



27th

Annual Report 2011 - 2012



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The Irrigation House

Board of Directors

Shri Mukesh Sangla
Shri Saurabh Sangla
Shri Dipak Kalani
Shri Deepak Mehta
Shri Murli Dhar Vashist

Company Secretary

Ms. Preeti Choudhary

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



CHAIRMAN'S MESSAGE

"The name Signet symbolizes the "Royal Seal". The group philosophy clearly follows the name as we believe in commitments to our shareholders, customers, suppliers, associates and employees. Signet is a customer centric enterprise, driven with a vision to excel. "

Dear Members,

Good Day! I am pleased to extend you all, a very warm welcome to 27th Annual General Meeting of the Company. At the outset, I am thankful to all the shareholders of the Company for their whole hearted support and cooperation in furthering the overall growth of the Company.

I am sure you all must have gone through the Annual Report of the Company for the year 2011-12. The Company's performance for the year under review has been quite satisfactory despite aberrant weather-uncertain monsoon leading to factors that destabilize agriculture. It is heartening to note that there company's business has significantly improved on operational performance compared to previous year and records a positive financial growth.

THE ROAD AHEAD

Agriculture is a major occupation of our country and it largely contributes to our GDP. Hence, it is important that our farmers use the best quality product to produce both qualitative and quantitative yield. Our farmers need technologically driven piping systems connected with Sprinkler Irrigation System and micro Irrigation System to irrigate their fields. Further, they need good quality fertilizer Spray-Pump to protect their crops and need quality material handling system and unbreakable Ghamela to store and transport their produce. Last but not the least, every home needs beautifully moulded household product and furniture to enrich their daily lives.

The most serious challenge of mankind in the 21st century will be the lack of fresh water. Population growth, pollution and climate change, all accelerating, are likely to lead to a drastic decline in water supply in the coming decades. Supplies are already problematic for up to a third of the world's population. As agriculture alone consumes 60% of today's fresh water, it is imperative that water saving should start from here. The answer to this challenge is Micro Irrigation. The Company offer products and services that ensure precise and optimum delivery of water and agricultural inputs to the crop. The result: Ideal utilization of water source, healthier plants, better quality and quantity of yield, and substantial cost savings. This understanding has redefined the company's focus and the Company constantly expanding our capacity, product portfolio and market presence.

With this clear vision, the company developed most of the parts in-house, required by farmers, to ensure quality and better logistics for the supply of Micro Irrigation System (MIS). The MIS includes elements like cylindrical drippers with sand guard technology, flat drippers, water filters, screen filters, sand filters, hydro cyclone filters, ventury injector, back flow controller, fertilizer tank, emitting pipes, HDPE and PVC pipes, hand operated control valves and safety valves etc.

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.

GROWTH PLANS

The Company has already set up 7 lines of drip irrigation system with a capacity to manufacture 600000 meters drip irrigation pipes per day. The company has also set up many injection moulding machines for in-house manufacturing of fittings and accessories. Considering the growing potential of MIS, the company is in process of manufacturing various out-sourced items like bends, valves, PVC agro fittings etc. This will help in horizontal and vertical integration, reduction in cost, and hence enhancement in profits. Effective steps have been initiated in this regard.

ACKNOWLEDGEMENT

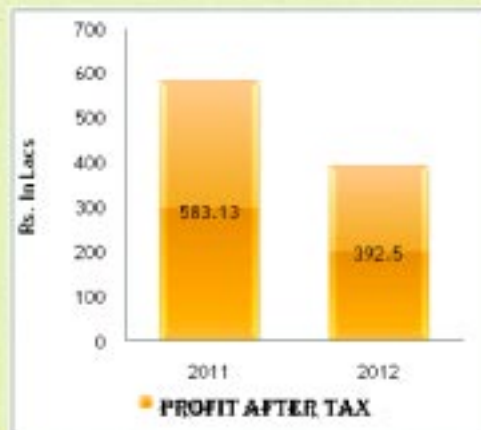
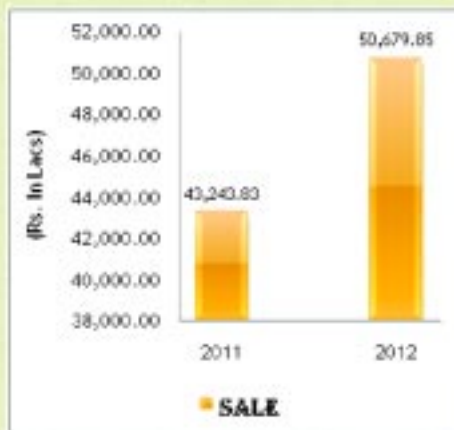
On behalf of the board of directors, I express my sincere gratitude to our shareholders, farmers, dealers, bankers, employees, the Central and State Governments and other regulatory authorities/agencies for providing continuous support at all times and look forward to have the same in our future endeavors. I wish to express my sincere appreciation to my colleagues on the Board for their continued support. I am grateful to you all for your cooperation and trust.



FINANCIAL PERFORMANCE

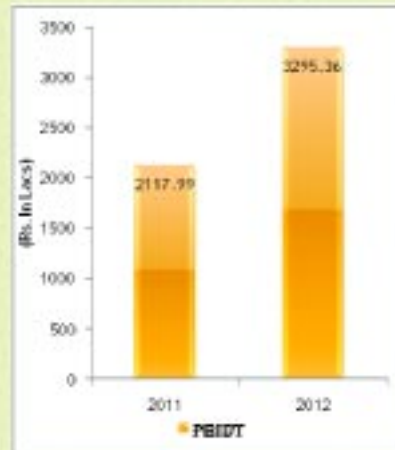
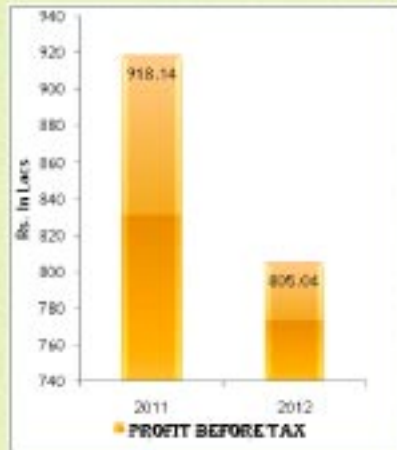
Your Company's performance for the year was satisfactory with sales grown by 17.8% to Rs. 51209.81 lacs and profit after tax was decreased by 32.7% to Rs. 392.50 lacs.

	Year Ended 31.03.2012	Year Ended 31.03.2011	% Increase/Decrease
Sales:	50,679.85	43,243.83	17.1%
PBIDT	3295.36	2117.99	55.5%
(% to sales)	6.4%	4.8%	1.6%
Profit before Tax	*805.04	918.14	-12.3%
(% to sales)	1.6%	2.1%	-0.5%
Profit after Tax	392.50	583.13	-32.7%
(% to sales)	0.7%	1.3%	-0.6%



Turnover increased to Rs. 50,679.85lacs, a growth of 17.1% over previous year turnover of Rs. 43,243.83lacs. All the divisions of the Company recorded satisfactory growth

Profit after tax decreased to Rs. 392.5 lacs as compared to Rs. 583.13 lacs, decreased of 32.7% over the previous year.



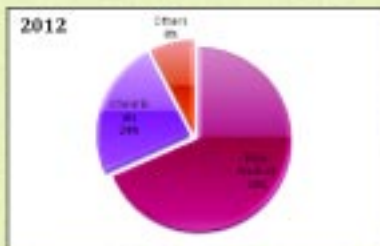
Profit before tax decreased to Rs. 805.04 lacs as compared to Rs. 918.14 lacs, decreased of 12.3% over the previous year.

- * Includes loss on Foreign Exchange fluctuation of Rs. 8.86 crores and additional interest burden because of setting up of new manufacturing facility.

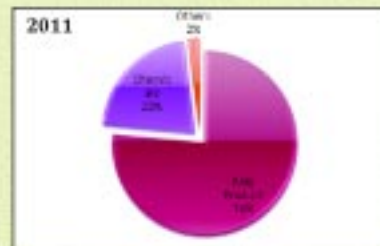
Break Up of Sales

S. No.	Division	Rs. In Lacs				%(Increase(+)/decrease(-) in sales
		Twelve Months ended on 31-03-2012		Twelve Months ended on 31-03-2011		
		Total	% of Total	Total	% of Total	
1	Poly Product	35015.19	68.38	33224.48	76.45	-8.07
2	Chemicals	12335.49	24.09	9399.07	21.63	2.46
3	Others	5859.13	7.54	837.86	1.93	5.61
	Total	51209.81		43461.41		

SALES COMPOSITION PRODUCT (FY 2012)



SALES COMPOSITION PRODUCT (FY 2011)





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. 9337.84 lacs as compared to Rs. 6863.75 lacs at the beginning of the year.



