

SIGNET OVERSEAS LIMITED

(Formerly SIGNET FINCOM LIMITED)

23RD

ANNUAL REPORT

2007-2008

Board of Directors

Shri Mukesh Sangla
Shri Saurabh Sangla
Shri Dipak Kalani
Shri Pankaj Kalani

Auditors

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

Registered Office

308, Acme Plaza,
Opp. Sangam Cinema,
Andheri Kurla Road, Andheri (E)
Mumbai – 400 059

Administrative & Head Office

114-116, Trade House
14/3, South Tukoganj
Indore – 452 001

SIGNET OVERSEAS LIMITED

NOTICE OF 23RD ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the Members of Signet Overseas Limited, will be held at the Registered Office of the Company at 308, Acme Plaza, Opp. Sangam Cinema, Andheri Kurla Road, Andheri (E) Mumbai – 400 059 on Monday, the 29th September, 2008 at 4:00 P.M. to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2008 and Profit & Loss Account of the Company for the year ended on that date, and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Pankaj Kalani, who retires by rotation and being eligible, offers him self for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

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. The Register of Members and Share Transfer Register of the Company will remain closed from Monday, 22nd September 2008 to Monday, 29th September, 2008 (both days inclusive).
3. 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.
4. Members are requested to kindly bring their copies of the Annual Report to the Meeting.
5. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
6. Members are requested to quote their folio number in all correspondence.
7. 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.

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. Pankaj Kalani
Date of Birth	13.09.1967
Date of Appointment	25.03.2005
Expertise in specific functional area.	Finance & Taxation
Qualification	FCA, FCS, ICWAI
List of outside Directorship held	DIPAN FINBUILD PRIVATE LIMITED RAJSHREE FINSEC PVT LTD PARAGVI FINBUILD PRIVATE LIMITED GRASP BUILDSEC PRIVATE LIMITED SAUMYA PROSEC PRIVATE LIMITED
Chairman / Member of the Committee of the Board of Directors of the Company	Audit Committee - Member Shareholder Committee – Member Remuneration Committee - Chairman

DIRECTOR'S REPORT

To,
The Members

Directors are please to submit their 23rd Annual Report on the business and operations of the Company along with audited Balance Sheets & Profit and Loss Account for the period ended 31st March, 2008.

FINANCIAL RESULTS

Financial results of the company for the year under review alongwith figures for previous year are as follows:

(Rs. in Lacs)		
Particulars	2008 Period from 01.04.2007 to 31.03.2008	2007 Period from 01.10.2006 to 31.03.2007
Gross Income	1398.26	1503.78
Profit / (Loss) before Interest, Depreciation & Tax	1019.90	1087.00
Less : Interest	516.02	422.57
Depreciation	125.45	99.66
Profit before Tax	378.43	564.77
Provision for Tax:		
Current Tax	110.00	64.00
Deferred Tax	(8.09)	194.87
Fringe Benefit Tax	1.35	2.20
Net Profit After Tax	275.15	303.70
Profit/ (Loss) brought forward	886.51	621.44
Amount available for appropriation	1161.67	925.14
Less Appropriation		
General Reserve	-	24.74
Interim Dividend paid	-	12.16
Tax on Dividend	-	1.72
Balance Carried to Balance Sheet	1161.67	886.51

DIVIDEND

The Board of Directors decided to conserve the resources of the Company and to maintain the liquidity, has decided not to declare any dividend on Equity shares for the year ended 31st March 2008.

BUSINESS REVIEW

Year under review proved to be turn around for the company in terms of Sales target and profitability of the Company. The revenue realization was Rs. 1398.26 Lacs as compare to previous Year of Rs. 1503.78 Lacs. The Company has earned Profit for the year Rs.275.15 Lacs as compare to previous year figure of Rs. 303.70 Lacs. Company has reported excellent performance during the year under review and accepted new challenges of new economic reforms and Global Markets. Company abilities to neutralize cost increase and improve margins together with purchase efficiency, controlling overheads effectively. Performance had established a new milestone for the Company.

SHARE CAPITAL & LISTING

Your Directors are pleased to announce that your company has obtained connectivity with Central Depository Services Limited (CDSL) and National Depository Services Limited (NSDL) to provide facilities to all members, investors and shareholders and to hold the shares in dematerialised form. Equity shares of the Company can be in electronic form with any depository participant (DP) with whom members / Investors have their depository account. Presently, shares of the Company are suspended with Mumbai stock Exchange. Efforts are made to get securities tradable on this Stock Exchange.

DIRECTORS

In accordance with Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Pankaj Kalani 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.

AUDITOR AND THEIR REPORT

Comments of the auditors in their report for the period ended 31st March, 2008, are self explanatory and need no comments.

M/s Ashok Khasgiwala & Co., Chartered Accountants, Indore, will retire at the conclusion of ensuing Annual General Meeting. The Board proposed their re-appointment as Statutory Auditor to audit the accounts of the Company for the year 2007-08. You are requested to consider their re-appointment.

DECLARATION PURSUANT TO 217(2AA)

In pursuant to Provision contained in Section 217(2AA) of the Companies act, 1956, Directors of the Company Confirm That:

- I In the preparation of the annual accounts. Applicable accounting standards have been followed.
- II. Accounting Policies selected were applied consistently. Reasonable and Prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2008 and profit/ loss account of the Company for the year ended on that date.
- III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of Companies act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds of the Company and other irregularities.
- IV. Annual accounts of the Company have been prepared on Going Concern basis.”

