



**13<sup>th</sup> ANNUAL REPORT**  
**2016 – 17**

**Sicagen India Limited**

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**Board of Directors****Ashwin C Muthiah**

Chairman (DIN: 00255679)

**Sunil Deshmukh**

Director (DIN: 05210882)

**B Narendran**

Independent Director (DIN: 01159394)

**Harish Chandra Chawla**

Independent Director (DIN: 00085415)

**Sashikala Srikanth**

Independent Director (DIN: 01678374)

**Rita Chandrasekar\***

Independent Director (DIN: 03013549)

**Devidas Mali**

COO & Whole Time Director (DIN: 01405268)

**Shridhar Gogte\***

Whole Time Director (DIN: 07263758)

**Chief Financial Officer (CFO)****D Balagopal****Company Secretary****R Achuthan****Registered Office**

4<sup>th</sup> Floor, SPIC House  
No. 88, Mount Road, Guindy  
Chennai - 600 032

**Bankers**

Andhra Bank  
Axis Bank  
HDFC Bank  
State Bank of India

**Statutory Auditors**

M/s. CNGSN & Associates LLP  
Chartered Accountants  
No. 20, Raja Street, T.Nagar  
Chennai - 600 017

**Registrar & Share Transfer Agent**

Cameo Corporate Services Limited  
Unit: Sicagen  
Subramanian Building, 5<sup>th</sup> Floor  
No. 1, Club House Road, Chennai - 600 002  
Tel: 044 - 28460390 Fax: 044 - 28460129

\* Appointed w.e.f. 28<sup>th</sup> June 2017.

# Sicagen India Limited

## Company Information

<b>Name of Company</b>	Sicagen India Limited
<b>Incorporation</b>	2004
<b>Revenue</b>	₹ 57088 Lakhs
<b>Net Profit</b>	₹ 744 Lakhs
<b>Shares Issued</b>	₹ 3957 Lakhs
<b>Listing</b>	Bombay Stock Exchange Ltd (BSE) National Stock Exchange of India Ltd (NSE)
<b>Scrip Code</b>	BSE : 533014    NSE : SICAGEN
<b>Demat ISIN</b>	INE176J01011
<b>CIN</b>	L74900TN2004PLC053467

## Lines of Business

### Building Materials

The distribution of building materials such as MS/GI pipes, precision tubes, seamless tubes, rectangular/square hollow sections, construction steel including TMT steel rebars, PVC pipes, electrical cables, steel fittings, cement, sanitary wares & CP fittings.

For dealers, contractors, builders and corporate buyers our network of 26 branches across India serves as a single window to top building material manufacturers that include TATA Steel, Jindal Pipes, Steel Authority of India, Finolex Cables, Supreme Industries, Maharashtra Seamless, ACC Cements and Dalmia Cements.

### Power & Control Systems (Formerly Goodwill Governor Services)

Power & Control Systems is the business partner and India's only authorized service centre for WOODWARD, makers of the World's finest governors and is a Distributor for NORGREN power sector products.

### Industrial Packaging (Formerly Beta Industries)

Manufacture of drums and barrels that are used for the transport of lubricant oil, hazardous and non-hazardous chemicals and pulp.

### Specialty Chemicals

Provides water treatment and process improvement solutions for petrochemical, fertilizer, refinery, power, pharmaceutical, agro and pesticide industries.

### Engineering (Formerly Goodwill Engineering Works)

Builds boats, tugs & barges.

### Cable Manufacturing – Wilson Cables Private Ltd, Singapore (Subsidiary)

Manufacture of premium cables for industrial and other critical applications.

### Fabrication – Danish Steel Cluster Private Ltd, Bengaluru (Subsidiary)

Precision fabrication of steel, carbon steel, mild steel and aluminium.