REVENUE CHART

REVENUE	FINANCIAL YEAR	
	<i>(Figures in crores)</i>	
Business Segments	2010-11	2011-12
Irrigation sector	26.11	93.87
Other Manufacturing sector	15.33	33.03
Wind Energy	1.16	1.97
Distribution	387.58	383.05





NOTICE OF 27th ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of the Members of Signet Industries Limited, will be held at HOTEL SUNCITY RESIDENCY, (A Division of Royal Sojourn Pvt. Ltd.), 16th Road, MIDC, Marol, Andheri (E) Mumbai 400093 on Monday, the 24th September 2012 at 11.30 A.M. to transact the following business : -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and Profit & Loss Account of the Company for the year ended on that date, and the Reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri Murlidhar Vashist, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to provisions of section 80 of the Companies Act, 1956 and Articles of Association of the Company and other applicable provisions, if any, (including and statutory modification or re-enactment thereof for the time being in force) and in accordance with the guidelines and regulations issued by the Securities and Exchange Board of India (SEBI), and subject to such other consent and approvals, if any, as may be necessary and which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to issue 50,00,000 (Fifty Lacs) 5% Non Cumulative Redeemable Preference Shares of Rs.10/- each for cash at par to bodies corporate whether or not same under the same management and whether or not they are member of the Company and any person through conversion of unsecured loans and redemption as the Board of Directors may deem fit, subject, inter alia, to the following terms and conditions namely:

- (a) that no such shares when due for redemption shall be redeemed except out of profit of the Company which would otherwise be available for dividend, that is, out of general reserve created by plugging back of distributable profits; or
- (b) that such redemption may be made out of the proceeds of a fresh issue of shares made for the purpose of redemption; or
- (c) that no such share shall be redeemed unless they are fully paid up at the time of redemption; or
- (d) that the redemption shall be at par; or
- (e) that the other terms and conditions as to redemption shall be governed by the provisions of the Articles of Association of the Company.

RESOLVED FURTHER that the Board be and is hereby authorised in its sole and absolute discretion to accept such conditions and modifications as may be prescribed by any concerned authority while according its

approval to the propose of issue of New Shares and to take such consequential action thereon including the authority to revise/adjust the value/quantum of Shares or any portion thereof in such manner as may be in the best interest of the Company.

RESOLVED FURTHER that the Board of Directors be authorized to redeem the 50,00,000 5% Non Cumulative Redeemable Preference Shares of Rs.10/- out of accumulated profits of the Company at the discretion of Board.

RESOLVED FURTHER that the Board may decide and to do all such acts, deeds, matters and things as it may, in its discretion deem expedient, necessary or desirable, and to settle any question, difficulty and doubt that may arise in regard to offer, issue and allotment of the said new shares including Cancellation of issue or any part thereof and its decision shall be final and binding on all Members and other interested persons."

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.5 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 Monday, 17th September, 2012 to Monday, 24th September, 2012 (both days inclusive).
4. 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.5**

With a view to infuse additional funds to meet the long term fund requirement of the Company and to provide for the Company's working capital needs, the Board of Directors has accepted Share Application Money Rs.5,00,00,000/- for 50,00,000, 5% Non Cumulative Redeemable Preference Shares of Rs.10/- each from the bodies corporate in the recent years. With a view to reduce the debt burden on the company it is proposed to allot 50,00,000, 5% Non Cumulative Redeemable Preference Shares of Rs.10/- each in one or more tranches to the following persons,

Sr. No.	Name of shareholders	No. of shares	Total Amount (In Rs)
1.	Empower Industries India Ltd	2,50,000	25,00,000/-
2.	Avance Technologies Ltd	15,50,000	1,55,00,000/-
3.	Dhanus Technologies Ltd.	2,50,000	25,00,000/-
4.	Prraneta Industries Ltd.	2,50,000	25,00,000/-
5.	Milli Commodities Pvt. Ltd.	2,50,000	25,00,000/-
6.	Asan Investment & Financial Services Pvt. Ltd.	10,00,000	1,00,00,000/-
7.	Advance Fertilizer (India) Pvt. Ltd.	5,00,000	50,00,000/-
8.	Advance Corpcare (India) Pvt. Ltd.	6,00,000	60,00,000/-
9.	R.S.D. Capital Market Pvt. Ltd.	3,50,000	35,00,000/-
	Total	50,00,000	5,00,00,000/-

The Board recommends the Resolution mentioned in Notice for the approval of the Members.

None of the Directors of the Company is concerned or in any way interested in this Resolution.

For & On Behalf of the Board of Directors

Place : Indore

Date : 30.08.2012

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)

Name of Director	Mr. Murlidhar Vashist
Date of Birth	10.06.1974
Date of Appointment	22.10.2009
Expertise in specific functional area.	Audit, Finance & Taxation
Qualification	FCA
List of outside Directorship held in Public Limited Companies	-
Chairman / Member of the Committee of the Board of Directors of the Company	Audit Committee – Member Shareholder Committee – Chairman Remuneration Committee - Member



DIRECTOR'S REPORT

To,

The Members

Your Directors have pleasure in presenting the 27th Annual Report on the business and operations of the Company and the Audited Financial Statement for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	2011-2012	2010-2011
Sales & Other Income	51236.08	43763.35
Total Expenditure	47940.73	41645.36
Earning Before Finance Cost,		
Depreciation and Tax	3295.35	2117.99
Less: Financial Costs	2038.41	953.37
Depreciation and Amortization		
Expenses	451.90	246.47
Profit Before Tax	805.04	918.15
Current Tax	175.00	182.00
Deferred Tax	256.18	153.01
Relating to earlier years Tax	(18.64)	-
Profit (Loss) for the year	392.50	583.13
Basic & Diluted Earning Per Equity		
Share of Face Value of Rs.10 each	1.34	2.00

DIVIDEND

The Directors recommend for a dividend of Rs.0.5 per Equity Share of Rs.10/- each (i.e. 5%) for the year ended 31st March 2012.

BUSINESS REVIEW

Your Company continued to maintain its upward trend by registering Sales of Rs. 51,192.53 lacs as against Rs. 43,544.30 lacs in the previous year. Profit before Finance Costs, Depreciation, and Tax has increased from Rs. 2,117.99 lacs to Rs. 3,295.36 lacs. After providing for finance costs and Depreciation amounting to Rs. 2,038.41 lacs and Rs. 451.91 lacs respectively, the Profit before Tax for the year under review has amounted to Rs. 805.03 lacs as compared to Rs 918.14 lacs in the previous year. Net profit After Tax for the year has decreased to Rs. 392.50 lacs as compared to Rs 583.13 lacs in the previous year.

FUTURE OUTLOOK

Despite significant growth of industrial and service sector in India, agriculture continues to be the main occupation of vast population of our country and it significantly contributes to our national Gross Domestic Product (GDP). The Central Government as well as various State Governments are giving grants to drip irrigation system so that our farmers use the best quality products to ensure higher yield, better quality and water conservation.

Keeping in view of the vast potentiality of micro irrigation business in India, the Company intends to add drip irrigation lines, HDPE lines, PVC lines, injection molding machines and moulds as per requirements every year, the capital cost of which shall be approximately 15 to 20 crores.

NEW INITIATIVES

1. The Company outsourced various product and accessories used in micro irrigation and sprinkle irrigation systems which results in heavy cost. In order to save cost the Board take initiatives for acquiring additional varieties of moulds for in-house manufacture of all these product and accessories.
2. Considering the prospective demand of drip irrigation systems in various states and looking towards the current order position the Board decided to set up additional drip line at existing plant at Pithampur, Dist. Dhar, Indore (M.P.).

SIGNIFICANT DEVELOPMENTS

1. The Company 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.
2. The Company has successfully installed additional capacity for production of 2400 M.Ts of sprinkler pipes.

DIRECTORS

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

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 2011-12 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;
- 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;
- 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 **Mukesh Sangla**
Date : **30.08.2012** Chairman cum Managing Director

ANNEXURE- A

Information under section 217 (1) (e) Read 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 2012.

