and Shri Saurabh Sangla, Directors of the company, Smt. Monika Sangla and corporate guarantee of Kamdeep Marketing Private Limited.		
b. During the year Company has availed buyer's credit, the said facility outstanding as at 31st March 2013, was Rs. 43,88,16,869/- (Pre. Year Rs. 27,98,88,514/-) is against lien on Fixed Deposits (included under banks balances with banks in deposit accounts in note no. 16) and balance Rs. 40,97,94,298/- (Pre. year Rs. 48,16,55,984/-) by earmarking the non fund based credit facilities sanctioned by the banks.		
<b>Note 8 Trade payable</b>		
Due to Micro, Small and Medium Enterprises	—	—
Due to Others	1,172,621,246	1,145,556,154
(Refer note no. 30)		
<b>Total</b>	<b>1,172,621,246</b>	<b>1,145,556,154</b>



**Note 11 Fixed Assets**

Name of the Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2012	Addition	Deduction	Total	Upto 31.03.2012	Adjustment For the Year	Total	As at 31.03.2012
<b>Tangible Assets</b>								
Land - Freehold	100,760	0.00	-	100,760	-	-	-	100,760
Land - Lease hold	10,429,554	0.00	-	10,429,554	579,072	347,304	926,376	9,850,482
Building	136,717,543	4,152,880	-	140,870,423	4,636,477	4,665,087	9,301,564	132,081,066
Plant & Machinery	595,539,074	76,628,396	-	672,168,070	80,561,481	46,882,702	127,444,183	514,977,593
Windmill	109,912,344	-	-	109,912,344	27,889,608	5,220,886	33,000,444	82,042,736
Furniture & Fixtures	13,888,160	952,857	-	14,819,017	3,409,403	889,079	4,298,482	10,466,757
Office Equipment	7,114,543	1,445,006	-	8,559,549	2,961,267	636,512	3,597,779	4,153,276
Vehicle	20,741,854	2,184,728	2,309,779	20,616,803	19,485,818	1,951,972	19,573,928	1,276,086
<b>Total :</b>	<b>894,421,832</b>	<b>85,364,467</b>	<b>2,309,779</b>	<b>977,476,520</b>	<b>139,483,126</b>	<b>1,843,882</b>	<b>198,232,756</b>	<b>754,938,706</b>
<b>Previous year :</b>	632,345,651	282,076,180	-	894,421,832	94,292,301	-	139,483,125	-



Particulars	As at 31st March 2013	As at 31st March 2012
<b>Note 9 Other Current Liabilities</b>		
Current Maturities of Long Term Debt (Refer note no. 4)	121,150,416	85,912,738
Interest accrued but not due on borrowing	14,581,494	11,227,783
Interest accrued and due on borrowing	5,665,334	2,469,041
Unclaimed Dividend	367,463	367,463
Other Payables		
Statutory Dues	29,214,982	31,073,994
Creditors for Capital Expenditure	22,365,056	46,218,211
Advances from Customers	50,618,914	29,321,282
Employee related Liabilities	6,210,721	4,800,497
Other liabilities	5,911,364	2,837,574
<b>Total</b>	<b>256,085,744</b>	<b>214,228,583</b>
<b>Note 10 Short Term Provisions</b>		
For employee benefit	224,119	70,138
Others		
Proposed Dividend-Equity Shares	-	14,593,500
Proposed Dividend-Preference Shares	1,198,632	-
Tax on Proposed Dividend	203,709	2,367,431
For Taxation (Net off advance Tax Rs. 8,97,57,127)	9,076,873	-
<b>Total</b>	<b>10,703,333</b>	<b>17,031,069</b>
<b>Note 12 Non Current Investments</b>		
(At cost less provision for diminution other than temporary)		
<b>a. in Equity Shares (quoted) (Non Trade)</b>		
2000 Equity Shares of Rs. 10/- each of Andhra Petro Chemicals Ltd. Fully Paid up.	47,740	47,740
4000 Equity Shares of Rs. 10/- each of Tirupati Starch & Chemicals Ltd. Fully Paid up.	58,500	58,500
15000 Equity Shares of Rs. 2/- each of DCW Ltd. Fully Paid up	131,600	131,600
500 Equity Shares of Rs. 10 each of Nagarjun Fertilizers Ltd. Fully Paid up	10,500	10,500
6 Equity Shares of Rs. 10 each of Reliance Industries Ltd. Fully Paid up.	8,450	8,450
3200 Equity Shares of Rs. 10 each of Clariant Chemical India Limited. Fully Paid up	200,800	200,800
63600 Equity Shares of Rs. 10 each of Tribhuvan Housing Finance Ltd. Fully Paid up	500,000	500,000
7800 Equity Shares of Rs. 10/- each of UCO Bank Ltd. Fully paid up	93600	93600
435 Equity Shares of Rs. 10 each of Reliance Power Ltd. Fully Paid up	122,400	122,400
5000 Equity Shares of Rs. 10 each of M.P. Investments Ltd. Fully Paid up	274,565	274,565
4000 Equity Shares of Rs. 10 each of Herald Commerce Ltd. Fully Paid up	457,725	457,725
<b>Total (a)</b>	<b>1,905,880</b>	<b>1,905,880</b>
<b>b. In Equity Shares (Unquoted) (Non Trade) (Associate Company)</b>		
2882858 Equity Shares of Adroit Industries (India) Limited of Rs. 10 each Fully Paid up	75,000,000	75,000,000
<b>Total (b)</b>	<b>75,000,000</b>	<b>75,000,000</b>