## Sicagen India Limited



Registered Office: 4<sup>th</sup> Floor, SPIC House, No.88, Mount Road, Guindy, Chennai - 600032  
(CIN: L74900TN2004PLC053467)

### NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 13<sup>th</sup> Annual General Meeting of the shareholders of Sicagen India Limited, will be held on Thursday, the 27<sup>th</sup> July 2017 at 10.00 a.m. at "Rajah Annamalai Mandram", Esplanade, Chennai - 600 108 to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare equity dividend for the year 2016-17.
3. To appoint a Director in the place of Mr.Sunil Deshmukh (DIN: 05210882), who retires by rotation and being eligible, offers himself for re-election.
4. To appoint statutory auditors and fix their remuneration for the current financial year and in this connection to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof, M/s. SRSV & Associates (Firm Regn.No.015041S), Chartered Accountants, Chennai, be and are hereby appointed as the statutory auditors of the Company for 5 years and shall hold office as auditors from the conclusion of 13<sup>th</sup> Annual General Meeting until the conclusion of 18<sup>th</sup> Annual General Meeting subject to ratification of shareholders at every subsequent Annual General Meeting.

**FURTHER RESOLVED THAT** the remuneration payable to M/s.SRSV & Associates, Chartered Accountants, Chennai, excluding service tax, travelling and other out-of-pocket expenses incurred by them in connection to the Company's audit for the financial year 2017-18 as agreed between the Board of Directors and the said auditors be and is hereby approved.

#### SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Act for the time being in force, Ms.Rita Chandrasekar (DIN: 03013549), who was appointed as additional Director of the Company under Section 161 of the Act on 28<sup>th</sup> June 2017 and who ceases to hold office on the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with the requisite deposit from a

member, proposing her candidature for the office of Director, be and is hereby appointed as Director of the Company and she shall hold office as Independent Director for a period of 5 years with effect from 28<sup>th</sup> June 2017 and that Ms.Rita Chandrasekar shall not be liable to retire by rotation.

6. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

**RESOLVED THAT** Mr.Shridhar Gogte (DIN: 07263758), who was appointed as an additional Director of the Company under Section 161 of the Companies Act, 2013 on 28<sup>th</sup> June 2017 and who ceases to hold office on the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with the requisite deposit from a member, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

7. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution.

**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 of the Companies Act, 2013 (Act) read with Schedule V to the Act and other applicable provisions, if any, of the Act (including any statutory modifications and/or re-enactments of the Act and/or any notification which the Central Government may issue from time to time) and subject to the provisions of Articles of Association of the Company and also subject to such other statutory approvals as may be required, Mr.Shridhar Gogte (DIN: 07263758) be and is hereby appointed as "Whole Time Director" of the Company on the following terms as recommended by the members of Nomination & Remuneration Committee of the Board of Directors of the Company.

- |                           |  |
|---------------------------|--|
| (1) Term                  | : 2 years with effect from 28 <sup>th</sup> June 2017                |
| (2) Remuneration Package  |  |
| a) Salary                 | : Rs.21,90,000/- (Rupees Twenty One Lakhs Ninety Thousand Only) p.a. |
| b) HRA                    | : Rs.9,00,000/- (Rupees Nine Lakhs only) p.a.                        |
| b) Special Allowance      | : Rs.14,40,000/- (Rupees Fourteen Lakhs Fourty Thousand only) p.a.   |
| c) Performance Linked Pay | : Rs.7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) p.a.        |

# Sicagen India Limited

## d) Perquisites & Other :

In addition to salary, HRA, special allowance, performance linked pay, other perquisites and allowances shall be allowed for an amount not exceeding Rs.4,99,328/- (Rupees Four Lakhs Ninety Nine Thousand Three hundred and Twenty Eight only) per annum as per Company's policy and applicable Income Tax Rules.

*(Perquisites & Other allowance are classified to include LTA, medical reimbursement, Health Insurance Premium, Provision, to Company Car, Contribution to Provident Fund, Gratuity Fund, Personal Accident Insurance etc).*

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to alter, vary or revise the terms of the above remuneration, from time to time, in such manner so as to not to exceed the limits specified under Schedule V of Act or any amendments thereto and the minimum remuneration payable in case of no profit or inadequate profits shall be restricted to the limits which can be doubled as prescribed in Part II of Schedule V of the Act.

8. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, Mr.J.Karthikeyan, Cost Accountant appointed as the Cost Auditor of the Company by the Board of Directors, for the conduct of the audit of the cost records of the Company for the financial year 2017-18 at a remuneration of Rs.85,200/- (Rupees Eighty Five Thousand Two Hundred Only) excluding service tax, travelling and other out-of-pocket expenses incurred by him in connection with the aforesaid audit be and is hereby ratified and confirmed.

By order of the Board  
For Sicagen India Limited

Date : 28<sup>th</sup> June 2017

**R.Achuthan**

Place : Chennai

Company Secretary

## NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy shall be deposited at the Registered office of the Company not later than 48 (forty eight hours) before the time fixed for holding the meeting; in default, the instrument of proxy shall be treated as invalid.
2. Explanatory statements pursuant to Section 102 of the Companies Act 2013, in respect of Item Nos.4 to 8 of the notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed **from 21<sup>st</sup> July 2017 to 27<sup>th</sup> July 2017 (both days inclusive)** for the purpose of payment of dividend to the eligible shareholders as on the **record date ie 20<sup>th</sup> July 2017**.

4. The members/proxies should bring their attendance slip duly filled in and signed, clearly indicating their Folio No (or) DP ID/Client ID as the case may be, along with the Annual Report and they are requested to hand over the attendance slip at the entrance of the hall for attending the meeting.
5. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
6. Members are hereby informed that the Company has appointed M/s. Cameo Corporate Services Ltd, Unit : Sicagen, "Subramanian Building 5th Floor, No.1, Club House Road, Chennai-600002, Tel:044-28460390 / Fax:044-28460129/ e-mail address: cameo@cameoindia.com as its Registrar and Share Transfer Agent (RTA) for both electronic and physical transactions of the shares. The shareholders are therefore requested to take note of the same and send all documents, correspondences, queries on any matter to RTA at the above mentioned address.
7. As per SEBI directive, submission of self-attested PAN copy of transferee/legal heir including joint holders if any is mandatory for registration of transfer/ transmission/ transposition of shares. Hence the respective transferee(s)/ legal heir(s) are requested to attach their self-attested PAN copy to the Company/ RTA while lodging the documents for registration.
8. Members those who hold share(s) in physical form are requested to notify, immediately, any change in their address to the Company / RTA and those who hold share(s) in demat form, to the concerned Depository Participants.
9. The Registered Office of the Company is situated at 4th Floor, SPIC House, No.88, Mount Road, Guindy, Chennai-600032. Hence, Members are requested to send all letter correspondence to the above Registered Office.
10. The Company's equity shares are listed with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd and the listing fees for the year 2016-17 have been paid to above stock exchanges.
11. Shareholders are aware that the Ministry of Corporate Affairs has allowed paperless compliances by the Companies through electronic form with an intention to reduce paper consumption and contribute towards a greener environment. The Company is also in the process of sending annual reports, notices and other documents in electronic form in order to facilitate in prompt delivery of communications to the shareholders and reduce paper consumption. Hence the shareholders are hereby requested to register your email ID with the Company/RTA by submitting EARF (Email Address Registration Form), a copy of which is available with the company and also can be downloaded from the Company's website [www.sicagen.com](http://www.sicagen.com).

12. Shareholders are requested to furnish/update their bank account details (ie Bank account No., Name and address of the Bank, 9 digit MICR code, IFSC code) to remit the dividend amount directly through ECS (Electronic Clearing Services) to their accounts so as to avoid fraudulent encashment / loss of dividend warrant in postal transit. Shareholders who hold shares in demat form may provide their bank account details to their concerned Depository Participant (DP) and those who hold shares in physical form may provide their bank account details to the Company/ RTA.