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-

- Modifications /Improvements in process to result in less consumption of the energies for the same output.
- Installation of proper equipments to improve the power factor.
- Continuous training of operating staff for effective use of utilities.
- 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:

- 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.

- Future plan of Action

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

Foreign Exchange Earning and Outgo

Rs. In lacs

S.N.	Particulars	Current Year	Previous Year
(i)	Foreign Exchange Earnings FOB Value of Exports	NIL	NIL
(ii)	Foreign Exchange Outgo Value of Import on CIF basis	10781.03	4705.13

For & On Behalf of the Board of Directors

Place : Indore **Mukesh Sangla**
Date : **30.08.2012** 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 31st March 2012, the Board of the Company consisted of five Directors, of which three are non-executive as on 31st March 2012.

The Board has no institutional nominee directors.

During the year, 6 Meetings of the Board of Directors of the Company were held on 30th May 2011, 14th July 2011, 12th August 2011, 14th November 2011, 5th January 2012 and 14th February 2012. The maximum gap between any two meetings did not exceed four months.

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	
					Chairman	Member
Mr. Mukesh Sangla	Promoter					
	– Executive Director	6	Yes	6	-	-
Mr. Saurabh Sangla	Promoter					
	– Executive Director	6	Yes	5	-	3
Mr. Dipak Kalani	Independent	6	Yes	5	1	2
Mr. Deepak Mehta	Independent	6	Yes	1	1	2
Mr. Murli Dhar Vashist	Independent	6	Yes.	-	1	2

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 will be held 4 times on 30th May 2011, 12th August 2011, 14th November 2011 and 14th February 2012. The details of the meetings held and attended are as given below:

Name of Director	Meetings held	No. of Meetings attended
Mr. Dipak Kalani	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 30th May 2011 during the year 2011-2012. The composition of the remuneration committee is as follows:

Mr. Dipak Kalani, Mr. Saurabh Sangla, Mr. Deepak Mehta and Mr. Murli Dhar Vashist.

V Shareholders and Investor's Grievance Committee

The Committee Meeting was held on 10th August 2011 during the year 2011-2012. There were no complaints pending for reply as on 31st March 2012 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. Dipak Kalani, 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 Certification

The CMD 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
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, 2nd Floor, Hotel Kohinoor Continental, J.B.Nagar, Andheri - Kurla Road, Andheri (East), Mumbai – 400 059	2.09.2010	01.00 P.M.
2008-2009	308, Acme Plaza, Opp. Sangam Cinema, Andheri Kurla Road, Andheri (E) Mumbai – 400 059	30.09.2009	04.00 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

- i. 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.
- ii. 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 : 24th September 2012
 Day : Monday
 Time : 11.30 A.M.
 Venue : HOTEL SUNCITY RESIDENCY, (A Division of Royal Sojourn Pvt. Ltd.),
 16th Road, MIDC, Marol, Andheri (E) Mumbai 400093

Date of Book Closure

The Register of Members and Share Transfer Register of the Company will remain close from Monday, 17th September, 2012 to Monday, 24th September, 2012 (both days inclusive).

Financial Calendar 2011-2012

1	First Quarter Results	August 2012
2	Second Quarter & Half Yearly Results	November 2012
3	Third Quarter Results	February 2013
4	Fourth Quarter	May 2013

Listing of Securities

Name of the Stock Exchanges
 Madhya Pradesh Stock Exchange, The Stock Exchange Mumbai,
 201, Palika Plaza Phiroze Jeejeebhoy Towers,
 M.T.H. Compound Dalal Street,
 Indore - 452001. Mumbai - 400 001

Your Company confirms that it has paid annual listing fees to the Stock Exchanges for the year 2012-13 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, 2011	95.70	85.30
May, 2011	102.90	87.00
June, 2011	95.55	83.62
July, 2011	97.50	83.50
August, 2011	104.45	85.20
September, 2011	102.00	93.00
October, 2011	109.95	91.60
November, 2011	98.00	77.95
December, 2011	97.35	80.05
January, 2012	94.50	79.90
February, 2012	100.80	76.00
March, 2012	108.25	89.75

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 2012 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
Total	575	100.00	291870000	100.00

The Shareholding Pattern as on 31st March 2012 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
	Total	2,91,87,000	100.00

Dematerialization of Shares and Liquidity

Equity shares of the Company are under compulsory demat trading by all categories investors. As on 31st March 2012, 2,90,37,900 equity shares have been dematerialized which account for 99.49% of the total equity.

Address for Correspondence

The Shareholders may address their communications to:

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

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

In 2011-12, India found itself in the heart of these conflicting demands namely balancing growth and price stability without adequate innovative latitude in policy making to sustain economic growth. As a result, Indian economic growth declined to 6.5% in 2011-12 from 8.4% in 2010-11. Despite low growth, India remains one of the fastest-growing global economies, as all major countries including the fast-growing emerging economies witnessed a significant slow-down due to Global factors contributed to the domestic economic slowdown, particularly the euro zone area crisis and near-recessionary conditions prevailing in Europe; sluggish growth in many other industrialised countries, like the US; stagnation in Japan; hardening international crude oil prices, among others..

The growth rate of the Indian plastics industry is one of the highest in the world, with plastics consumption growing at 16% per annum (compared to 10% p.a. in China and around 2.5% p.a. in the UK). With a growing middle class (currently estimated at 50 million) and a low per capital consumption of plastics, currently 8kg per head, this trend is likely to continue. The Plastindia Foundation estimates that plastics consumption is likely to reach 16kg per head by 2015.

The demand for PVC Pipes continued to show strong growth during the year under review. PVC Pipes are mainly used in rural areas for Agriculture and Irrigation sectors. The pan India network of dealers has enabled your company to reach even the remotest villages of India. The brand equity of your Company along with high quality of plumbing and sanitation pipes has posted growth in this sector.

The India market for micro irrigation has been developing at a fast rate. Micro irrigation systems are mainly of two types, drip and sprinkler irrigation systems. The water consumption level is quite low in drip irrigation as compared to the sprinkler irrigation method, which is why the share of drip irrigation is constantly on rise in the Indian markets, but still the share of drip irrigation is less than the sprinkler irrigation. But in the coming years, the drip irrigation techniques are likely to overshadow the sprinkler method of irrigation.

Opportunities and Threats

India's plastics processing sector will grow from 69,000 machines to 150,000 machines by the year 2020. India's demand for plastics in irrigation alone is pegged to cross 2.5 million tonnes by 2015. Indian automobile industry is growing at more than 18% p.a. and is hungry for plastics. The plastics processing industry is a source of great potential for global businesses. There is tremendous scope for innovative technological upgradations.

Despite India having a population of 1.15 billion and a work force of 467 million, plastics companies have reported problems with labour shortages. This has led to increased investment in technology such as automation and conveyor belt systems.

Apart from the shortage of a skilled labour, the plastics industry is also facing the problem of a nationwide power deficit. The electricity demand deficit is 12-13 per cent. This provides excellent opportunities for firms offering energy saving solutions, power saving machines and ancillary equipment.

Internal Control Systems

At Signet, stringent internal control systems and procedures facilitated optimal resource utilisation by keeping a check on unauthorised use of products. The Company's regular checks at every stage of its production and dispatch cycle ensured strict operational and quality compliance. An Audit Committee, headed by a Non-Executive Independent Director, reviewed audit observations periodically. The Audit Committee of Directors, in its periodical meetings, review the adequacy of internal control systems and procedures and suggest areas of improvements

Material Development in Human Resources

The Signet work culture synchronizes a diverse plethora of talents towards one single goal- Success. Leveraging on the higher side of professional integrity and sound management, Signet has scripted many success stories, giving ambitious ventures the dimensions of reality. By giving complete freedom of thought and expression to all our members, we churn out the best in every individual, collectively cumulating to better results. Further more, we also give due weight age to risk management ensuring proper risk control at every stage of the business.

Cautionary Statement

The Management Discussions and Analysis Statement made above are on the basis of available data as well as certain assumptions as to the economic conditions, various factors affecting raw material prices, selling prices, trend and consumer demand and preference, governing and applicable laws and other economical and political factors. The Management cannot guarantee the accuracy of the assumptions and projected performance of the Company in future. It is therefore, cautioned that the actual results may differ from those expressed and implied therein.