CORPORATE GOVERNANCE

Your Company is committed to follow the guidelines of SEBI and Stock exchanges from time to time Your Company implemented all of its major stipulation as applicable to the Company. The Statutory Auditor’s certificate in accordance with clause 49 of Listing agreement and report corporate Governance is annexed to and forming part of the Directors Report.

COMPLIANCE CERTIFICATE

In accordance with the requirement of provisions of Section 383A of the Companies, Act, 1956, a compliance Certificate from a practicing Company Secretary for the year ended 31st March 2008 is attached herewith.

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 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 it's over all progress of the Company. Other stockholders, Customers have continued to lend their valuable support to the Company in its efforts to provide high quality products. Your Board takes this opportunity to record their appreciation in this regard.

For & On Behalf of the Board of Directors

Place : Indore
Date : 18.08.2008

Sd/-
Mukesh Sangla
Chairman & 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

As per Listing Agreement, the Board should have an optimum combination of executive and non-executive Directors with not less than 50% of the Board consisting of non-executive Directors. In case of a non-executive Chairman, at least one-third of the Board should consist of Independent Directors and in the case of an executive Chairman at least half of the Board should be Independent Directors.

The Board of Directors of company has a mix of Executive and Non Executive Directors. The Chairman of the Board of your Company is an Executive director. The Board of Directors of the Company consists of 4 Directors, of which 2 are non-executive as on 31st March 2008. During the year, 6 Meetings of the Board of Directors of the Company were held on 14.04.2007, 30.04.2007, 24.05.2007, 30.07.2007, 25.10.2007, 30.01.2008. The maximum gap between any two meetings did not exceed four months.

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 Direc-torshi-p	Committee Membershi-p	
					Chai-rman	Me-mbe-r
Mr. Mukesh Sangla	Promoter – Executive Director	6	Yes	3	-	-
Mr. Saurabh Sangla	Promoter – Executive Director	6	Yes	1	-	3
Mr. Biren Patel	Independent	0	No	-	-	-
Mr. Dipak Kalani	Independent	6	Yes	5	2	1
Mr. Pankaj Kalani	Independent	6	No	5	1	2

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 two Independent Directors as its members, and the Audit Committee Meetings were held on 30.04.2007, 30.07.2007, 25.10.2007, and 27.01.2008. The details of the meetings held and attended are as given below:

Name of Director	Meetings held	No. of Meetings attended
Mr. Pankaj Kalani	4	4
Mr. Dipak Kalani	4	4
Mr. Saurabh Sangla	4	4

IV **Remuneration Committee**

The Remuneration Committee has approved the terms of remuneration of Whole Time Directors. The Committee had no occasion to meet during the year 2007-2008. The composition of the remuneration committee is as follows:

Mr. Dipak Kalani , Mr. Saurabh Sangla, and Mr. Pankaj Kalani.

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

The Board has constituted the shareholders and Investors Grievance Committee during the year to look into the redress of investors' complaints. There were no complaints pending for reply as on 31st March 2008 and no share transfers pending for registration as on the said date.

VI General Body Meetings

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

Year	Venue	Date	Time
2006-2007	308, Acme Plaza, Opp. Sangam Cinema, Andheri Kurla Road, Andheri (E) Mumbai – 400 059	29.09.2007	04.00 P.M.
2005-2006	308, Acme Plaza, Opp. Sangam Cinema, Andheri Kurla Road, Andheri (E) Mumbai – 400 059	30.09.2006	04.00 P.M.
2004-2005	316, 3 rd Floor, Midas, Sahar Plaza, Andheri (E) Mumbai – 400 059	30.09.2005	04.00 P.M.

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

Year	Venue	Date	Time
2007-2008	308, Acme Plaza, Opp. Sangam Cinema, Andheri Kurla Road, Andheri (E) Mumbai – 400 059	19.11.2007	11.00 A.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.

VII Disclosure

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

VIII 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.

IX General Shareholders Information

Annual General Meeting

Date 29.09.2008

Day Monday

Time: 4.00 P.M.

Venue: 308, Acme Plaza, Opp. Sangam Cinema, Andheri Kurla Road, Andheri
(E) Mumbai – 400 059

Date of Book Closure

The Register of Members and Share Transfer Register of the Company will remain close from Monday, 22nd September 2008 to Monday, 29th September, 2008 (both days inclusive).

Financial Calendar 2007-2008

1	First Quarter Results	July 2008
2	Second Quarter & Half Yearly Results	October 2008
3	Third Quarter Results	January 2009
4	Annual Report	August 2009

Listing of Securities

Name of the Stock Exchanges

Madhya Pradesh Stock Exchange,
201, Palika Plaza
M.T.H. Compound
Indore - 452001.

The Stock Exchange Mumbai,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Market Price Data

The Company's Equity Shares are not traded in the Stock Exchanges due to suspension of trading. Therefore High/ low of market price of the Company's equity shares not given.

Registrar & Transfer Agent

As per the directives of SEBI, the Company is taking steps to appoint M/s. Ankit Consultancy Pvt. Ltd., 2nd Floor, Alankar Point, Geeta Bhawan Square, A. B. Road, Indore – 452001 as its Registrar and Share Transfer Agent.