Particulars	As at 31st March 2013	As at 31st March 2012
<b>c. In Government Securities (unquoted)</b>		
National Savings Certificate	5,000	5,000
<b>Total (c)</b>	<b>5,000</b>	<b>5,000</b>
<b>d. In Mutual Fund (unquoted)</b>		
5000 units Morgan Stanley Mutual Fund	35,000	35,000
<b>Total (d)</b>	<b>35,000</b>	<b>35,000</b>
<b>Grand Total</b>	<b>76,945,880</b>	<b>76,945,880</b>
Aggregate Amount of Quoted Investment	1,905,880	1,905,880
Aggregate Market Value of Quoted Investment	2,253,456	2,980,611
Aggregate Amount of Unquoted Investment	75,040,000	75,040,000
<b>Note 13 Long Term Loans and Advances</b>		
(Unsecured considered good)		
Capital Advances	1,463,531	2,657,444
Security Deposits	21,205,957	16,954,373
Other loans and advance		
Balances with Government Authorities	41,878,937	31,119,134
Other advance recoverable in cash or in kind or for value to be received	16,663,298	14,979,664
Advance income tax (net of provision Pre. Yr. Rs. 63500000)	-	7,846,667
<b>Total</b>	<b>81,211,723</b>	<b>73,557,282</b>
<b>Note 14 Inventories</b>		
(As valued and certified by management)		
Raw Materials	209,886,364	130,206,271
Work in Progress	5,959,120	26,285,273
Finishes Goods	322,497,038	272,674,260
Stock in Trade	181,298,209	236,068,779
Stores, Spares and Consumables	9,501,379	8,487,920
(Valued at lower of the cost or net realisable value)		
<b>Total</b>	<b>729,142,110</b>	<b>673,722,503</b>
<b>Details of Raw Material</b>		
Poly Product and Accessories	209,886,364	130,206,271
	<b>209,886,364</b>	<b>130,206,271</b>
<b>Details of Work in Progress</b>		
Irrigation and Plastic Products	5,959,120	26,285,273
	<b>5,959,120</b>	<b>26,285,273</b>
<b>Details of Finished Goods</b>		
Irrigation and Plastic Products	322,497,038	272,674,260
	<b>322,497,038</b>	<b>272,674,260</b>
<b>Details of Stock In Trade</b>		
Poly product	180,793,024	232,282,901
Chemicals	505,185	3,785,878
Others	-	-
	<b>181,298,209</b>	<b>236,068,779</b>





Particulars	As at 31st March 2013	As at 31st March 2012
<b>Note 15 Trade Receivables</b>		
(Unsecured considered good)		
Outstanding Over Six Months from the date they were due for payment	200,294,036	268,967,089
Other debts	1,830,770,249	1,577,738,783
(Includes Rs. 49451/- (Pre. Yr Nil) due from company in which directors are interested)		
<b>Total</b>	<b>2,031,064,285</b>	<b>1,846,705,872</b>
<b>Note 16 Cash and Bank Balances</b>		
<b>a. Cash and Cash Equivalents</b>		
i. Balances with Banks		
In Current Accounts	14,745,218	11,607,551
In Deposit Accounts having maturity upto 3 monthy		
- Earmarked for credit facility given by bank	75,121,608	141,670,558
- Others		
ii. Cash in hand	5,446,895	62,486,759
	<b>95,313,721</b>	<b>215,764,868</b>
<b>b. Other Bank Balances</b>		
In Deposits Accounts		
Having maturity of more than 3 months upto 12 months		
- Earmarked for credit facility given by bank	582,739,620	282,168,934
- Others	100,000	100,000
Having maturity of more than 12 months		
- Earmarked for credit facility given by bank	-	-
- Others	-	-
<b>Total</b>	<b>678,153,341</b>	<b>498,033,802</b>
<b>Note 17 Short Term Loans and Advances</b>		
(Unsecured considered good)		
Others Security Deposits	-	670,631
Loans and Advances to Employees	561,119	45,270,034
Balance with Government Authorities	97,450,787	142,447,029
Others advances recoverable in cash or in kind or for value to be received	12,006,145	15,981,406
<b>Total</b>	<b>110,018,051</b>	<b>204,369,100</b>
<b>Note 18 Other Current Assets</b>		
(Unsecured considered good)		
Others		
Interest Accrued on deposits	20,932,471	16,967,608
Advance to Suppliers	62,318,341	41,889,347
Claims and other receivable	-	6,771,954
<b>Total</b>	<b>83,250,812</b>	<b>65,628,909</b>
<b>Note 19 Revenue from Operations</b>		
Sales of Products	5,735,712,015	5,120,981,432
Sales of Wind Power Generated	13,656,244	19,673,050
Sales of Services	20,432,584	17,239,637
Other Operating revenues	13,962,082	19,135,748
	5,783,762,925	5,177,029,867
Less : Excise Duty	134,017,526	52,996,120
<b>Total</b>	<b>5,649,745,399</b>	<b>5,124,033,747</b>
<b>Details of Sales of product</b>		
Irrigation and Plastic Products	2,297,755,914	1,300,847,757
Poly products	2,940,576,927	2,200,671,079
Chemicals	419,451,879	1,233,549,676
Others	77,927,295	385,912,920
	<b>5,735,712,015</b>	<b>5,120,981,432</b>