13. Information required to be given under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 about the particulars of Director(s) to be re-appointed at the ensuing Annual General Meeting and their Directorship/Committee Membership/ Chairmanship in other Companies is given hereunder. Directorship held in Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013 are excluded and Memberships/Chairmanships held in Audit Committee and Stakeholders Relationship Committees only have been included.

(a) Mr.Sunil Deshmukh, aged about 54 years, a resident of Singapore, holds a Master's degree in Commerce and an LLB from Pune University. He is a fellow member of the Institute of Company Secretaries of India and the Institute of Cost Accountants of India and also a Certified Management Accountant, USA. He has completed the Oxford Advanced Management & Leadership Program conducted by Said Business School, University of Oxford, UK and Leadership Program at ASPEN Institute Of Leadership, ASPEN, Colorado, USA.

Mr.Sunil Deshmukh has over 26 years of rich experience in the field of general management, new business development strategies, manufacturing facility management, financial management and human resources. He is not holding any equity shares of the Company.

**Other Directorship held:**

Sical Logistics Ltd	Director
Sical Infra Assets Ltd	Director
Sical Iron Ore Terminals Ltd	Director
Sical Multimodal And Rail Transport Ltd	Director
Sical Iron Ore Terminal (Mangalore) Ltd	Director
Norsea Offshore India Limited	Director
PSA Sical Terminals Limited	Director

**Other Committee Membership / Chairmanship held: Nil**

(b) Ms.Rita Chandrasekar, aged about 59 years is a senior partner in the leading Advocate firm M/s. Aiyar and Dolia, since 1984. The firm was established by her father late B.R.Dolia, in the year 1957. She/ her firm has been retained by several public Sector Banks and Corporates.

They are also advisers to many multinational companies, Resident & NRI Clients regarding investment of funds, establishment of industries, purchase of immovable properties etc. She is the standing Counsel for the Tamil Nadu Pollution Control Board and Chennai Metro Rail Limited.

Ms.Rita Chandrasekar is not holding any equity shares of the Company.

**Other Directorship held:**

Tuticorin Alkali Chemicals & Fertilizers Ltd	Director
India Radiators Ltd	Director

**Other Committee Membership/Chairmanship held:-**

Tuticorin Alkali Chemicals & Fertilizers Ltd	Member Audit Committee
India Radiators Ltd	Chairperson Audit Committee

(c). Mr.Shridhar Gogte, aged about 44 years, is a Commerce Graduate and also an Associate Member of Institute of Chartered Accountants of India. He has over 18 years of rich experience in corporate accounting, finance, taxation, banking relationship and internal audit. Before joining with the Company, he has held prominent positions in various companies including Franke Faber India Ltd, Dr.Reddy's Laboratories Ltd, SKF India Ltd etc.

Mr.Shridhar Gogte is not holding any equity shares of the Company.

**Other Directorship held : Nil**

**Other Committee Membership/Chairmanships held: Nil**

**Instructions for members for voting electronically are as under:-**

- 1) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 13th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- 2) The facility for voting through ballot paper shall be made available at the AGM hall and the members attending the meeting who have not cast their vote

# Sicagen India Limited

by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

- 3) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- 4) **The remote e-voting period commences on 24<sup>th</sup> July 2017 (9:00 a.m.) and ends on 26<sup>th</sup> July 2017 (5:00 p.m.).** During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 20<sup>th</sup> July 2017**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- 5) The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.  
*NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".*
    - (ii) Launch internet browser and type the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put your user ID and password. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "Sicagen India Limited".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly

authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail to [gkrkgram@yahoo.in](mailto:gkrkgram@yahoo.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number) USER ID & PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- 6) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

- 7) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

*NOTE: Shareholders who forgot the User Details/ Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).*

*In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).*

*In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).*

- 8) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- 9) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20<sup>th</sup> July 2017.
- 10) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20<sup>th</sup> July 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [cameo@cameoindia.com](mailto:cameo@cameoindia.com).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- 11) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.