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 2008, is as under:

Shareholding of nominal value of Rs. Rs.	No. of Shareholders	% of Shareholders	Shares amount in Rs.	% of share holding
Up to 5000	80	75.47	1,28,500	0.80
5001 – 10000	-	-	-	-
10001 - 20000	-	-	-	-
20001 – 30000	-	-	-	-
30001 – 40000	-	-	-	-
40001 – 50000	-	-	-	-
50001 – 100000	-	-	-	-
100001 & above	26	24.53	1,60,86,500	99.20
Total	106	100.00	1,62,15,000	100.00

The Shareholding Pattern as on 31st March 2008 is given below:

S.No	Category	No. of Shares held	% Shareholding
1	Promoter	4,97,100	30.66
2	Private Corporate Bodies	11,11,550	68.55
3	Indian Public	12,850	0.79
	Total	16,21,500	100.00

Dematerialization of Shares and Liquidity

As on 31st March 2008, 1000 equity shares was held in dematerialized form and 1620500 Equity were in physical form.

Address for Correspondence

The Shareholders may address their communications to.

Mr. Rajesh Sharma,
Compliance Officer,
114-116, Trade House
14/3, South Tukoganj
Indore – 452 001

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

The polymer Industry occupies a place of prominence in the Indian economy in view of its massive potential for employment, growth and exports. There has been increasing emphasis on its planned development aimed at optimum utilization of available raw materials for maximizing the returns, particularly from exports.

A modest pick in the Indian economy has boosted the market share of the Company's Product in Domestic Market. Best possible efforts are made to explore the Global Markets for Companies existing product. Efforts are also on to diversify range of products for global market. Research for Global Market Demand and Supply for products has been undertaken and results will be yielded very shortly over the period ahead. Your Directors are very positive towards future growth.

Outlook on Threats, Risks and Concerns

The Company does not foresee any commercial or other threats, which could disrupt the operations of its business.

Taking into account all the above it is expected that while the growth in profitability would be a challenge, the concrete plans and strategies which, are afoot should see growth in turnover and profits in the years to come.

Financial & Operational Performance

(Rs. in Lacs)			
Particulars	Year ending 31.03.2008	Year ending 31.03.2007	% Changes
Gross Income	1398.26	1503.78	-7.02%
Net Profit After Interest, Depreciation & Tax	275.15	303.70	-9.40%

Internal Control Systems and Adequacy

The Company has a well – established procedure for internal control systems. The Company also has internal audit team reporting directly to the top management. The weak areas are being reviewed for further strengthening.

Human Resources

Your Company believes in philosophy of communicating with the entire team in a two way process. Company also believes in the principal of proper delegation of authority which results in uplift of Commitment level, responsibility and accountability of entire team right from Managing Director to Lowest level of administration. Every efforts are made to implement the suggestions received and to encourage staff for more suggestion.

Cautionary Statement

Actual performance may differ from projections made as the Company's operations are subject to various economic conditions, government regulations and other incidental factors.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Signet Overseas Limited

We have examined the compliance of corporate governance by Signet Overseas Limited, Mumbai for the year ended on 31st March 2008, as stipulated in clause 49 of the Listing agreement of the said company with stock exchanges.

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

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

For Ashok Khasgiwala & Co.
Chartered Accountants

Place: Indore
Date: The 18th day of August, 2008

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

AUDITORS REPORT

To,
The Members

SIGNET OVERSEAS LIMITED

1. We have audited the attached Balance Sheet of **SIGNET OVERSEAS LIMITED** as at 31st March, 2008 and also the Profit & Loss account 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report 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, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 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, 2008;

ii. In the case of Profit & Loss Account, 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

Place : Indore

Dated : 18.08.2008

sd/-
CA Avinash Baxi
(Partner)
M. No. 79722

ANNEXTURE 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 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 & 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 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000 or more in respect each party have been made at prices which are reasonable having regard to prevailing market prices as available with the company or prices at which transactions, if any, for similar nature have been made with other parties 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. As per information and explanations given to us Central Government has not prescribed maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 for the product of the Company, hence provisions of clause 4 (viii) of the order are not applicable to the Company.

- 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, 2008 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 (in Rs.)
Income Tax Act, 1961.	Income Tax	2000-01	CIT Appeal	137002

- x. In our opinion, the Company has no accumulated losses as at 31st March 2008 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 not given any guarantee for loans taken by others from any Bank or financial institution.
- xvi. According to the information and explanations given to us, the company has not raised any term loan during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. 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.

Place : Indore
Dated : 18.08.2008

For : ASHOK KHASGIWALA & CO.
Chartered Accountants

sd/-
CA Avinash Baxi
(Partner)
M. No. 79722

BALANCE SHEET AS AT 31ST MARCH 2008

	Schedule No.	Rupees	As at 31.03.2008 Rupees	As at 31.03.2007 Rupees
I. SOURCES OF FUNDS				
(1) Shareholder's funds				
a) Share Capital	A	16,215,000.00		16,215,000.00
b) Reserves and Surplus	B	<u>160,292,470.73</u>		<u>132,776,998.44</u>
			176,507,407.73	148,991,998.44
(2) Loan Funds				
a) Secured Loans	C	412,637,625.76		328,372,784.08
b) Unsecured Loans	D	<u>262,927,203.01</u>		<u>238,108,668.49</u>
			675,564,828.77	566,481,452.57
(3) Deferred Tax Liability Net			<u>38,802,846.00</u>	<u>39,612,324.00</u>
			<u>890,875,145.50</u>	<u>755,085,775.01</u>
II. APPLICATION OF FUNDS				
(1) Fixed Assets	E			
a) Gross Block		195,703,911.58		240,302,242.08
b) Less : Depreciation		<u>40,004,779.31</u>		<u>35,830,348.31</u>
c) Net Block			1,556,99,132.27	204,471,893.40
(2) Investments	F		71,998,393.00	72,416,215.00
(3) Current Assets, Loans and Advances	G			
(a) Inventories		114,709,297.58		141,050,044.85
(b) Sundry Debtors		827,803,367.59		574,918,061.46
(c) Cash and Bank Balances		49,817,974.45		91,457,585.62
(d) Loans and Advances		<u>103,122,451.68</u>		<u>173,714,301.47</u>
		<u>1,095,453,091.30</u>		<u>981,139,993.77</u>
(3) Less :				
Current Liabilities & Provisions	H			
a) Current liabilities		428,924,341.44		500,540,467.53
b) Provisions		<u>3,351,129.63</u>		<u>2,401,859.63</u>
		<u>432,275,471.07</u>		<u>502,942,327.16</u>
Net Current Assets			663,177,620.23	478,197,666.24
			<u>890,875,145.50</u>	<u>755,085,775.01</u>
NOTES TO THE ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES	O		0.00	0.00