CMD CERTIFICATION

We, the Chairman and Managing Director appointed in terms of the Companies Act, 1956 of the Company, 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: 30.05.2012

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

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Signet Industries Limited

We have examined the compliance of conditions of corporate governance by Signet Industries Limited, Mumbai for the year ended on 31st March 2012, 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 the Company 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 the Company.

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

Place : Indore
Date : 30.05.2012

(Avinash Baxi)
(Partner)
M.No.79722



AUDITORS REPORT

To,
The Members of

SIGNET INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of SIGNET INDUSTRIES LIMITED as at 31st March, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 (as amended), issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are prepared in compliance 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 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner 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 31st March, 2012;
 - ii. In the case of 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.

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

Place : Indore
Date : **30TH May, 2012**

CA Avinash Baxi
Partner
M.No. 79722



ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 3 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. As per the information given to us the fixed assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. 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 Inventories:
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. 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. The Company is maintaining proper records of inventory. As explained to us, there were no 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 loans secured or unsecured to companies, firms or other parties covered in the register maintained U/s 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 U/s 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 explanation 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 U/s 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. 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.
 - 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 material statutory dues



applicable to it. There were no undisputed statutory dues in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.

- b) According to the information and explanation given to us, the particulars of dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited with appropriate authorities on account of any dispute are as under :

Name of the Statute	Nature of Liability	Period to which the amt. Relates	Forum where dispute is pending	Amount (Rs. in Lacs)
Income Tax Act, 1961.	Income Tax	2008-09	CIT Appeal	5.97
Income Tax Act, 1961.	Income Tax	2009-10	CIT Appeal	8.38
Sales Tax	Value Added Tax Act, 2002	2008-09	Add. Comm Commercial Tax (Appeal)	2.89
Custom & Central Excise	Excise Duty	2007-08	Commisioner (Appeal)	11.81
Custom & Central Excise	Excise Duty	2009-10	Add. Commissioner	16.04

- x. In our opinion, the Company has no accumulated losses as at 31st March 2012 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 Institution or Bank. The Company has not issued any debenture.
- xii. 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. According to the information and explanations given to us, and the representations made by the management, the Company has given guarantee for loans taken by others from Bank. In our opinion the terms and condition of the guarantee given are not prejudicial to the interest of the company.
- xvi. According to the information and explanations given to us, the term loan has been applied for the purpose it was raised.
- 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. According to the information and explanations given to us 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. According to the information and explanations given to us, during the period covered by our audit report, 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 not 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 : **30TH May, 2012**



Balance Sheet as at 31st March, 2012

(in Rs.)

Particulars	Note Reference No.	As at 31st March 2012	As at 31st March 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	291,870,000.00	291,870,000.00
(b) Reserves and Surplus	2	58,474,622.00	36,185,343.00
		350,344,622.00	328,055,343.00
(2) Share application money	3	50,000,000.00	35,500,000.00
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	954,845,046.00	704,045,661.00
(b) Deferred tax liabilities (Net)	5	83,444,810.00	57,827,001.00
(c) Long term provisions	6	1,128,673.00	797,563.00
		1,039,418,529.00	762,670,225.00
(3) Current Liabilities			
(a) Short-term borrowings	7	1,419,153,77.00	1,162,746,982.00
(b) Trade payables	8	1,374,222,649.00	635,596,345.00
(c) Other current liabilities	9	426,704,409.00	71,713,257.00
(d) Short-term provisions	10	17,031,069.00	43,569,511.00
Total		3,237,111,904.00	1,913,626,095.00
		4,676,875,055.00	3,039,851,663.00
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	754,938,706.00	538,053,350.00
(ii) Capital work-in progress		39,361,639.00	54,028,798.00
(b) Non-current investments	12	76,945,880.00	77,080,880.00
(c) Long term loans and advances	13	58,004,193.00	90,319,186.00
		929,250,418.00	759,482,214.00
(2) Current assets			
(a) Inventories	14	673,722,503.00	540,408,489.00
(b) Trade receivables	15	1,859,247,368.00	1,397,135,370.00
(c) Cash and Bank Balances	16	498,033,802.00	182,041,921.00
(d) Short-term loans and advances	17	204,723,250.00	127,126,506.00
(e) Other current assets	18	511,897,714.00	33,657,163.00
		3,747,624,637.00	2,280,369,449.00
Total		4,676,875,055.00	3,039,851,663.00
Notes forming integral part of the financial statement	1 to 46		

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

FOR AND ON BEHALF OF BOARD OF DIRECTOR

CA Avinash Baxi
Partner
M.No.:79722

Mukesh Sangla
Managing Director

Saurabh Sangla
Director

Place: Indore
Date : 30th May, 2012

**Statement of Profit and Loss for the year ended 31st March 2012**

Particulars	Note No	for the year ended 31st March 2012	for the year ended 31st March 2011
I. INCOME			
a. Revenue from operations	19	5,172,249,890.00	4,376,189,223.00
Less excise duty		5,29,96,120.00	2,17,58,682.00
b. Other Income	20	4,355,087.00	21,904,462.00
Total Revenue		5,123,608,857.00	4,376,335,003.00
II. EXPENSES			
a. Cost of materials consumed	21	965,381,450.00	513,610,308.00
b. Purchases of Stock-in-Trade	22	3,596,821,893.00	3,796,813,016.00
c. Changes in inventories of finished goods work-in- progress and Stock-in-Trade	23	(113,576,746.00)	(311,544,934.00)
d. Employee Benefits Expenses	24	59,535,793.00	23,856,897.00
e. Finance costs	25	203,841,239.00	95,337,569.00
f. Depreciation and Amortization Expenses	11	45,190,824.00	24,647,142.00
g. Other Expenses	26	285,910,782.00	141,800,830.00
Total Expenses		5,043,105,235.00	4,284,520,828.00
III. Profit before exceptional and extraordinary items and tax		80,503,622.00	91,814,175.00
IV. Exceptional / Extraordinary Items		-	-
V. Profit before tax (III - IV)		80,503,622.00	91,814,175.00
VI. Tax expense :			
a. Current tax		(17,500,000.00)	(18,200,000.00)
b. Deferred tax		(25,617,809.00)	(15,300,942.00)
c. Relating to earlier years		1,864,397.00	-
VII. Profit for the Year		39,250,210.00	58,313,233.00
VIII. Earning per Equity share of Rs. 10 each Basic and Diluted (in Rs.)		1.34	2.00

Notes forming integral part of the financial statement 1 to 47

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

CA Avinash Baxi
Partner
M.No.:79722

FOR AND ON BEHALF OF BOARD OF DIRECTOR

Mukesh Sangla
Managing Director

Saurabh Sangla
Director

Place: Indore
Date : 30th May, 2012



SIGNET INDUSTRIES LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012		
	For the year 2011-2012	for the year 2010-2011
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before extraordinary items & Tax	80,503,622.00	91,814,175
ADJUSTMENT FOR :		
Depreciation	45,190,824.00	24,647,142
Interest Paid	215,202,147.00	95,942,859
Loss/(Profit) on sales of Fixed Assets	0.00	82,803
Investments W/off	135,000.00	0
Dividend	(4,355,087.00)	(745,325)
Interest Received	(25,489,431.00)	(12,047,727)
Operating Profit Before Working Capital Change	311,187,075	199,693,927
ADJUSTMENT FOR :		
Inventories	(133,314,014.00)	(412,886,056)
Trade & Other Receivables	(1,041,026,055.00)	(613,745,026)
Trade & Other Payables	1,032,176,102.00	907,321,304
Cash Flow From Operations	169,023,108	80,384,149
Taxes Paid (Including dividend tax)	(24,508,535.00)	(26,528,085)
Net Cash From Operating Activities	144,514,573	53,856,064
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(184,170,600.00)	(384,136,653)
Dividend	4,355,087.00	745,325
Interest Received	25,489,431.00	12,047,727
Sales of Fixed Assets	0.00	339,000
Purchase of shares	0.00	(15,000,000)
Bank balances not considered as cash and cash equivalent	(163,816,088.00)	(118,452,846)
Net Cash Used in Investing Activities	(318,142,170)	(504,457,447)
CASH FLOW FINANCIAL ACTIVITIES		
Proceed From Borrowing	1,307,474,871.00	554,943,371
Repayment of Borrowings	(738,426,088.00)	(98,924,692)
Share Application money	14,500,000.00	35,500,000
Interest Paid	(215,202,147.00)	(95,942,859)
Dividend Paid (Inclusive of dividend Tax)	(42,543,245.00)	
Net Cash Flow From Financing Activities	325,803,391	395,575,820
Net Increase/(Decrease) in Cash & Cash Equivalent	152,175,794	(55,025,563)
Cash & Cash Equivalents at Beginning of the Year	63,589,074.00	118,614,637
Cash & Cash Equivalents at End of the Year	215,764,868.00	63,589,074
Bank balances not considered as cash and cash equivalent	282,268,934.00	118,452,846
Cash and Bank balances at the end of the year	498,033,802.00	182,041,920.00
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
Place: Indore Date : 30.05.2012		CA Avinash Baxi Partner M.No.: 79722