Particulars	As at 31st March 2013	As at 31st March 2012		
<b>Note 20 Other Income</b>				
Dividend income from Non current Investments (non trade)	29,800	4,355,087		
Profit on sale of Fixed Assets	14,083	-		
Net gain on foreign currency transaction/translation	647,409	-		
Other non-operating income	23,816,176	-		
<b>Total</b>	<b>24,507,468</b>	<b>4,355,087</b>		
<b>Note 21 Cost of Materials Consumed</b>				
Raw Material Consumed	1,520,558,351	948,484,486		
	<b>1,520,558,351</b>	<b>948,484,486</b>		
<b>Imported and Indigenous Raw materials and stores &amp; spares consumed:</b>				
	<b>year ended</b>	<b>%</b>	<b>year ended 31st</b>	<b>% of</b>
	<b>31st march, 2013</b>	<b>Consumption</b>	<b>march, 2012</b>	<b>Consumption</b>
<b>Raw Material</b>				
Imported	511,175,754	33.62	306,973,600	32.36
Indigenous	1,009,382,597	66.38	641,510,886	67.64
<b>Details of Raw Materials Consumed</b>				
Poly Product and Accessories			1,520,558,351	948,484,486
<b>Total</b>			<b>1,520,558,351</b>	<b>948,484,486</b>
<b>Note 22 Purchases of stock in trade</b>				
Purchases			3,234,382,919	3,624,909,309
<b>Total</b>			<b>3,234,382,919</b>	<b>3,624,909,309</b>
<b>Details of Purchase of stock in trade</b>				
Poly Product			2,811,876,561	2,107,295,443
Chemicals			415,509,831	1,236,282,766
Others			6,996,527	281,331,100
<b>Total</b>			<b>3,234,382,919</b>	<b>3,624,909,309</b>
<b>Note 23 Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade</b>				
Inventories at the end of the year				
Finished Goods			322,497,038	272,674,260
Work in Progress			5,959,120	26,285,273
Stock in trade			181,298,209	236,068,779
			509,754,367	535,028,312
Less : Inventories at the beginning of the year				
Finished Goods			272,674,260	127,777,109
Work in Progress			26,285,273	-
Stock in trade			236,068,779	286,519,318
			535,028,312	414,296,427
<b>Changes in Inventories</b>			<b>25,273,945</b>	<b>(120,731,885)</b>
Increase/decrease of Excise duty on inventory			(3,077,812)	7,155,139
			<b>22,196,133</b>	<b>(113,576,746)</b>
<b>Note 24 Employee Benefits Expense</b>				
Salaries and Wages			72,482,985	57,037,388
Contribution to Provident and other funds			3,200,939	1,779,266
Staff Welfare Expenses			805,280	719,139
<b>Total</b>			<b>76,489,204</b>	<b>59,535,793</b>



**Note 25 Finance Costs (Net)**

Interest Expenses	274,550,374	215,202,147
less: Interest Income	65,034,992	25,489,431
	<u>209,515,382</u>	<u>189,712,716</u>
Other Borrowing Cost	40,648,745	30,480,608
Net Loss on foreign currency transactions and translation	59,780,977	38,392,735
<b>Total</b>	<b>309,945,104</b>	<b>258,586,059</b>

**Note 26 Other Expenses**

Consumption of Stores and spares	10,757,603	8,203,263
Consumption of Packing Material	15,746,138	12,508,331
Power & Fuel	49,332,128	42,465,535
Rent	6,504,016	5,445,692
Repairs to Buildings	737,250	436,368
Repairs to Machinery	1,312,826	773,978
Repairs others	1,439,865	1,647,272
Insurance	2,769,051	3,030,890
Rates and Taxes	15,006,885	4,048,563
Payment to Auditors	396,350	165,450
Travelling & Conveyance Expenses	20,188,532	12,012,938
Freight & forwarding cartage	45,332,715	29,057,829
Net loss on foreign currency translation/transaction	8,531,236	50,207,112
Loss on dealing in currency derivatives	-	229,369
Commission and Discount	64,117,195	40,113,818
Bank Charges	3,156,836	2,021,300
Legal and Professional	2,701,983	1,887,895
Telephone Expenses	2,253,197	1,804,361
Miscellaneous Expenses	24,080,782	8,695,523
<b>Total</b>	<b>274,364,588</b>	<b>224,755,487</b>

**27. Contingent Liabilities and Commitments (to the extent not provided for) (Figures in Rs.)**

<b>A. Contingent Liabilities</b>	<b>2012-13</b>	<b>2011-12</b>
a. Outstanding Bank Guarantee	7,59,70,000	5,09,38,000
b. Income Tax/ Sales tax / Excise Duty demand disputed in appeal (Net of amount paid )	35,41,844	45,08,361
c. Corporate Guarantee given on behalf of others	10,00,00,000	10,00,00,000
<b>B. Commitments</b>		
Estimated amount of contracts remaining to be executed capital commitment (Net of Advance)	17,93,217	—

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

29. Trade Payable include bills payable for purchase of goods Rs. 89,95,28,266/- (Pre. Year Rs. 56,95,30,000/-).

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

a. Trade Payables includes Rs. Nil (Previous Year Rs. Nil) amount due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME).

b. The details of amount outstanding to Micro, Small and Medium Enterprises are as under :

<b>Particulars</b>	<b>As at 31st March, 2013</b>	<b>As at 31st March, 2012</b>
Principle amount due and remain unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest due and payable in succeeding years	-	-

c. The information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.