For and on behalf of the board of Directors

Sd/-
Managing Director

Indore, 18th August, 2008

AS PER OUR REPORT OF EVEN DATED
FOR ASHOK KHASGIWALA & CO.
CHARTERED ACCOUNTANTSSd/-
DirectorSd/-
CA AVINASH BAXI
PARTNER
M.No. 79722

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	SCHEDULE	AMOUNT 2007-2008 Rupees	AMOUNT 2006-2007 Rupees
INCOME			
Sales & Services	I	2,383,861,030.20	3,208,883,152.83
Other Income	J	11,814,866.69	10,473,833.00
Increase (Decrease) in Stock	K	-32,033,360.27	69,458,963.85
		<u>2,363,642,536.62</u>	<u>3,288,815,949.68</u>
EXPENDITURE			
Materials	L	2,223,815,836.81	3,138,437,717.50
Expenses	M	30,017,922.94	31,014,724.00
Financial Expenses	N	59,422,268.58	52,920,126.17
Depreciation		<u>12,545,514.00</u>	<u>9,966,064.00</u>
		<u>2,325,801,542.33</u>	<u>3,232,338,631.67</u>
Profit for the year before tax		37,840,994.29	56,477,318.01
Provision for taxation			
Less: Current Tax		11,000,000.00	6,400,000.00
Deferred Tax		-809,478.00	19,487,492.00
Fring Benefit Tax		135,000.00	220,000.00
Profit after tax		27,515,472.29	30,369,826.01
Add : Balance Brought Forward from Previous Year		<u>88,651,573.44</u>	<u>62,143,967.43</u>
Amount available for Appropriation		<u>116,167,045.73</u>	<u>92,513,793.44</u>
APPROPRIATIONS			
General Reserve		0.00	2,473,720.00
Interim Dividend Paid		0.00	1,216,125.00
Tax on dividend		<u>0.00</u>	<u>172,375.00</u>
Balance Carried to Balance Sheet		<u>116,167,045.73</u>	<u>88,651,573.44</u>
Earning Per Share		16.97	18.73

NOTES TO THE ACCOUNTS AND
SIGNIFICANT ACCOUNTING POLICIES

0

For and on behalf of the board of Directors

Sd/-
Managing Director

Indore, 18th August, 2008

AS PER OUR REPORT OF EVEN DATED
FOR ASHOK KHASGIWALA & CO.
CHARTERED ACCOUNTANTSSd/-
DirectorSd/-
CA AVINASH BAXI
PARTNER
M.No. 79722

**Schedule annexed to and forming part of the Balance Sheet
as at 31st March 2008**

	AS AT 31st March, 2008 Rupees	AS AT 31st March, 2007 Rupees
SCHEDULE "A" SHARE CAPITAL		
AUTHORISED		
5000000 Equity Shares of Rs. 10 each.	50,000,000.00	50,000,000.00
ISSUED SUBSCRIBED & PAID UP		
1621500 Equity Shares (Pre. Year 1621500 Equity Shares of Rs. 10 each fully paid (of the above 621500 Equity Shares are issued as fully paid up bonus shares by capitalisation of profits)	16,215,000.00 16,215,000.00	16,215,000.00 16,215,000.00
SCHEDULE "B" RESERVES AND SURPLUS		
a. Share Premium		
Since Last Year	40,500,000.00	40,500,000.00
b. General Reserves		
Since Last Year	3,625,425.00	1,151,705.00
Add : Transfer during the year	0.00	0.00
c. Surplus in Profit & Loss Account	116,167,045.73	88,651,573.44
	160,292,470.73	132,776,998.44
SCHEDULE "C" SECURED LOANS		
I. Term Loan	55,611,645.00	48,670,936.00
II. Corporate Loan	20,597,763.00	50,035,616.00
III. Working Capital loan From Banks	325,904,638.35	221,550,267.17
IV. Loan From LIC of India	9,519,146.00	6,713,000.00
V. Others Loan (Vehicle loan)	1,004,433.41	1,402,964.91
	412,637,625.76	328,372,784.08
Notes:		
I. Term loan from State Bank of Indore and UCO bank is secured by hypothecation by way of first charge over all plant & machinery, book debts and movable assets in respect of wind power generating unit at Jodha Dist. Jaselmer Rajasthan and Sangli Maharastra subject to first pari passu charge on wind mill at Jodha dist. Jaselmer Rajasthan in favour of the State Bank of Indore and personally guaranteed by Directors. Installment of term loan due within next twelve months Rs. 148.00 lacs (Pre. Year Rs. 77.00 lacs)		
II. Corporat Loan from State Bank of Indore is secured by way of first pari passu charge over entire fixed assets of the company (excluding fixed assets at Sangli Maharastra) and extention of first charge over fixed assets of wind power project at Jodha dist. Jaselmer Rajasthan and personally guaranteed by Directors Installment of term loan due within next twelve months Rs. 203.00 lacs (Pre. Year Rs. 297.00 lacs)		
III. Working Capital Loans from Banks are secured against hypothecation of stock of finished goods, current assets & charge on book debts second pari passu charge on the fixed assets present and future of the company and personally guaranteed by Directors.		
III. Loan taken from LIC of India is secured against lien assignement on Keyman Insurance policy.		
IV. Other Loans are secured by exclusive first charge on assets purchased under agreement and personal guarantee of Directors. Installment of other loan due within next twelve months Rs. 121404 (Pre. Year Rs. 514176)		
SCHEDULE "D" UNSECURED LOANS		
SHORT TERM		
From Bank (Refer Note No. 7 Schedule O)	113,786,203.01	141,385,041.49
Intercompany Deposits	149,141,000.00	96,723,627.00
	262,927,203.01	238,108,668.49