Notes forming part of the Financial Statements

Particulars	As at 31st March 2012	As at 31st March 2011
Note 1. Share Capital		
Authorised		
3,00,00,000 Equity shares of Re.10 each	300,000,000.00	300,000,000.00
50,00,000, 5% Non-Cumulative Redeemable Preference Share of Rs.10 each.	50,000,000.00	50,000,000.00
	350,000,000.00	350,000,000.00
Issued, Subscribed and Paid up		
2,91,87,000 Equity shares of Rs. 10 each	291,870,000.00	291,870,000.00
	291,870,000.00	291,870,000.00

1.1 During the year ending March 31, 2011 the company allotted 24322500 equity shares as fully paid up bonus shares by capitalisation of Share Premium Reserve Rs.40500000/- and Surplus in Statement of Profit and Loss Rs. 202725000/-

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.

1.2 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, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

1.3 The details of Shareholders holding more than 5% shares:

Name of the Shareholders	As at 31st March, 2012		As at 31st March, 2011	
	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%
Saurabh Sangla	1,812,000	6.21%	1,812,000	6.21%
Ornate Leasing & Finance Pvt. Ltd.	2078400	7.12%	2,078,400	7.12%
Monica Sangla	1,843,500	6.32%	1,843,500	6.32%
Signate Leasing & Finance Pvt. Ltd.	2,065,746	7.08%	2,065,746	7.08%

1.4 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st ch, 2012		As at 31st ch, 2011	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning of the year *	29,187,000	29,187,000.00	4,864,500	4,864,500.00
Add : Issue of Bonus shares	-	-	24,322,500	24,322,500.00
Add: Shares issued during the year	-	-	-	-
Equity Shares at the year	29,187,000	29,187,000.00	29,187,000	29,187,000.00

Note 2 Reserves and Surplus

Securities Premium Account

Since last year	-	-	40,500,000.00
Add: Premium on shares issued during the year	-	-	-
Less: Utilised during the year for Issuing bonus shares	-	-	40,500,000.00
	-	-	40,500,000.00
	-	-	-



Particulars	As at 31st March 2012	As at 31st March 2011
General Reserve		
Since last year	13,625,425.00	3,625,425.00
Add: Transfer from Statement of Profit and Loss	-	10,000,000.00
	13,625,425.00	13,625,425.00
Surplus in Statement of Profit and Loss		
Since last year	22,559,918.00	219,514,930.00
Add: Profit for the year	39,250,210.00	58,313,233.00
	61,810,128.00	277,828,163.00
<u>Less: Appropriations:</u>		
Utilised during the year for issue of bonus share	-	202,725,000.00
Proposed Dividend	14,593,500.00	36,483,750.00
Tax on Dividend	2,367,431.00	6,059,495.00
Transfer to General Reserve	-	10,000,000.00
	16,960,931.00	255,268,245.00
	44,849,197.00	22,559,918.00
Total	58,474,622.00	36,185,343.00
Note 3 Share Application Money		
Shares Application on Redeemable Preference Shares	50,000,000.00	35,500,000.00
	50,000,000.00	35,500,000.00
<p>The Company has received share application of Rs. 50,000,000 for issue of 5,000,000 5% Non Cumulative Redeemable Preference Shares of Rs 10/- each.</p> <p>The Preference shares are to be allotted within six months from receipt of the entire application money. The company has sufficient authorised capital to issue and allot the Proposed Preference share, and no interest is payable on the share application money pending for allotment.</p>		
Note 4 Long Term Borrowings		
Secured		
a. From Banks		
Term Loans	471,602,828.00	439,450,655.00
(Refer note no. 30)		
b. Others		
LIC Loan	18,442,547.00	15,921,162.00
(Refer note (a) given below)		
c. Buyers Credit	65,780,869.00	-
(Refer note (b) given below)		
d. Vehicle Loan	1,104,958.00	-
(Refer note (c) given below)		
Unsecured		
Intercompany Loans	397,913,844.00	248,673,844.00
Total	954,845,046.00	704,045,661.00
NOTE:		
a) LIC Loan is secured by lien on Key man Insurance Policies issued by Life Insurance Corporation of India for Shri Mukesh Sangla and Shri Saurabh Sangla Directors of the company		
b) Buyers credit is secured against the charge on Imported plant and machineries.		
c) Vehicle Loan is secured by hypothecation of respective cars. The loan Rs. 6.27 lacs carries rate of interest @ 11.35% p.a and is repayable in 36 monthly installments of Rs. 36195/- each and vehicle loan Rs. 4.78 lacs Carries rate of interest @11.55% and repayable in 36 monthly installment of Rs. 26400/- each.		



Particulars	As at 31st March 2012	As at 31st March 2011
Note 5 Deferred Tax Liability (Net)	-	-
Deferred Tax Liability		
Depreciation difference on Fixed Assets	83,839,866.00	58,091,872.00
Deferred Tax Assets	-	-
Disallowance under the Income Tax Act 1961	395,056.00	264,871.00
	-	-
Total	83,444,810.00	57,827,001.00
Note 6 Long Term Provisions		
For Employee Benefits	1,128,673.00	797,563.00
Total	1,128,673.00	797,563.00
Note 7 Short Term Borrowings		
Secured		
Working capital Loans		
a. From Banks	656,433,279.00	447,215,029.00
b. Buyers credit	761,544,498.00	715,481,953.00
Unsecured		
Deposit	1,176,000.00	50,000.00
Total	1,419,153,777.00	1,162,746,982.00
Note :		
a. Working Capital Loans from Banks are secured against hypothecation of stock of raw materials, work in process, 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. Buyers Credit is secured by lien/pledge of fixed deposit receipts with the bank.		
Note 8 Trade payable		
Micro, Small and Medium Enterprises (Refer note no. 29)	-	-
Others	1,374,222,649.00	635,596,345.00
	1,374,222,649.00	635,596,345.00
Note 9 Other Current Liabilities		
Current Maturities of Long Term Debt	85,912,738.00	22,944,136.00
Interest accrued but not due on borrowing	11,227,783.00	3,787,456.00
Unpaid Dividend	367,463.00	367,463.00
Other Payables		
Statutory Dues	31,073,993.00	9,713,254.00
Creditors for Capital Expenditure	18,963,136.00	7,709,140.00
Advances from Customers	271,521,224.00	21,885,117.00
Other liabilities	7,638,072.00	5,306,691.00
Total	426,704,409.00	71,713,257.00
Note 10 Short Term Provisions		
Proposed Dividend	14,593,500.00	36,483,750.00
Tax on Proposed Dividend	2,367,431.00	6,059,495.00
For employee benefit	70,138.00	-
For Taxation (Net off advance Tax Nil (Pre Yr Rs.64864156)	-	1,026,266.00
Total	17,031,069.00	43,569,511.00



Note 11 Fixed Assets

Name of the Assets	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 01.04.2011	Addition	Borrowing Cost	Deduction	Total	Upto 31.03.2011	Adjustment	For the Year	Total	As on 31.03.2012	As on 31.03.2011	
Tangible Assets												
Land - Freehold	100760.00	0.00	0.00	0.00	100760.00	0.00		0.00	0.00	100760.00	100760.00	
Land - Lease hold	10429554.00	0.00	0.00	0.00	10429554.00	231768.00		347304.00	579072.00	9850482.00	10197786.00	
Building	107194580.00	29522963.00	0.00	0.00	136717543.00	624729.00		4011748.00	4636477.00	132081066.00	106569851.00	
Plant & Machinery	368817849.00	226721225.00	0.00	0.00	595539074.00	48020165.00		32541316.00	80561481.00	514977593.00	320797684.00	
Windmill	109912344.00	0.00	0.00	0.00	109912344.00	22648772.00		5220836.00	27869608.00	82042736.00	87263572.00	
Furniture & Fixtures	13223238.00	642922.00	0.00	0.00	13866160.00	2554580.00		854823.00	3409403.00	10456757.00	10668658.00	
Office Equipment	4369444.00	2745099.00	0.00	0.00	7114543.00	2589677.00		371590.00	2961267.00	4153276.00	1779767.00	
Vehicle	18297883.00	2443971.00	0.00	0.00	20741854.00	17622611.00		1843207.00	19465818.00	1276036.00	675272.00	
Total :	632345652.00	262076180.00	0.00	0.00	894421832.00	94292302.00		45190824.00	139483126.00	754938706.00	538053350.00	
Previous year :	304208702.00	330107854.00	0.00	1970905.00	632345651.00	71194261.00	1549102.00	24647142.00	94292301.00	538053350.00	-	