**31. Disclosure of Term Loan Security, repayment schedule, period of maturity and rate of interest**

Name of Bank	a.Sanctioned amount b.Outstanding as at the year end	Security	Repayment														
Dena Bank	a. Rs.1000 lacs b. Rs 898.24 lacs (Pre. Yr Rs.979 lacs)	<b>a. Primary Security</b> 1 <sup>st</sup> pari passu mortgage and hypothecation charges over land & building, plant & machinery & other immovable & movable fixed assets of the proposed project of the company at Pithampur along with other consortium members. <b>b. Collateral Security</b> 2 <sup>nd</sup> pari passu charges on current assets of the company with other consortium members. <b>c. Guarantee</b> Personal Guarantee of Director Shri Mukesh Sangla Shri Saurabh Sangla & others Smt. Monica Sangla and Corporate Guarantee of Kamdeep Marketing Private Limited	24 scattered quarterly installments comprising of <table><tr><th>No. of Installment</th><th>Amount (Rs. in Lacs)</th></tr><tr><td>2</td><td>21.00</td></tr><tr><td>4</td><td>29.00</td></tr><tr><td>4</td><td>37.50</td></tr><tr><td>4</td><td>46.00</td></tr><tr><td>8</td><td>50.00</td></tr><tr><td>2</td><td>54.00</td></tr></table> First installment of Rs. 21 Lacs commencing from 2011-12 and last installment due in 2017-18. Rate of interest 13.75 %. (Pre. Year 13.45%) p.a. as at the year end.	No. of Installment	Amount (Rs. in Lacs)	2	21.00	4	29.00	4	37.50	4	46.00	8	50.00	2	54.00
No. of Installment	Amount (Rs. in Lacs)																
2	21.00																
4	29.00																
4	37.50																
4	46.00																
8	50.00																
2	54.00																
Indian Overseas Bank	a. Rs. 250 lacs b. Rs. 47.83 lacs (Pre. Yr Rs. 92.83 lacs)	<b>a. Primary Security</b> 1. First pari passu charge by way of hypothecation of plant & machineries situated at Dewas Naka, Indore, with UCO Bank. <b>b. Collateral Security</b> Second charge on current assets of the company on pari passu with other term lenders <b>c. Guarantee</b> Personal Guarantee of Director Shri Mukesh Sangla Shri Saurabh Sangla & others Smt. Monika Sangla and Corporate Guarantee of Kamdeep Marketing Private Limited	20 Scattered quarterly installments comprising of <table><tr><th>No. of Installment</th><th>Amount (Rs. in Lacs)</th></tr><tr><td>8</td><td>10.00</td></tr><tr><td>4</td><td>12.50</td></tr><tr><td>8</td><td>15.00</td></tr></table> First installment of Rs. 10 lacs commencing from Sept 2010 and last installment of Rs. 15 lacs due in June 2015. Rate of Interest 13.50 % (Pre. Yr 14%) p.a. as at the year end.	No. of Installment	Amount (Rs. in Lacs)	8	10.00	4	12.50	8	15.00						
No. of Installment	Amount (Rs. in Lacs)																
8	10.00																
4	12.50																
8	15.00																
Indian Overseas Bank	a. Rs. 1000 lacs b. Rs.870.34 lacs (Pre. Yr Rs. 958 lacs)	<b>a. Primary Security</b> 1. 1st pari passu mortgage and hypothecation charges over land & Building, Plant & Machinery & other immovable & Movable fixed assets of the proposed project at Plot No. 464,465 & 478 Industrial Area Sector III Tehsil & Dist: Dhar (MP) with other consortium members. <b>b. Collateral Security</b> Second charge on current assets of the company on pari passu with other term lenders	24 scattered quarterly installments comprising of <table><tr><th>No. of Installment</th><th>Amount (Rs. in Lacs)</th></tr><tr><td>2</td><td>21.00</td></tr><tr><td>4</td><td>29.00</td></tr><tr><td>4</td><td>37.50</td></tr><tr><td>4</td><td>46.00</td></tr><tr><td>8</td><td>50.00</td></tr><tr><td>2</td><td>54.00</td></tr></table>	No. of Installment	Amount (Rs. in Lacs)	2	21.00	4	29.00	4	37.50	4	46.00	8	50.00	2	54.00
No. of Installment	Amount (Rs. in Lacs)																
2	21.00																
4	29.00																
4	37.50																
4	46.00																
8	50.00																
2	54.00																





Name of Bank	a.Sanctioned amount b.Outstanding as at the year end	Security	Repayment														
		<b>c. Guarantee</b> Personal Guarantee of Director Shri Mukesh Sangla, Shri Saurabh Sangla & others Smt. Monika Sangla and Corporate Guarantee of Kamdeep Marketing Private Limited	First installment of Rs. 21 lacs commencing from Dec 2011 and last installment of Rs. 54 lacs due in Sept 2017. Rate of interest 13.50% (Pre. Year 14%) p.a. as at the year end.														
UCO Bank	a. Rs. 4000 lacs b. Rs. 2925.99 lacs (Pre. Yr Rs. 3210.08 lacs)	<b>a. Primary Security</b> 1. 1 <sup>st</sup> pari passu mortgage and hypothecation charges over land & building, plant & machinery & other immovable & movable fixed assets of the proposed project of the company at plot no 462 to 465 and 476 to 478 Industrial Area , sector-III, Tehsil & Dist : Dhar (MP) with other consortium members. <b>b. Collateral Security</b> Second charge on current assets of the company on pari passu with other term lenders <b>c. Guarantee</b> Personal Guarantee of Director Shri Mukesh Sangla, Shri Saurabh Sangla & others Smt. Monika Sangla and Corporate Guarantee of Kamdeep Marketing Private Limited	Repayable in 24 scattered quarterly installments comprising of <table><tr><th>No. of Installment</th><th>Amount (Rs. in Lacs)</th></tr><tr><td>2</td><td>83.50</td></tr><tr><td>4</td><td>116.75</td></tr><tr><td>4</td><td>150.00</td></tr><tr><td>4</td><td>183.25</td></tr><tr><td>8</td><td>200.00</td></tr><tr><td>2</td><td>216.50</td></tr></table> First installment of Rs. 84 lacs commencing from March 2012 and last installment of Rs. 216.50 lacs due in Dec 2017 Rate of Interest 13.50% (Pre. Year 14%) p.a. as at the year end.	No. of Installment	Amount (Rs. in Lacs)	2	83.50	4	116.75	4	150.00	4	183.25	8	200.00	2	216.50
No. of Installment	Amount (Rs. in Lacs)																
2	83.50																
4	116.75																
4	150.00																
4	183.25																
8	200.00																
2	216.50																
UCO Bank	a. Rs. 270 lacs b. Rs. 36.55 lacs (Pre. Yr Rs.82.55 lacs)	<b>a. Primary Security</b> Exclusive charge on entire wind mill at Sangli, Maharashtra by way of equitable mortgage and hypothecation of plant & Machinery <b>b. Collateral Security</b> 1. Second charge by way of equitable mortgage of immovable property situated at block no. 1, Khajrana, 1307/2 Gulmohar Colony, Indore belonging to Sri Mukesh Sangla and Smt. Monika Sangla having pari passu charge with State Bank of India. 2.second Charge by way of equitable mortgage of office premises situated at 114-116 Trade Centre, 14/3 South Tukoganj, Indore having Pari Passu Charge with State Bank of Indore <b>c. Guarantee</b> Personal Guarantee of Director Shri Mukesh Sangla, Shri Saurabh Sangla & others Smt. Monika Sangla and Corporate Guarantee of Kamdeep Marketing Private Limited	Repayable in 28 scattered quarterly Installments comprising of <table><tr><th>No. of Installment</th><th>Amount (Rs. in Lacs)</th></tr><tr><td>11</td><td>8.00</td></tr><tr><td>4</td><td>8.50</td></tr><tr><td>4</td><td>10.50</td></tr><tr><td>4</td><td>11.50</td></tr><tr><td>5</td><td>12.00</td></tr></table> First installment of Rs. 8 lacs commencing from Sept 2007 and last installment of Rs. 12 lacs due in June 2014. Rate of interest 12 % (Pre. Yr 14%) p.a. as at year end.	No. of Installment	Amount (Rs. in Lacs)	11	8.00	4	8.50	4	10.50	4	11.50	5	12.00		
No. of Installment	Amount (Rs. in Lacs)																
11	8.00																
4	8.50																
4	10.50																
4	11.50																
5	12.00																