- 12) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- 13) Mr.R.Kannan, Practicing Company Secretary (CP No. 3363) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the ballot form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
- 14) The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 15) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- 16) The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company, [www.sicagen.com](http://www.sicagen.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchanges.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following explanatory statement sets out the material facts referring to item no. 4 to 8 of the notice dated 28 June 2017:-

##### **Item No. 4**

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules 2014, the Company is required to appoint new statutory auditors in the place of existing auditors M/s.CNGSN & Associates, Chartered Accountants, whose term of appointment expires at the conclusion of 13<sup>th</sup> Annual General Meeting (AGM). In order to comply with the above provisions of the Act, the Board of Directors of the Company, at its meeting held on 17<sup>th</sup> May 2017, has proposed to appoint M/s. SRSV & Associates (Firm Regn.No.015041S), Chartered Accountants, Chennai as new statutory auditors of the Company for a period of 5 years from the conclusion of 13<sup>th</sup> AGM until the conclusion of 18<sup>th</sup> AGM.

However, the aforesaid appointment shall be subject to the ratification of the shareholders at every subsequent

AGM till the expiry of their term. The aforesaid new auditors have consented for appointment and issued a certificate to the effect that the appointment, if made, shall be in accordance with the conditions as prescribed in Sections 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

Therefore the Board recommends the appointment of M/s.SRSV & Associates, Chartered Accountants, Chennai as the Statutory Auditors of the Company as set out at Item No.4 for shareholders' approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives is deemed to be interested or concerned in the resolution at Item No.4 of the Notice.

##### **Item No: 5**

The Board of Directors of the Company at their meeting held on 28<sup>th</sup> June 2017 have appointed Ms.Rita Chandrasekar as an additional Director of the Company. As per the provisions of Section 161 of the Companies Act, 2013 (Act), Ms.Rita Chandrasekar shall hold office as Director only upto the date of this Annual General Meeting. The Board has also recommended the appointment of Ms.Rita Chandrasekar as Independent Director (Non-executive), who meets the criteria of independence as provided in Section 145 of the Companies Act, 2013 for shareholders' approval at this Annual General Meeting. Subject to approval of the shareholders, the aforesaid Director shall hold office as Independent Director for a period of 5 years w.e.f 28<sup>th</sup> June 2017 and shall not liable to retire by rotation as per Section 150 of the Act.

Therefore, the Board of Directors proposes the aforesaid appointment of Independent Director and recommends the resolutions at Item no. 6 of the notice for approval by the shareholders. Brief profile of the said Independent Director, in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is given under note no.13(b) of this Notice.

None of the other Directors except Ms.Rita Chandrasekar is deemed to be interested or concerned in the Resolution No.5.

##### **Item Nos: 6 & 7**

Mr.Shridhar Gogte, who is presently in the whole time employment of the Company and acting as Vice President Operations, was appointed as an additional Director into the Board on 28<sup>th</sup> June 2017. As per the provisions of Section 161 of the Companies Act 2013, Mr.Shridhar Gogte shall hold office as Director only upto the date of this Annual General Meeting. The Company has received a notice in writing along with the requisite deposit from a member duly signifying his intention to propose the appointment as Director of the Company.

Accordingly, the Board proposes the appointment of Mr.Shridhar Gogte as Director of the Company and recommends the resolution at Item no.6 of the notice for approval by the shareholders.

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Mr.Shridhar Gogte has over 18 years of rich experience in corporate accounting, finance, taxation, banking relationship and internal audit. Before joining with the Company, he has held prominent positions in various industries like pharmaceutical, engineering, automobile, consumer goods, software etc. Based on his qualification and experience, the Board of Directors at its meeting held on 28<sup>th</sup> June 2017 appointed him as a Whole Time Director of the Company on such terms as mentioned in the resolution subject to the approval of shareholders at this Annual General Meeting.

Hence the Board of Directors also proposes the appointment of Mr.Shridhar Gogte as Whole Time Director as set out in Item no.7 of the Notice for the approval of the shareholders. Particulars in brief about his qualification and experience are given under Note No.13(c) of this notice.