SCHEDULE "E"

SCHEDULE OF FIXED ASSETS FOR THE YEAR ENDED ON 31.03.2008

Name of the Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2007	Additions	Deduction	As on 31.03.2008	Up to 31.03.2007	For the Year	Adjustment	Total	As on 31.03.2008	As on 31.03.2007
Land	100760.00	0	0.00	100760.00	0.00	0.00	0.00	0.00	100760.00	100760.00
PLANT & MACHINERY	29790420.64	7305993.50	0.00	37096414.14	8539129.36	1443965.00	0.00	9983094.36	27113319.78	21251291.28
Windmill	170112344.00	0.00	62200000.00	107912344.00	8643460.33	6603086.00	8371083.00	6875463.33	101036880.67	161468883.67
FURNITURE & FIXTURES	1034717.00	0.00	0.00	1034717.00	466510.96	65859.00	0.00	532369.96	502347.04	568206.04
OFFICE EQUIPMENTS	2506636.00	33596.00	0.00	2540232.00	1023860.75	177219.00	0.00	1201079.75	1339152.25	1482775.25
VEHICLE	19179530.12	0.00	0.00	19179530.12	13663330.43	1822055.00	0.00	15685385.43	3494144.69	5316199.69
COMPUTER	806279.00	47435.00	0.00	853714.00	323444.65	133842.00	0.00	457286.65	396427.35	482834.35
DYES & MOULDS	16771555.32	10214645.00	0.00	26986200.32	2970611.83	2299488.00	0.00	5270099.83	21716100.49	13800943.49
Total	240302242.08	17601669.50	62200000.00	195703911.58	35830348.31	12545514.00	8371083.00	40004779.31	155699132.27	204471893.77
PREVIOUS YEAR	111922412.89	128379829.19	0.00	240302242.08	25864284.31	9966064.00	0.00	35830348.31	204471893.77	—

SIGNET OVERSEAS LIMITED

	AS AT 31.3.2008	AS AT 31.3.2007
SCHEDULE - F INVESTMENTS (AT COST)		
A. GOVT. SECURITIES		
National Savings Certificates Deposited with Govt. Authorities	5,000.00	5,000.00
	<u>5,000.00</u>	<u>5,000.00</u>
B. INVESTMENT IN SHARES (QUOTED)		
68600 Equity Shares of Rs. 1/- each (pre. year 72000 Eq. shares of Rs. 10 each of Adani Enterprise Ltd. Fully Paid up.	811,513.00	851,735.00
2000 Equity Shares of Rs. 10/- each of M/s 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 (Pre Year 5000 Equity shares of Rs. 10 each of M/s 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
1000 Equity Shares of Rs. 10 each of Raymond Synthetics Ltd. Fully Paid up.	8,450.00	8,450.00
5000 Equity Shares of Rs. 10 each of Kaveri Engg. Ind. Ltd. Fully Paid up.	135,000.00	135,000.00
3200 Equity Shares of Rs. 10 each of Vanvil Dies & Chemical Ltd. Fully Paid up	200,800.00	200,800.00
5000 Equity Shares of Rs. 10 each of Morgan Stanly Ltd. Fully Paid	35,000.00	35,000.00
63600 Equity Shares of Rs. 10 each of Tribhuvar Housing Finance Ltd.	500,000.00	500,000.00
7800 Equity Shares of Rs. 10 each of UCO Bank Ltd.	93,600.00	93,600.00
272 Equity Shares of Rs. 10 each of Reliance Power Ltd.	122,400.00	0.00
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	457,725.00	457,725.00
(Aggregated Mkt. Value of Quoted Investment Rs. 430.85 Lakhs (Pre. Year Rs. 158.18 Lakhs) (where there no quotation is available value taken Rs. 1.)	<u>2,887,393.00</u>	<u>2,805,215.00</u>
C. INVESTMENT IN SHARES (UN QUOTED)		
1490650 Equity Shares of Rs. 10 each of Adroit Industries (India) Ltd	60,000,000.00	60,000,000.00
Sky World (China) Ltd.	9,106,000.00	9,106,000.00
	<u>69,106,000.00</u>	<u>69,106,000.00</u>
D. INVESTMENT IN BONDS		
Uco Bank SR-2 9.5% Bond	0.00	500,000.00
	<u>0.00</u>	<u>500,000.00</u>
TOTAL INVESTMENTS (A + B + C)	<u>71,998,393.00</u>	<u>72,416,215.00</u>