Particulars	As at 31st March 2012	As at 31st March 2011
Note 12 Non current Investments	-	-
Non Trade		
a. In Government Securities (unquoted)		
National Savings Certificate	5,000.00	5,000.00
Total (a)	5,000.00	5,000.00
b. In Mutual Fund		
5000 units Morgan Stanley Mutual Fund	35,000.00	35,000.00
Total (b)	35,000.00	35,000.00
c. in Equity Sahres (quoted)		
2000 Equity Shares of Rs. 10/- each of Andhra Petro Chemicals Ltd. Fully Paid up.	47,740.00	47,740.00
4000 Equity Shares of Rs. 10/- each of Tirupati Starch & Chemicals Ltd. Fully Paid up.	58,500.00	58,500.00
15000 Equity Shares of Rs. 2/- each of DCW Ltd. Fully Paid up	131,600.00	131,600.00
500 Equity Shares of Rs. 10 each of Nagarjun Fertilizers Ltd. Fully Paid up	10,500.00	10,500.00
6 Equity Shares of Rs. 10 each of Reliance Industries Ltd. Fully Paid up.	8,450.00	8,450.00
Nil (Pre.Year 5000) Equity Shares of Rs. 10 each of Kaveri Engg. Ind. Ltd. Fully Paid up.	-	135,000.00
3200 Equity Shares of Rs. 10 each of Clariant Chemical India Limited. Fully Paid up	200,800.00	200,800.00
63600 Equity Shares of Rs. 10 each of Tribhuvan Housing Finanace Ltd.	500,000.00	500,000.00
7800 Equity Shares of Rs. 10 each of UCO Bank Ltd.	93,600.00	93,600.00
435 Equity Shares of Rs. 10 each of Reliance Power Ltd	122,400.00	122,400.00
5000 Equity Shares of Rs. 10 each of M.P. Investments Ltd.	274,565.00	274,565.00
4000 Equity Shares of Rs. 10 each of Herald Commerce Ltd	457,725.00	457,725.00
Total (c)	1,905,880.00	2,040,880.00
d. in Equity Shares (Unquoted)		
2882858 Equity Shares of Adroit Industries (India) Limited of Rs. 10 each	75,000,000.00	75,000,000.00
Total (d)	75,000,000.00	75,000,000.00
Grand Total	76,945,880.00	77,080,880.00
Market Value of Quoted Investment	2,980,611.00	2,163,000.00
Book Value of Quoted Investment	1,905,880.00	2,040,880.00
Book Value of Unquoted Investment	75,040,000.00	75,040,000.00
Note 13 Long Term Loans and Advances	-	-
Unsecured considered good		
Capital Advances	-	63,238,421.00
Balances with Government Authorities & others	31,119,134.00	10,584,263.00
Security Deposits	16,600,223.00	14,348,334.00
Advance income tax (net of provision Rs. 63500000 Pre. Yr Nil)	7,846,665.00	-
Others	2,438,171.00	2,148,168.00
Total	58,004,193.00	90,319,186.00



Particulars	As at 31st March 2012	As at 31st March 2011
Note 14 Inventories	-	
(As valued and certified by management)		
Raw Materials	130,206,271.00	124,416,281.00
Work in Progress	26,285,273.00	-
Finishes Goods	272,674,260.00	127,777,109.00
Stock in Trade	236,068,779.00	286,519,318.00
Stores, Spares and Consumables	8,487,920.00	1,695,781.00
Total	673,722,503.00	540,408,489.00
Note 15 Trade Receivables	-	
(Unsecured considered good)		
Outstanding Over Six Months from the date they were due	202,081,735.00	19,290,527.00
Other debts	1,657,165,633.00	1,377,844,843.00
Total	1,859,247,368.00	1,397,135,370.00
Note 16 Cash and Bank Balances	-	
a. Cash and Cash Equivalents		
i. Balances with Banks		
in Current Accounts	11,607,551.00	12,218,480.00
in Deposit Accounts with maturity less than 3 months	141,670,558.00	50,001,848.00
ii. Cash on hand	62,486,759.00	1,368,747.00
	215,764,868.00	63,589,075.00
b. Other Bank Balances		
Short Term Deposit with maturity more than 3 months	282,268,934.00	118,452,846.00
Total	498,033,802.00	182,041,921.00
Deposits includes :		
Fixed deposits having maturity more than 12 months	96,933,522.00	71,350,000.00
Earmarked for Buyers credit limit	423,939,492.00	168,454,694.00
Note 17 Short Term Loans and Advances	-	
(Unsecured considered good)		
Security Deposits	1,024,781.00	6,005,758.00
Loans and Advances to Employees	45,270,034.00	560,356.00
Balance with Government Authorities	142,447,029.00	107,917,456.00
Others	15,981,406.00	12,642,936.00
Total	204,723,250.00	127,126,506.00
Note 18 Other Current Assets	-	
(Unsecured considered good)		
Advance to Suppliers	488,158,152.00	24,203,091.00
Others		
Interest Accrued on deposits	16,967,608.00	7,488,944.00
Claims and other receivable	6,771,954.00	1,965,128.00
Total	511,897,714.00	33,657,163.00
Note 19 Revenue from Operations	-	
Sales of Products	5,120,981,432.00	4,346,142,016.00
Less: Excise Duty	52,996,120.00	21,758,682.00
	5,067,985,312.00	4,324,383,334.00
Sales of Wind Power	19,673,050.00	11,649,287.00
Sales of Services	12,459,660.00	18,397,920.00
Other Operating revenues	19,135,748.00	-
Total	5,119,253,770.00	4,354,430,541.00



Particulars	As at 31st March 2012	As at 31st March 2011		
Details of Sales of product				
Poly product	3,501,518,836.00	3,322,448,412.00		
Chemicals	1,233,549,676.00	939,907,504.00		
Others	385,912,920.00	83,786,100.00		
	5,120,981,432.00	4,346,142,016.00		
Note 20 Other Income				
Divided income from Non current Investments	4,355,087.00	745,325.00		
Exchange Fluctuation gain (net)	-	20,991,853.00		
Other non-operating income	-	167,284.00		
Total	4,355,087.00	21,904,462.00		
Note 21 Cost of Materials Consumed				
Raw Material Consumed				
Opening stocks	124,416,281.00	26,145,218.00		
Add: Purchases	971,171,440.00	611,881,371.00		
	1,095,587,721.00	638,026,589.00		
Less: Closing stocks	130,206,271.00	124,416,281.00		
Raw Material Consumed	965,381,450.00	513,610,308.00		
Imported and Indigenous Raw materials and stores & spares consumed:				
	year ended	%	year ended 31st	%
	31st march, 2012		march,2012	
Raw Material				
Imported	323,870,564.00	33.55	-	0.00
Indigenous	641,510,886.00	66.45	513,610,308.00	100.00
Details of Raw Materials				
Poly Product and Accessories	965,381,450.00		513,610,308.00	
	965,381,450.00		513,610,308.00	
Note 22 Purchases of stock in trade				
Purchases	,596,821,893.00		,796,813,016.00	
	3,596,821,893.00		3,796,813,016.00	
Details of Purchase of stock in trade				
Poly Product	2,079,182,310.00		2,768,256,173.00	
Chemicals	1,236,308,483.00		809,694,243.00	
Others	281,331,100.00		218,862,600.00	
	3,596,821,893.00		3,796,813,016.00	
Note 23 Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade				
Closing stock				
Finished Goods	272674260.00		127,777,109.00	
Work in Progress	26285273.00		-	
Traded Goods	236068779.00		286,519,318.00	
	535,028,312.00		414,296,427.00	
Less : Opening Stocks				
Finished Goods	127777109.00		20,124,793.00	
Work in Progress	0.00		-	
Traded Goods	286519318.00		78,635,140.00	
	414,296,427.00		98,759,933.00	
Changes in Inventories	(120,731,885.00)		(315,536,494.00)	
Increase/decrease of Excise duty on inventory	7,155,139.00		3,991,560.00	
	(113,576,746.00)		(311,544,934.00)	