Name of Bank	a.Sanctioned amount b. Outstanding as at the year end	Security	Repayment						
UCO Bank	a. Rs. 250 lacs b. Rs. 79.14 lacs (Pre. Yr Rs. 109.00 lacs )	<b>a. Primary Security</b> 1 <sup>st</sup> pari passu mortgage and hypothecation charges land & building, plant & machinery & other immovable & movable fixed assets of the company at Kelochala, Indore with other term lenders <b>b. Collateral Security</b> 1. First charge by way of equitable mortgage of immovable property situated at block no. 1, Khajrana, 1307/2 Gulmohar Colony, Indore belonging to Sri Mukesh Sangla and Smt. Monika Sangla having pari passu charge with State Bank of India. 2. First Charge by way of equitable mortgage of office premises situated at 114-116 Trade Centre, 14/3 South Tukoganj, Indore having Pari Passu Charge with State Bank of Indore. <b>c. Guarantee</b> Personal Guarantee of Director Shri Mukesh Sangla, Shri Saurabh Sangla & others Smt. Monika Sangla and Corporate Guarantee of Kamdeep Marketing Private Limited	Repayable in 24 scattered quarterly installments comprising of <table><tr><th>No. of Installment</th><th>Amount (Rs. in Lacs)</th></tr><tr><td>19</td><td>10.00</td></tr><tr><td>5</td><td>12.00</td></tr></table> First installment of Rs. 10 lacs commencing from Dec-08 and last installment of Rs.12 lacs due in Sept 2014. Rate of Interest 13.50% (Pre. Yr 14 %) p.a. as at year end	No. of Installment	Amount (Rs. in Lacs)	19	10.00	5	12.00
No. of Installment	Amount (Rs. in Lacs)								
19	10.00								
5	12.00								
State Bank of India	a. Rs. 400 lacs b. Rs. 55 lacs (Pre. Yr Rs. 113.12 lacs)	<b>a. Primary Security</b> Exclusive 1 <sup>st</sup> charge by way of equitable mortgage of immovable properties (land & building) and hypothecation of movable assets of the wind power project set up at Jodha, Jaisalmer Rajasthan (Both present & future) <b>b. Collateral Security</b> 1. 2 <sup>nd</sup> pari passu charge by way of equitable mortgage of immovable property situated at block no. 1, Khajrana, 1307/2 Gulmohar Colony, Indore belonging to Sri Mukesh Sangla and Smt. Monika Sangla. 2. 2 <sup>nd</sup> Charge by way of equitable mortgage of office premises situated at 114-116 Trade Centre, 14/3 South Tukoganj, Indore having Pari Passu with UCO Bank. <b>c. Guarantee</b> Personal Guarantee of Director Shri Mukesh Sangla, Shri Saurabh Sangla & others Smt. Monika Sangla.	Repayable in 27 quarterly installments comprising of 26 equal quarterly installments of Rs. 15 lacs commencing from Sept 07 and last Installment of Rs. 10 lacs due in march 2014, Rate of Interest 13.20% (Pre. Yr 16%) p.a. as at the end of year.						



Name of Bank	a. Sanctioned amount b. Outstanding as at the year end	Security	Repayment
HDFC Bank	a. Rs. 11.00 lacs b. 6.27 lacs (Pre. Yr. Rs. 9.68 lacs)	Loan is secured by charge on specific equipment vehicle purchased	Repayable in 36 monthly installments of Rs. 0.36 lacs (including interest) commencing from November, 2011 and last Installment due in October, 2014, Rate of Interest 11.35% (Pre. Yr 11.35%) p.a. as at the end of year.
HDFC Bank	a. Rs. 3.92 lacs b. 2.97 lacs (Pre. Yr. Nil)	Loan is secured by charge on specific equipment vehicle purchased.	Repayable in 36 monthly installments of Rs. 0.13 lacs (including interest) commencing from June 2012 and last Installment due in May 2015, Rate of Interest 11.55 % (Pre. Yr Nil) p.a. as at the end of year.
HDFC Bank	a. Rs. 8.00 lacs b. 4.78 lacs (Pre. Yr. Rs. 7.24 lacs)	Loan is secured by charge on specific equipment vehicle purchased.	Repayable in 36 monthly installments of Rs. 0.26 lacs (including interest) commencing from December 2011 and last Installment due in November 2014, Rate of Interest 11.55% (Pre. Yr 11.55%) p.a. as at the end of year.
ICICI Bank	a. Rs. 5.50 lacs b. 4.55 lacs (Pre. Yr. Nil)	Loan is secured by charge on specific equipment vehicle purchased.	Repayable in 36 monthly installments of Rs. 0.18 lacs (including interest) commencing from September 2012 and last Installment due in August 2015, Rate of Interest 11.25 % (Pre. Yr Nil) p.a. as at the end of year.
ICICI Bank	a. Rs. 9.50 lacs b. 7.85 lacs (Pre. Yr. Nil)	Loan is secured by charge on specific equipment vehicle purchased.	Repayable in 36 monthly installments of Rs. 0.31 lacs (including interest) commencing from September 2012 and last Installment due in August 2015, Rate of Interest 10.70% (Pre. Yr Nil) p.a. as at the end of year.