	AS AT 31.3.2008	AS AT 31.3.2007
SCHEDULE "G" CURRENT ASSETS, LOANS & ADVANCES		
INVENTORIES		
(As Valued and Certified by Management)		
Raw Materials	5692613.00	0.00
Finished Goods	109,016,648.58	141,050,044.85
	<u>114,709,297.58</u>	<u>141,050,044.85</u>
SUNDRY DEBTORS		
(Unsecured, considered good)		
Over Six Months	29,798,190.82	11,954,976.44
Others	798,005,176.77	562,963,085.02
	<u>827,803,367.59</u>	<u>574,918,061.46</u>
CASH AND BANK BALANCES		
Cash in Hand	5,267,566.10	1,334,169.28
BALANCE WITH SCHEDULED BANK		
In Current Account	8,848,951.35	46,821,959.34
In Fixed Deposits	35,701,457.00	43,301,457.00
(Pledged with Banks)	<u>49,817,974.45</u>	<u>91,457,585.62</u>
LOANS AND ADVANCES		
Advance recoverable in cash or kind or for which value to be received	64,082,643.68	163,443,095.47
Security Deposit	39,039,808.00	10,271,206.00
	<u>103,122,451.68</u>	<u>173,714,301.47</u>
SCHEDULE H CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors [Includes Rs. 4,724,173 (Pre. Year Rs. 88,733,693) due for capital goods] [refer note No. 6 Schedule No. O)	423,289,330.81	496,052,565.71
Other Liabilities	5,635,010.63	4,487,901.82
	<u>428,924,341.44</u>	<u>500,540,467.53</u>
PROVISIONS		
For Tax (Net off advance Tax Rs. 25407461.37 Per. Year Rs. 15180970.37)	3,047,538.63	2139029.63
For Employee Benefits	303,591.00	262,830.00
	<u>3,351.12</u>	
9.63 2,401,859.63		
432,275,471.07	<u>502,942,327.16</u>	

SIGNET OVERSEAS LIMITED

	AS AT 31.3.2008	AS AT 31.3.2007
SCHEDULE I		
SALES & SERVICES		
Sales	2,365,133,608.91	3,179,843,821.13
Less : Excise duty	0.00	939,820.00
	<u>2,365,133,608.91</u>	<u>3,178,904,001.13</u>
Commission (Gross)	18,704,843.29	29,900,402.70
Service Charges (Job Work)	22,578.00	78,749.00
(TDS Rs. Nil- Pre. Year 26250/-)		
	<u>2,383,861,030.20</u>	<u>3,208,883,152.83</u>
SCHEDULE - J		
OTHER INCOME		
Dividend (Gross)	36,841.00	40,200.00
Miscellaneous Income	0.00	10,013,633.00
Godown Rent	0.00	420,000.00
Profit on Sales of Fixed Assets	8,371,083.00	0.00
Profit on Sales of Investments	3,384,945.69	0.00
Insurance claims received	21,997.00	0.00
	<u>11,814,866.69</u>	<u>10,473,833.00</u>
SCHEDULE K		
INCREASE/ (DECREASE) IN STOCK		
Closing Stock	109,016,684.58	141,050,044.85
Less : Opening Stock	141,050,044.85	71,591,081.00
	<u>32,033,360.27</u>	<u>69,458,963.85</u>
SCHEDULE L		
MATERIALS		
Raw Material		
Opening Stock	0.00	1,620,882.00
Purchases	81,381,243.00	40,208,536.00
	<u>81,381,243.00</u>	<u>41,829,418.00</u>
Less : Closing Stock	5,692,613.00	0.00
Raw Material Consumed	(A) 75,688,630.00	41,829,418.00
Purchase of Goods Traded in	(B) 2,148,127,206.81	3,096,608,299.50
Total (A+B)	<u>2,223,815,836.81</u>	<u>3,138,437,717.50</u>

	AS AT 31.3.2008	AS AT 31.3.2007
SCHEDULE - M		
OTHER EXPENSES		
Power & Electricity	5,497,050.00	3,826,451.96
Salary, Wages & Bonus	9,165,769.00	7,373,727.00
Provident & Other Funds	330,736.00	403,466.00
Stores & Spares	3,438,211.42	1,212,776.00
Rent	1,540,968.97	899,676.00
Repairs & Maintenance	929,329.00	657,508.00
Insurance	3,549,488.57	4,020,447.08
Stationary & Printings	272,361.00	188,923.00
Travelling Expenses (Including Director's Travelling Rs. 2075937.21 Pre. Year Rs. 1947162.57)	666,092.75	3,433,213.71
Legal & Professional	431,498.00	530,233.00
Postage & Telephones	477,070.54	503,634.65
Rates & taxes	1,739,644.69	3,331,625.00
Selling & Distribution Expenses	1,228,127.00	3,720,935.20
Other expenses	751,576.00	912,107.40
	<u>30,017,922.94</u>	<u>31,014,724.00</u>

SCHEDULE - N**FINANCIAL CHARGES****INTEREST**

On Term Loan	9,910,866.00	606,035.00
Others	41,692,739.58	46,476,403.32

Less : Interest received (Gross) 3,898,477.42 4,824,880.50

(T.D.S Rs. 971816/- Pre. Year Rs. 1208541/-)

47,705,128.16 42,257,557.82

Bank Charges/Commission

11,717,140.42 10,662,568.35

59,422,268.58 52,920,126.17

SCHEDULE : 0

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2008 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

i) ACCOUNTING CONVENTION

The accounts have been prepared in accordance with the historical cost convention.

ii) 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.

iii) 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.

iv) VALUATION OF INVENTORIES

Inventories are valued at lower of cost or market value on FIFO basis.

v) 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.

vi) 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.

vii) FOREIGN CURRENCY TRANSACTION

The Foreign currency transactions are accounted for at the rate of exchange prevailing at the date of transaction. Current assets and Current liabilities not covered by forward exchange contract are translated at year end exchange rates. Any gain or loss on account of fluctuation in the rate of exchange is recognised in the profit and loss account. In case of sales and purchase the same is included under the respective heads.