None of the other Directors except Mr.Shridhar Gogte is deemed to be interested or concerned in Resolutions No.6 & 7.

## Item No: 8

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit

and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of Company. As per the recommendation of the Audit Committee at its meeting held on 17<sup>th</sup> May 2017, the Board has approved the appointment of Mr.J.Karthikeyan, Cost Accountant as the Cost Auditor of the Company for the financial year 2017-18 at a remuneration of Rs.82,500/- per annum exclusive of reimbursement of service tax and all out of pocket expenses incurred, if any, in connection with the cost audit. The appointment and the remuneration of the cost auditor are required to be ratified subsequently in accordance with the provisions of the Act and Rule 14 of the Rules. Accordingly, the Directors recommend the Resolution as set out in Item No.8 of the Notice for the approval of shareholders.

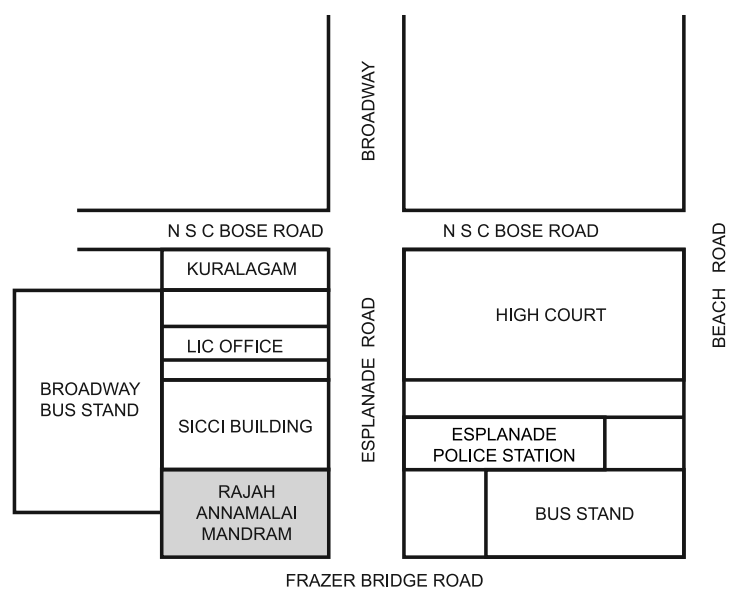
None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No.8 of the Notice.

By order of the Board  
For Sicagen India Limited

**R. Achuthan**  
Company Secretary

Date : 28<sup>th</sup> June 2017  
Place : Chennai

## ROUTE MAP FOR AGM VENUE



## DIRECTORS' REPORT

Your Directors are pleased to present the 13<sup>th</sup> Annual Report and the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2017.

### FINANCIAL RESULTS

Financial performance of the Company for the year ended 31<sup>st</sup> March 2017 is summarized below:

(₹ in Lakhs)

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Revenue from operations	56,057	45,086
Other Income	1,031	1458
<b>Total Revenue</b>	<b>57,088</b>	<b>46,544</b>
Profit before Finance Cost, Depreciation and Tax	1,529	1431
Less: Finance Cost	616	567
Less: Depreciation	160	261
<b>Profit before Tax</b>	<b>753</b>	<b>603</b>
Less: Provision for Tax	9	(117)
<b>Profit after Tax</b>	<b>744</b>	<b>720</b>
Add: Balance in Profit and Loss Account	5,557	5,123
Amount available for Appropriations	6,301	5,843
<b>Appropriations</b>		
General Reserve	Nil	Nil
Dividend on Equity Shares	238	238
Tax on Dividend	48	48
Balance carried to the Balance Sheet	6015	5,557
Earnings per share (EPS) (in ₹)	1.88	1.82