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

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

The total future minimum lease rentals payable at the balance sheet date is as under :

(Figures in Rs.)

	2012-13	2011-12
For a period not later than one year	56,47,482	44,12,460
For a period later than one year and not later than five years	2,57,700	2,29,425
For a period later than five years	Nil	Nil

The aggregate amount of operating lease payments recognized in the statement of profit and loss is Rs.65,04,016/- (Pre. Year Rs.54,45,692/-). The company has not recognized any contingent rent as expense in the statement of profit and loss.

**33. Related Party Disclosure**

- A. Relationships  
Key Management Personnel  
Shri Mukesh Sangla - Managing Director  
Shri Saurabh Sangla - Director
- B. Relative of Key Managerial Personnel  
Smt. Monika Sangla - Wife of M.D.
- C. Associates  
Adroit Industries (India) Limited

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

(Figures in Rs.)

NATURE OF TRANSACTIONS	2012-2013			2011-2012		
	33A	33B	33C	33A	33B	33C
<b>Sales</b>						
Adroit Industries (India) Ltd	—	—	2,21,932	—	—	92,711
<b>Purchases</b>						
Adroit Industries (India) Ltd	—	—	33,48,937	—	—	14,64,796
<b>Fixed Assets acquired</b>						
Adroit Industries (India) Ltd	—	—	2,69,012	—	—	2,78,069
<b>Remuneration to Director</b>						
Mukesh Sangla	24,00,000	—	—	18,00,000	—	—
<b>Rent Paid</b>						
Saurabh Sangla	5,58,000	—	—	5,73,000	—	—
Monika Sangla	—	7,22,400	—	—	10,42,400	—
Guarantee issued in favour of Adroit Industries (India) Ltd	—	—	10,00,00,000	—	—	10,00,00,000
<b>Outstanding</b>						
<b>Rent Deposit</b>						
Saurabh Sangla	25,00,000	—	—	25,00,000	—	—
Monika Sangla	—	60,00,000	—	—	60,00,000	—
<b>Payable</b>						
Mukesh Sangla	10,932	—	—	1,56,432	—	—
Saurabh Sangla	42,167	—	—	72,508	—	—
Monika Sangla	—	1,38,508	—	—	64,415	—
<b>Receivable</b>						
Adroit Industries (India) Ltd	—	—	49,451	—	—	—
<b>Investment</b>						
Adroit Industries (India) Ltd	—	—	7,50,00,000	—	—	7,50,00,000





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

(Figures in Rs.)

	2012-13	2011-12
	Gratuity	Gratuity
<b>I. Change in Benefit Obligation</b>		
Liability at the beginning of the year	11,98,811	7,97,563
Interest Cost	1,66,696	1,04,606
Current Service Cost	7,62,317	4,70,387
Past Service Cost (Non Vested Benefit)		
Past Service Cost (Vested Benefit)		
Liability Transfer in		
Liability transfer out		
Benefit Paid		
Actuarial (gain)/loss on obligations	(63,846)	(1,73,745)
Liability at the end of the year	20,63,978	11,98,811
<b>II. Amount Recognised in the Balance Sheet</b>		
Liability at the end of the year	20,63,978	11,98,811
Fair Value of Plan Assets at the end of the year		
Difference	(20,63,978)	(11,98,811)
Unrecognised Past Service Cost		
Un recognised Transition Liability		
Amount Recognised in the Balance Sheet	(20,63,978)	(11,98,811)
<b>III. Expenses Recognised in Profit and Loss Account</b>		
Current Service Cost	7,62,317	4,70,387
Interest Cost	1,66,696	1,04,606
Expected Return on Plan Assets		
Past Service Cost (Non Vested Benefit) Recognised		
Past Service Cost (Vested Benefit) Recognised		
Recognition of Transition Liability		
Actuarial Gain or Loss	(63,846)	(1,73,745)
Expense Recognised in P&L	8,65,167	4,01,248
<b>IV. Balance Sheet Reconciliation</b>		
Opening Net Liability	11,98,811	7,97,563
Expense as above	8,65,167	4,01,248
Employers Contribution		
Amount Recognised in Balance Sheet	20,63,978	11,98,811
<b>V. Assumptions :</b>		
Discount Rate Current	8.00%	8.50%
Salary Escalation Current	5.00%	5.00%
Attrition Rate—Current	2.00%	2.00%

**35. Auditors Remuneration**

(Figures in Rs.)

	2012-13	2011-12
Audit Fees	2,80,900	1,65,450
Other Services	1,15,450	—



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

(Figures in Rs.)