Premium / discount in respect of forward foreign exchange contract is recognized over the life of the contract.

viii) Revenue Recognition

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

ix) 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.

x) 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.

xi) 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.

xii) 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 and leave encashment 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 service rendered by employees is recognized during the period when

xiii) 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 :-

Name of Segment	Comprised of
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.

NOTES ON ACCOUNTS**1. CONTINGENT LIABILITIES**

- a. Estimated Amount of contracts remaining to be executed on capital commitment Nil Nil
- b. Claims against company not acknowledge as debt :

Nature of Liability	Forum where dispute is pending	2007-2008	2006-2007
Income Tax			
A.Y. 2001-02	C.I.T. Appeals	137002	137002

2. 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.

3. Previous years figures have been re-grouped or re-arranged wherever considered necessary.

4. Balances of creditors, debtors, Bank, deposits and advances are partly confirmed.

5. Sundry creditors include bills payable for purchase of goods Rs. 249318569 (Pre. Year Rs. 208836642).

6. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at the year end together with interest paid / payable under this Act have not been given.

7. During the year Company has availed buyer's credit, the said facility outstanding as at 31st March 2008, was Rs.1137.87 lacs (Pre. Year Rs. 1413.85 lacs), is guaranteed by bank against pledged of fixed deposits receipts with them and LC limit ear-marking. In Balance Sheet the said amount is shown as unsecured loans from Banks in Shcedule D and the fixed deposit of Rs. Nil lacs (Pre. Year Rs. Nil lacs) are included under Bank Balance with scheduled bank in "Deposit Account" Schedule G.

8. LEASES (Where company is Lessee)

The Company has taken various premises under cancelable operating leases for its business purpose. These lease agreements are normally renewed on expiry.

9. RELATED PARTY DISCLOSURE**A. RELATIONSHIPS****1. KEY MANAGEMENT PERSONNEL**

Shri Mukesh Sangla	-	Managing Director
Shri Biren Patel	-	Director
Shri Saurabh Sangla	-	Director

B. RELATIVES OF KEY MANAGERIAL PERSONNEL

Smt. Monika Sangla Wife of M.D.

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

NATURE OF TRANSACTIONS	2007-2008	2006-2007		
	9A	9B	9A	9B
Remuneration to Director	720000		1260000	
Rent Paid	151480	720000	120000	720000
Rent Deposit		600000		600000
11. Directors Remuneration	2007-08	2006-07		
	720000	1260000		
12. Auditors Remuneration	2007-08	2006-07		
Audit Fees (Including S. Tax)	84180	84180		
13. EARNING PER SHARE (EPS)				
(a) Net Profit/(Loss) after tax	27515472	30369826		
(b) Weighted Average Number of Equity Shares	1621500	1621500		
(c) Nominal Value of Per Ordinary Share	10	10		
(d) Basic & Diluted Earning Per Share	16.97	18.73		

SIGNET OVERSEAS LIMITED

14. DEFERRED TAX

DEFERRED TAX LIABILITY (NET)

DEFERRED TAX LIABILITY

Liability of deferred tax for Depreciation

DEFERRED TAX AS AT 31.03.2008

DEFERRED TAX AS AT 31.03.2007

DEFERRED TAX ASSETS

For Disallowance U/s 43B & 40A (7)
For Depreciation Loss

Deferred Tax Liability (Net)

38906037

38906037

103191

38802846

40454322

40454322

89336

752662

39612324

15. Additional information pursuant to Paragraph 3.4C of part II of schedule VI of the Companies Act, 1956 (as certified by management)

CAPACITY & PRODUCTION

2007-2008

2006-2007

A. LICENCE CAPACITY

Installed Capacity

i) Polymers (Mts)

ii) Wind Power (MW)

3370.000

1.4

3370.000

2.6

B. PRODUCTION

Polymers (Mts)

Wind Power (KWH)

1042.147

4363384

521.100

2515261

Includes production done 942 Kg. (Pre. Year NIL) for others.

A) SALES

PVC Resin (MT)

Plasticizers

Polymers

HDPE/PP Bags (No.)

Wind Power Units (KWH)

Merchandise Goods (MT)

*Sales includes excise/shortage.

9783.885

52.840

16189.223

772804

4363384

—

587239641

5329835

1283224232

162626062

15023455

311690384

9336.350

786.810

11520.018

1801524

2515261

—

473001154

59981419

906043936

288077670

8762206

1443977436

ON CONSIGNMENT

Polymers

1354.650

7630583541

15766075

815961201

A) OPENING STOCK

Plasticizers

PVC Resin

Polymers (MT)

Merchandise Goods (MT)

5.200

1013.250

787.913

—

474656

53107074

57122850

30345465

2.890

556.500

25.900

—

146931

24992747

1987437

44463966

B) CLOSING STOCK

Plasticizers

Polymers (MT)

PVC Resin

Merchandise Goods (MT)

9.410

496.794

897.460

—

787144

21272953

56441105

30515483

5.200

787.913

1013.250

—

474656

57122850

53107074

30345465

C) PURCHASE OF GOODS TRADED IN

Plasticizers

Polymers (MT)

PVC Resin

HDPE Bags (Nos.)