Particulars	As at 31st March 2012	As at 31st March 2011
Note 24 Employee Benefits Expense	-	-
Salaries and Wages	57,037,388.00	22,590,587.00
Contribution to Provident and other funds	1,779,266.00	987,577.00
Staff Welfare Expenses	719,139.00	278,733.00
Total	59,535,793.00	23,856,897.00
Note 25 Finance Costs	-	-
Interest Expenses	215,202,147.00	95,942,859.00
less: Interest Income	25,489,431.00	12,047,727.00
	189,712,716.00	83,895,132.00
Other Borrowing Cost	14,128,523.00	11,442,437.00
Total	203,841,239.00	95,337,569.00
Note 26 Other Expenses	-	-
Consumption of Stores and spares	8,203,263.00	8,079,410.00
Consumption of Packing Material	12,508,331.00	5,347,079.00
Power & Fuel	42,465,535.00	16,384,065.00
Rent	5,445,692.00	4,472,440.00
Repairs to Buildings	436,368.00	-
Repairs to Machinery	773,978.00	1,278,725.00
Repairs others	1,647,272.00	1,105,330.00
Insurance	3,030,890.00	2,076,068.00
Rates and Taxes	3,916,122.00	3,347,473.00
Payment to Auditors	165,450.00	82,725.00
Clearing and Forwarding Expenses	27,290,271.00	26,572,496.00
Loading and Unloading Expenses	2,958,203.00	1,113,159.00
Teavelling & Conveyance Expenses	13,734,104.00	4,149,136.00
Freight & cartage outward	26,099,626.00	7,067,303.00
Discount allowed	35,333,840.00	34,141,810.00
Exchange Fluctuation (net)	71,702,883.00	-
Loss on dealing in currency derivatives	229,369.00	-
Bank Charges	18,305,886.00	11,181,805.00
Legal and Professional	2,020,336.00	6,680,006.00
Telephone Expenses	1,804,361.00	1,167,222.00
Miscellaneous Expenses	7,839,002.00	7,554,578.00
Total	285,910,782.00	141,800,830.00



Notes forming part of the financial statements

	Amount in Rs.	
	2011-12	2010-11
27. <u>Contingent Liabilities</u>		
a. Bank Guarantee	50938000	21150000
b. Income Tax/ Sales tax / Excise Duty demand disputed in appeal (Net of amount paid)	4508361	5105014
c. Estimated amount of contracts remaining to be executed capital commitment (Net of Advance)	—	60753329
d. Corporate guarantee given on behalf of others	<u>100000000</u>	
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.5695.30 Lacs (Pre. Year Rs. 2305.20 Lacs).		
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. No interest is paid / payable during the year to any enterprise registered under MSME.		
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								
Sr. No.	Name of Bank	a. Sanctioned amount b. Outstanding as at the year end	Tenure	Primary Security	Collateral Security	Repayment	Personal Guarantee	Corporate Guarantee
1	Dena Bank	a. Rs. 100 lacs b. Rs 882.38 lacs	7.5 Yrs	1 st 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.	2 nd pari passu charges on current assets of the company with other consortium members	24 scattered quarterly installments starting from 2011-12 and last installment due in 2017-18. Rate of interest 13.45% (Pre. Year 11.00%)	Director Shri Mukesh Sangla Shri saurabh Sangla & others Smt. Monica Sangla	Kamdeep Marketing Private Limited
2	Indian Overseas Bank	a. Rs. 250 lacs b. Rs.45.33 lacs	5.5Yrs	1. First Pari passu charge with UCO Bank by way of equitable mortgage on the immovable property vide survey no. 314/2 situated at Kelodhala, Dewas Nanaka Indore belonging to Smt. Monica Sangla. 2. First pari passu charge by way of hypothecation of plant & machineries situated at Dewas Naka, Indore, with UCO Bank. 3. First charge on entire fixed assets of the company on pari passu along with other term lenders.	Second charge on current assets of the company on pari passu with other term lenders	20 quarterly installments commencing from 30th September 2010 and last installment due in June 2015. Rate of Interest 14% % (Pre. Year 11.50%)	Director Shri Mukesh Sangla Shri Saurabh Sangla Others Smt. Monica Sangla	Kamdeep Marketing Private Limited
3	Indian Overseas Bank	a. Rs. 1000 lacs b. Rs. 852.64 lacs	7.5 Yrs	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.	Second charge on current assets of the company on pari passu with other term lenders	24 quarterly installments starting from 2011-2012 and last installment due in 2017-18. rate of interest 14% (Pre. Year 11.50%)	Director Shri Mukesh Sangla Shri Saurabh Sangla Others Smt. Monica Sangla	Kamdeep Marketing Private Limited



Sr. No.	Name of Bank	a. Sanctioned amount b. Outstanding as at the year end	Tenure	Primary Security	Collateral Security	Repayment	Personal Guaratee	Corporate Guaratee
4	UCO Bank	a. Rs. 4000 lacs b. Rs. 2776.33 lacs	7.5 yrs	2. First charge on entire fixed assets of the company on pari passu along with other term lenders 1. 1 st 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.	Second charge on current assets of the company on pari passu with other term lenders,	Repayable in 24 scattered quarterly installments starting from 2011-12 and last installment due in 2017-18 Rate of Interest 14% Year 11.50%)	Director Shri Mukesh Sangla Shri Saurabh Sangla Others Smt. Monica Sangla	Kamdeep Marketing Private Limited
5	UCO Bank	a. Rs. 270 lacs b. Rs. 35.55 lacs	8 Yrs	Exclusive charge on entire wind mill at sangli, Maharashtra by way of equitable mortgage and hypothecation of plant & Machinery	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	Repayable in 28 scattered quarterly installment. Rate of interest 14% p.a. as at year end.	Director Shri Mukesh Sangla Shri Saurabh Sangla Others Smt. Monica Sangla	Kamdeep Marketing Private Limited



Sr. No.	Name of Bank	a. Sanctioned amount b. Outstanding as at the year end	Tenure	Primary Security	Collateral Security	Repayment	Personal Guarantee	Corporate Guarantee
6	UCO Bank	a. Rs. 250 lacs b. Rs. 69.00 lacs	7 Yrs	1 st pari passu mortgage and hypothecation charges land & building, plant & machinery & other immovable & movable fixed assets of the company at Kelodhala, Indore with other term lenders	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 Tukogari, Indore having Pari Passu Charge with State Bank of Indore	Repayable in 24 scattered quarterly installment commencing from Dec-08. Rate of Interest 14 % p.a. as at year end		
7	State Bank of India	4.00 Crores	7.25 Yrs	Exclusive 1 st 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)	1. 2 nd 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 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 Tukogari, Indore having Pari Passu with UCO Bank.	Repayment in 27 quarterly installments of Rs. 15 lacs started from Sept 07 and last Installment of Rs. 10 lacs due in march 2014, Rate of Interest 16%	Director Shri Mukesh Sangla Shri Saurabh Sangla Others Smt. Monica Sangla	



32. Consequent upon action u/s 132(1) of the Income Tax Act, 1961 was carried out during the year at company's premises, factory, residential premises of its directors and its associates the company offered additional income of Rs. 996 lacs in the form of stock of chick peas agricommodity, for taxation to avoid protracted litigation with revenue authorities and included proceeds thereof amounting to Rs. 1045 lacs under the head " Revenue from operation".

33. 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 aggregate amount of operating lease payments recognized in the statement of profit and loss is Rs. 5445692 (Pre. Year Rs.4472440). The company has not recognized any contingent rent as expense in the statement of profit and loss.

34. 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. Where Key Managerial Personnel Have Significant Influence/ Controlling Power

Adroit Industries (India) Limited

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

NATURE OF TRANSACTIONS	2011-2012			2010-2011		
	33A	33B	33C	33A	33B	33C
Sales			92711			—
Purchases			1464796			—
Fixed Assets acquired			278069			—
Remuneration to Director	1800000	—	—	1500000	—	—
Rent Paid	573000	1042400	—	618000	1171200	—
Rent Deposit	2500000	6000000	—	2500000	6000000	—
Payable	228940	64415	—	274546	29059	—
Investment	—	—	75000000	—	—	75000000

35 . Disclosure as per AS – 15 (Revised) 'Employee Benefits' :

Reconciliation of opening and closing balances of Defined benefit obligation.