		2012-13	2011-12
(a)	Net Profit after tax	11,93,49,332	3,92,50,210
	Less : Preference Dividend paid / proposed including (tax thereon)	1,402,341	Nil
	Net Profit available for equity shareholders	11,79,46,991	3,92,50,210
(b)	Weighted Average Number of Equity Shares (in Nos.)	2,91,87,000	2,91,87,000
(c)	Nominal Value of Per ordinary Share	10	10
(d)	Basic & Diluted Earning Per Share (in Rs.)	4.04	1.34

**37. Stores and Spares consumed**

(Figures in Rs.)

	2012-13		2011-12	
	Value in Rs.	% of Consumption	Value in Rs.	% of Consumption
<b>Imported</b>	16,23,781	15.09	4,36,732	5.32
<b>Indigenous</b>	91,33,822	84.91	77,66,531	94.68

38. During the year company has sales on consignment basis Rs. 117,05,66,493/- (Pre. Yr Rs. 98,18,11,145/-) commission income from which is included in sales of services.

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

(Figures in Rs.)

	2012-13	2011-12
Raw Materials	1,32,91,86,335	90,06,27,027
Store and Spare Parts	12,77,087	3,04,061
Capital Goods	1,26,02,820	1,39,15,452

**40. Expenditure in Foreign Currency**

(Figures in Rs.)

	2012-13	2011-12
Interest	2,54,31,915	1,68,03,981
Travelling Expenses	—	2,46,568

**41. Earnings in Foreign Currency**

(Figures in Rs.)

	2012-13	2011-12
FOB Value of Exports	23,25,085	—



**42. Segment Reporting**

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

	Manufacturing Rs.	Windmill Rs.	Trading Rs.	Unallocable Rs.	Total
Segment revenue	2,177,700,470	13,656,244	3,458,388,685	24,507,468	5,674,252,867
	1,266,987,385	19,673,050	3,837,373,312	4,355,087	5,128,388,834
Segment result(PBIT)	344,983,156	6,696,725	124,593,565	9,394,734	485,668,180
	230,774,410	10,152,390	104,269,103	(6,106,222)	339,089,682
Less : Interest	-	-	-	(309,945,104)	(309,945,104)
					(258,586,060)
Profit before Exceptional item	344,983,156	6,696,725	124,593,565	(300,550,370)	175,723,076
					80,503,622
Extraordinary item	-	-	-	-	-
Profit/(Loss) before tax	344,983,156	6,696,725	124,593,565	(300,550,370)	175,723,076
					80,503,622
Less : Current Tax					(35,300,000)
					(17,500,000)
Deferred Tax					(21,073,740)
					(25,617,809)
Relating to Earlier years					-
					1,864,397
Profit after tax					119,349,336
					39,250,210
Prior Period Adjustments					-
Net Profit					119,349,336
					39,250,210
Segment Assets	2,369,376,205	91,433,095	1,963,288,069	144,932,597	4,569,029,966
	2,004,706,844	97,308,117	1,962,437,654	168,811,078	4,233,263,693
Segment Liabilities	1,169,730,926	850,400	1,741,964,654	1,178,898,602	4,091,444,582
	1,078,327,165	0	1,598,608,577	1,155,983,329	3,832,919,071
Segment Depreciation	51,895,093	5,220,836	0	3,477,563	60,593,492
	36,900,368	5,220,836	0	3,069,620	45,190,824

**B. Secondary Segment Geographical**

The company's operating facilities are located in India.

Particulars	2012-2013	2011-2012
Domestic Revenue	5,647,420,314	5,124,033,747
Export Revenue	2,325,085	0

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

- The Company has no foreign currency/forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The company does not use forward contracts for speculative purposes.
- Foreign exchange currency exposure not covered by derivative instrument or otherwise outstanding as at 31st March 2013 are given below :-

Amount Payable in foreign currency On account of the following :	Currency	Foreign Currency		INR Equivalent	
		2012-13	2011-12	2012-13	2011-12
Import of goods and services	USD	1343242	15,99,634	7,29,17,894	8,02,01,937
	AED	1313483	-	1,94,13,272	-
Buyers Credit	USD	1,70,52,664	1,62,37,022	92,57,03,861	82,73,27,098



**44. Disclosure Pursuant to Clause 32 of Listing Agreement with Stock Exchange**

**A) Loans and Advances in the nature of Advance to Subsidiary**

Name of the Company	As at		Maximum Balance Outstanding period Ended	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
	NA	NA	NA	NA

**B) Loans and Advances in the nature of Advance to Related Party**

Name of the Company	As at		Maximum Balance Outstanding period Ended	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
	NA	NA	NA	NA

45. The financial statements have been prepared in line with the requirements of Revised Schedule VI of Companies Act, 1956 as introduced by the Ministry of Corporate Affairs from the financial year ended on 31<sup>st</sup> March 2012. Accordingly, assets and liabilities are classified between current and non-current considering 12 month period as operating cycle.
46. Previous year's figures are regrouped / rearranged wherever considered necessary to make them comparable with current year's figures.
47. Company Information, Significant Accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure A.

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Mukesh Sangla**  
Managing Director

**Saurabh Sangla**  
Director

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

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

Place: Indore  
Date : 30th May 2013





**Annexure A**

**COMPANY INFORMATION**

Signet Industries Limited was incorporated on January 29, 1985 under the Companies Act 1956, having its registered office in Mumbai. Company is engaged in Manufacturing of Micro Irrigation System (DRIP), Sprinkler Pipe / PVC Pipe & Agro fittings and its Allied Products, all type of House Hold & Plastic Moulded Furniture. The Company's shares listed on The Stock Exchange Mumbai, and Madhya Pradesh Stock Exchange, Indore. The equity shares of the Company have been permitted for trading on the National Stock Exchange of India Ltd. w.e.f. May 30, 2012, pursuant to circular No. 460/2012 dated May 28, 2012, issued by National Stock Exchange and same also traded on Bombay Stock Exchange.