Merchandise Goods (MT)

57.050

15898.104

9668.095

772804

—

5052805

1177321578

570682722

162566200

232503902

789.120

11760.931

9793.100

1801524

—

59824364

902442934

467339827

287285761

1377962693

D) RAW MATERIAL CONSUMED

Polymers (MT)

1041.205

75688630

521.100

41289418

VALUE OF IMPORT ON CIF BASIS

220933960

339406636

EXPENDITURE IN FOREIGN CURRENCY

Travelling Expenses

—

861791

EARNING IN FOREIGN CURRENCY

FOB Value of Exports

165187833

304001035

For and on behalf of the board of Directors

AS PER OUR REPORT OF EVEN DATED

FOR ASHOK KHASGIWALA & CO.

CHARTERED ACCOUNTANTS

Sd/-

CA AVINASH BAXI

PARTNER (M.No. 79722)

Sd/-

Managing Director

Indore, 18.08.2008

Sd/-

Director

**ANNEXURE TO CLAUSE 32 OF THE LISTING AGREEMENT
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2008**

	Current Year 2007-2008	Previous Year 2006-2007
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extraordinary Items	37,840,994.29	56,477,318.01
ADJUSTMENT FOR :		
Depreciation	12,545,514.00	9,966,064.00
Interest Paid	51,603,605.58	47,082,438.32
Profit on sales of Fixed Assets	(8,371,083.00)	0.00
Profit on sales of Investments	(3,384,945.69)	0.00
Dividend	(36,841.00)	(40,200.00)
Interest Received	(3,898,477.42)	(4,824,880.50)
Operating Profit Before Working Capital Change	86,298,766.76	108,660,739.83
ADJUSTMENT FOR :		
Inventories	26,340,747.27	(64,029,324.81)
Trade & Other Receivables	(182,293,456.34)	(309,802,632.66)
Trade & Other Payables	(71,575,365.09)	173,979,161.93
Cash Flow From Operations	(141,229,307.40)	(91,192,055.71)
Taxes Paid	(10,226,491.00)	(4,276,656.30)
Net Cash From Operating Activities	(151,455,798.40)	(95,468,712.01)
NET CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(17,601,669.50)	(128,379,829.19)
Purchase of Investments	(122,400.00)	(69,106,000.00)
Dividend	36,841.00	40,200.00
Interest Received	3,898,477.42	4,824,880.50
Sales of Fixed Assets	62,200,000.00	0.00
Sales of Investments	3,925,168.03	0.00
Net Cash Used in Investing Activities	52,336,416.95	(192,620,748.69)
NET CASH FLOW FINANCIAL ACTIVITIES		
Proceed From Borrowing	109,083,376.20	260,606,974.20
Repayment of Borrowings	0.00	0.00
Dividend Paid	0.00	(1,216,125.00)
Interest Paid	(51,603,605.58)	(47,082,438.32)
Net Cash Flow From Financing Activities	57,479,770.62	212,308,410.88
Net Increase/(Decrease) in Cash & Cash Equivalent	(41,639,610.83)	(75,781,049.82)
Cash & Cash Equivalents at Beginning of the Year	91,457,584.62	167,238,635.10
Cash & Cash Equivalents at End of the Year	49,817,974.45	91,457,584.62

For and on behalf of the board of Directors

Sd/-
Managing Director
Indore, 18.08.2008

Sd/-
Director

AS PER OUR REPORT OF EVEN DATED
FOR ASHOK KHASGIWALA & CO.
CHARTERED ACCOUNTANTS
Sd/-
CA AVINASH BAXI
PARTNER M.No. 79722

ANNEXURE - I**INFORMATION PURSUANT TO THE PROVISIONS OF PART - IV SCHEDULE VI OF THE COMPANIES ACT, 1956.****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS**

Registration No.	35202
State Code	11
Balance Sheet Date	31.03.2008

II. CAPITAL RAISED DURING THE YEAR

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Thousand)

Total Liabilities	890,875
Total Assets	890,875

A.Source of Funds

Paid Up Capital	16,215
Share Premium Account	160,292
Secured Loan	412,638
Unsecured Loan	262,927
Deferred Tax Liability	38,803

Total Liabilities

890,875

B.Application of Funds

Net Fixed Assets	155,699
Investment	71,998
Net Current Assets	663,178
Misc.Expenditure	-

Total Assets

890,875

VI. PERROMANCE OF THE COMPANY

Turnover & Other Income	2,363,642
Total Expenditure	2,325,801
Profit Before Tax	37,841
Profit After Tax	27,515
Earning Per Share (in Rs.)	17
Dividend rate %	-

V. GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES IN THE COMPANY

NIL

Indore

Date : 18.08.2008

sd/-

Mukesh Sangla
Managing Director

sd/-

Saurabh Sangla
Director

SIGNET OVERSEAS LIMITED

308, Acme Plaza, Premises Co-operative Society,
Opposite Sangam Cinema Theatre, Andheri Kurla Road, Andhri (E) Mumbai 400 059

(PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL)

ATTENDANCE SLIP

23rd ANNUAL GENERAL MEETING

308, Acme Plaza, Premises Co-operative Society,
Opposite Sangam Cinema Theatre, Andheri Kurla Road, Andhri (E) Mumbai 400 059

Monday, 29th September, 2008 at 4.00 p.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 OVERSEAS LIMITED

308, Acme Plaza, Premises Co-operative Society,
Opposite Sangam Cinema Theatre, Andheri Kurla Road, Andhri (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 23rd Annual General Meeting of the Company to be held on Monday, 29th September, 2008 at 4.00 p.m. at any adjournment thereof.

My/Our Registered Folio No. is _____

Signed this _____ day of _____ 2008.

Afix
1 Rupees
revenue
stamp

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