	Gratuity.	
	2011-12	2010-11
Defined Benefit obligation at beginning of the year.	797563	564663
Current services cost	470387	242867
Interest cost	104606	66621
Actuarial (gain)/ loss	(173745)	(76588)
Benefit paid	—	—
Defined Benefit obligation at year end.	1198811	797563



Disclosure as per AS – 15 (Revised) 'Employee Benefits' for the year ended March 31, 2012.

	Gratuity.	
	2011-12	2010-11
Current services cost	470387	242867
Interest cost	104606	66621
Expected return on plan assets	—	—
Actuarial (gain)/ loss	(173745)	(76588)
Net cost	401248	232900

The principal actuarial assumptions used as at March 31, 2012 are as follows.

	2011-12	2010-11
Discount Rate	8.50%	8.25%
Rate of escalation in salary	5.00%	5.00%

36. Auditors Remuneration

	2011-12	2010-11
Audit Fees (Including S. Tax)	165450	82725

37. EARNING PER SHARE (EPS)

	2011-12	2010-11
(a) Net Profit/(Loss) after tax	39250210	58313233
(b) Weighted Average Number of Equity Shares (in Nos)	29187000	29187000
(c) Nominal Value of Per ordinary Share	10	10
(d) Basic & Diluted Earning Per Share (in Rs.)	1.34	2.00

38. Stores and Spares consumed

	2011-12		2010-11	
	Rs. In lacs	%	Rs. In lacs	%
Imported	3834909	53.25	—	—
Indigenous	4368354	46.75	8079410	100

39. During the year company has sales on consignment basis Rs. 9818.11 lacs (Pre. Yr Rs. 5774.75 lacs) commission income from which is included in sales of services.

40. Value of Import on CIF Basis

Raw Materials	900627027	1030939599
Store and Spare parts	304061	—
Capital goods	13915452	47163188

41. Expenditure in Foreign Currency

Travelling Expenses	246568	—
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42. Earning in Foreign Currency

FOB Value of Exports	—	—
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43. Proposed Dividend

The final dividend proposed for the year is as follows :

Particulars	Rs. In lacs	
	As at 31 st March, 2012	As at 31 st March, 2011
On Equity Shares of Rs. 10 each		
Amount of dividend proposed	14593500	36483750
Dividend Per Equity Share		
a. Nominal dividend	Rs. 0.50 per share	Rs. 1.25 per share



44. (a) Business segment	Poly Product Rs.	Windmill Rs.	Merchant Trading Rs.	Unallocable Rs.	Total
Segment revenue	3,565,482,376	19,673,050	1,514,962,596	0	5,100,118,022
	3,277,041,697	11,649,287	1,031,705,032	12,853,052	4,333,249,068
Segment result(PBIT)	293,703,202	10,152,390	317,204	-19,827,935	284,344,861
	192,361,375	6,162,066	7,131,748	-17,898,156	187,757,033
Less : Interest					203,841,239
Profit before Exceptional/Extraordinary item	293,703,202	10,152,390	317,204	-19,827,935	80,503,622
Exceptional/Extraordinary item					91,814,175
Profit (+) Loss(-) before tax	293,703,202	10,152,390	317,204	-19,827,935	80,503,622
					91,814,175
Less : Tax Expenses					-17,500,000
Current Tax					18,200,000
Deferred Tax					-25,617,809
Relating to Earlier years					15,300,942
					1,864,397
Profit (+) Loss(-) after tax					0
					39,250,210
Prior Period Adjustments					58,313,233
					0
Net Profit for the year					0
					39,250,210
Segment Assets	3,985,440,480	97,307,736	4,615,878	504,718,413	4,592,082,507
	2,477,707,292	97,134,958	181,714,370	206,214,163	2,962,770,781
Segment Liabilities	1,704,617,883	0	0	0	1,704,617,883
	1,215,360,387	0	181,129,675	0	1,396,490,062
Segment Depreciation	36,900,368	5,220,836	0	3,069,620	45,190,824
	17,915,024	5,220,836	0	1,511,282	24,647,142
Previous year's figures are given in italics					
B. Secondary Segment Geographical					
The company's operating facilities are located in India.					
Particulars				2011-2012	2010-2011
Domestic Revenue				5,123,608,857	4,320,288,732
Export Revenue				0	0
C. Unallocable segment assets exclude the following:					
Advance Tax				7,846,665	0
Investments				76,945,880	77,080,880
				84,792,545	77,080,880
D. Unallocable segment liabilities exclude the following:					
Long Term Borrowings				954,845,046	704,045,661
Short Term Borrowing				1,419,153,777	447,265,029
Deferred Tax Liability				83,444,810	57,827,001
Proposed Dividend				14,593,500	36,483,750
Corporate tax on dividend				2,367,431	6,059,495
Current liabilities of long term debt				85,912,738	22,944,136
Interest accrued but not due on borrowing				11,227,783	3,787,456
Unpaid dividend				367,463	367,463
Provision for Tax				0	1,026,266
				2,571,912,548	1,279,806,257



45. Information relating to derivative instruments :-

a. 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.

b. Foreign exchange currency exposure not covered by derivative instrument or otherwise are given below :-

Amount Payable in foreign currency On account of the following :	US Dollar Equivalent (in lacs)		INR Equivalent (inLacs)	
	2011-12	2010-11	2011-12	2010-11
Import of goods and services	15.99	24.59	802.02	1090.50
Buyers Credit	162.37	160.32	8273.27	7154.82

46. 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 31st March 2012. Accordingly, assets and liabilities are classified between current and non-current considering 12 month period as operating cycle. Consequently, the company has re-classified previous year figures to confirm to this year's classification.

47. 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 : 30.05.2012

**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 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 of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent 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 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.

v) REVENUE RECOGNITION

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

vi) SALES

Sales are inclusive of income from wind power generation, services, export incentive and exchange fluctuation on export receivables and net of trade discount / rebate.

vii) FIXED ASSETS

a. Fixed assets are stated at cost of acquisition, 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 accumulated depreciation.

b. 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.

viii) FOREIGN CURRENCY TRANSACTION

a. All transactions in foreign currency, are recorded at the rates of exchange prevailing at the date of transaction.

b. Monetary items in the form of Loans, Current assets and Current liabilities in foreign currencies, outstanding at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.

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

ix) INVESTMENTS

Investments are stated at cost. No provision is made for Diminution in the value of investments, if any, since the same is considered by Board as temporary, while investments are of long-term in nature.

**x) EMPLOYEE BENEFITS****(a) Post- employment benefit plans**

- i) Defined Contribution Plan - Contributions to provident fund and Family Pension Fund are accrued in accordance with applicable statute and deposited with appropriate authorities.
- ii) Defined Benefit Plan - The Liability in respect of gratuity is determined using actuarial valuation carried out as at balance sheet date. Actuarial gains and losses are recognized in full in Profit and Loss Accounts 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.

xi) BORROWING COST

Borrowing costs attributable to acquisitions and construction of assets are 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 Profit & Loss Account.

xii) SEGMENT ACCOUNTING POLICIES

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

<u>Name of Segment</u>	<u>Comprised of</u>
Polymer	- Manufacturing and trading of Poly products
Wind Power Unit	- Wind turbine power unit
Other	- Merchant trading of various product

- (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 un allocable 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.

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, 1956.

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 reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

xiv) IMPAIRMENT OF ASSETS

An asset is impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. An impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.

xv) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provision 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.

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

27th ANNUAL GENERAL MEETING

HOTEL SUNCITY RESIDENCY, (A Division of Royal Sojourn Pvt. Ltd.),

16th Road, MIDC, Marol, Andheri (E) Mumbai 400093

Monday, 24th September, 2012 at 11.30 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 27th Annual General Meeting of the Company, to be held on Monday, 24th Sept., 2012 at 11.30

A.M. or any adjournment thereof.

My/Our Registered Folio No. is_____

Signed this_____day of _____2012

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.

Book - Post

To,

If undelivered, Please return to :
SIGNET INDUSTRIES LIMITED
308, Acme Plaza,
Opposite Sangam Cinema, Andheri Kurla Road,
Andheri (E), Mumbai 400 059