**SIGNIFICANT ACCOUNTING POLICIES**

**i). Basis Of Accounting**

The financial statements are prepared as a going concern under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP), Accounting Standards Issued by the Institute of Chartered Accountants of India, as applicable, and the relevant provisions of the Companies Act, 1956.

**ii). Use Of Estimates**

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

**iii). Valuation Of Inventories**

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

**iv). Depreciation**

Depreciation on fixed assets is being provided on straight line method as the rates prescribed in schedule XIV of the companies Act, 1956. Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the month of addition / disposal.

In respect of addition / extensions forming integral part of existing assets and on revised carrying amount of the assets identified as impaired, depreciation has been provided over residual life of the respective fixed assets.

**v). Revenue Recognition**

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

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

Interest income is recognised on time proportion basis.

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

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

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

**vi). Fixed Assets**

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

Assets under erection / installation and advance given for capital expenditure are shown as "Capital work in progress". Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on erection / installations of the assets.



**vii). Foreign Currency Transaction**

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

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

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

**viii). Investments**

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

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

**ix). Employee Benefits**

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

**Defined Contribution Plan** - Contributions to provident fund and Family Pension Fund are accrued in accordance with applicable statute and deposited with appropriate authorities.

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

**(b) Short term employment benefits**

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

**x). Borrowing Cost**

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

**xi) Segment Accounting Policies**

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

<b>Name of Segment</b>	<b>Comprised of</b>
Manufacturing	- Manufacturing of Irrigation and Poly products
Wind Power Unit	- Wind turbine power unit
Trading	- Merchant trading of various products

- (2) Segment revenue, segment results, segment assets and segment liabilities include respective amounts directly identified with the segment and also an allocation on reasonable basis of amounts not directly identified. The expenses which are not directly relatable to the business segment are shown as unallocated corporate cost. Assets and liabilities that can not be allocated between the segments are shown as unallocable corporate assets and liabilities respectively.
- (3) The Company has identified geographical segments as the secondary segment. Secondary segments comprise of domestic and export markets. However, revenue from export sales do not exceed 10% of the total revenue. Segment assets/liabilities pertaining to export market also do not exceed 10%. Hence, no disclosure is required in respect of geographical segments.



**xii) Lease Accounting****As a Lessee**

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

**xiii) Taxes on Income**

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

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

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

**xiv) Impairment of Assets**

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

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

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

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

**xvi) Cash Flow Statement**

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

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Mukesh Sangla**  
Managing Director

**Saurabh Sangla**  
Director

**Place: Indore**  
**Date : 30<sup>th</sup> May 2013**



Dear Shareholder,

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents, including Annual Report, to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of Signet Industries Limited to contribute to the Corporate Social Responsibility initiative of the Company. Further it will ensure instant and definite receipt of the reports by you.

We notice that your email ID is not available in our records. As we propose to send future Communications, in electronic mode, we request you to please fill up the form given herewith for registering your e-mail ID and send the same to the following address:

Ankit Consultancy Private Limited  
(Unit: Signet Industries Limited)  
60, Electronics Complex, Pardesipurs  
Indore-452010  
Email id : ankit\_4321@yahoo.com

If the shares are held in electronic mode, please get your e-mail registered with your DP immediately.

Please note that as a member of the Company you will be entitled to receive all such communication in Physical Form, upon request.

Thanking you,

Yours faithfully,

For Signet Industries Limited

Sd/-

Preeti Singh  
Company Secretary

.....  
**E-COMMUNICATION REGISTRATION FORM**

Folio No. /DP Id and Client ID: .....

Name of 1st Registered Holder: .....

Name of Joint Holder(s): .....

Registered Address: .....

.....  
E-Mail address (to be Registered): .....

I/we Shareholder(s) of Signet Industries Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail ID for your records for sending communication through e-mail.

Date: .....

Signature: .....

(1st holder only)

Note:

Shareholder(s) are requested to keep the Company informed as when there is any change in the e-mail address.



**SIGNET INDUSTRIES LIMITED**

308, Acme Plaza,  
Opposite Sangam Cinema, Andheri Kurla Road, Andheri (E), Mumbai 400 059  
(PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL)

**ATTENDANCE SLIP**

**28th ANNUAL GENERAL MEETING**

ORIENTAL RESIDENCY HOTELS PVT.LTD. 45, TARUN BHARAT CO-OP.HSG.SOCIETY,  
ANDHERI ( E ), MUMBAI - 400099.

**Monday, 30th September, 2013 at 9.30 a.m.**

Member's Name (in capital letters)\_\_\_\_\_

Folio No.\_\_\_\_\_ No. of Share Held\_\_\_\_\_

Member's Signature

Proxy's Name (in Capital Letters)\_\_\_\_\_

Proxy's Signature

.....Cut Here.....

**SIGNET INDUSTRIES LIMITED**

308, Acme Plaza,  
Opposite Sangam Cinema, Andheri Kurla Road, Andheri (E), Mumbai 400 059

**PROXY FORM**

I/We \_\_\_\_\_ of

Being a member/s of the Company, hereby appoint \_\_\_\_\_

of \_\_\_\_\_ in District of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_

\_\_\_\_\_ in the District of \_\_\_\_\_ as my/our proxy to vote for me/our behalf

at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, 30th Sept., 2013 at 9.30

A.M. or any adjournment thereof.

My/Our Registered Folio No. is \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

affix  
Re. 1  
Revenue  
Stamp

N.B. : This proxy form must be deposited at the Registered Office of the Company at 308, Acme Plaza, Opposite Sangam Cinema, Andheri Kurla Road, Andheri (E), Mumbai 400 059 not later than 48 hours before the time for holding the meeting.



## The Irrigation House



**Book - Post**

**To,**

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@ Signet Ind.

If undelivered plz return to :  
**Signet Industries Limited**  
308, Acme Plaza, Opposite Sangam Cinema,  
Andheri Kurla Road, Andheri (E), Mumbai-400059