### REVIEW OF OPERATIONS

#### Building Materials Division

The Building Materials division being one of early entrants into the business has a rich legacy of being in the business for over seven decades. Since then, this division has been partnering with some of the best brands in trading and marketing of building material like Tata Steel, JSW, Jindal, Apollo, SAIL, in steel segment; Dalmia and Chettinad in Cement; Jain, Supreme and Ajay in PVC category and Finolex Cables as major sourcing channels amongst many others. During the year, a challenging economic scenario prevailed in the country adversely affecting the steel and construction sectors. Realty sector faced one of the toughest times with poor off take from consumers. The glut in steel imports distorted the domestic steel industry Business. This division achieved a total turnover of ₹50,203 Lakhs and earned a net profit of ₹748 Lakhs against previous year turnover of ₹39,811 Lakhs and a net profit of ₹338 lakhs. Sales substantially increased due to the constant innovative ideas and efforts from the sales team, close monitoring of the business process by management coupled with addition of new customers and expansion to new markets. The Company is planning to expand the business operations beyond the conventional range by

adding various product portfolios and catering to a wider customer base in the existing markets.

#### Power & Control Systems (Formerly Goodwill Governor Services) Division

The Governor Services division has established a strong reputation as the exclusive authorised service provider for Woodward Governors. With enormous experience and expertise spanning over two decades, this division commands the reputation of a reliable supplier in the market. This is an ISO 9001 - 2008 certified division of Sicagen. This division caters to a variety of customers spread majorly in oil refineries, shipping, sugar and fertilizer segments. Major threat emanated from OEM suppliers, Government policy on Public sector spends, Capex Allocation of funds by corporates. The year 2016-17 witnessed many challenges in revenue generation with repeated deferment of orders by Public Sector companies. Revenue of the division during the year under review was ₹2,776 lakhs and net profit was ₹332 lakhs as compared to sales of ₹2,562 Lakhs and net profit of ₹381 Lakhs in the previous year. This division is expanding into other products to focus into new products

# Sicagen India Limited

where our expertise can be utilised and into new markets to explore more business.

## Specialty Chemicals Division

Specialty Chemicals division has improved its turnover substantially to ₹514 Lakhs and earned a net profit of ₹92 Lakhs this year as compared to turnover of ₹302 Lakhs and a net profit of ₹53 Lakhs in 2015-16. During the year, this division extended its operations to trading some of the related products. Also, operations from northern India were strengthened further with some orders from sugar manufacturing companies. This division is looking forward with concrete plans to explore into many areas in order to diversify its operations catering to the wide customer base. During the year, this division inaugurated Water Science Laboratory to utilise technological advancements and scientific analysis of various raw materials. An R & D laboratory was also established for detailed analysis of its own manufactured products as well as other products to meet the customers' requirements.

## Industrial Packaging (Formerly Beta Industries) Division

During the year, this division has recovered from a bout of poor turnover of earlier year. Volatile steel prices, challenging economic scenario, liquidity crisis, truncated fruit pulp season and intense competition from unorganised businesses posed a great threat to this division. This division has carried out automation of many of the processes to improve quality, reduce delivery time and increase productivity. Turnover for the year stood at ₹2,256 Lakhs as compared to ₹2,182 Lakhs in 2015-16. The net profit of this division could not be sustained at high levels despite many cost reduction measures and higher productivity due to severe competition. This division registered a net profit of ₹150 Lakhs for the year 2016-17 as against ₹162 Lakhs in the previous year 2015-16. During the year, the division has bagged contracts from HPCL and Hindustan Colas qualifying in tenders. Products of this division are certified under BIS

## ACQUISITION

During the year 2016-17, your Company, as part of comprehensive strategy to focus on key areas, has acquired 60% equity capital of M/s. Danish Steel Cluster Private Ltd (Danish Steel), a Bengaluru based manufacturing Company which specialises in precision fabrication of steel, carbon steel, mild steel and Aluminium. Consequent to the above acquisition, Danish Steel has become a subsidiary of your Company w.e.f 22nd November 2016. The acquisition of remaining 40% of equity stake from the promoters of Danish Steel would be accomplished in a phased manner. Your Company is expecting that this acquisition will propel the Company

to capitalise on the opportunities in steel and metal fabrication business and also provide significant long term benefits.

## DIVIDEND

Your directors are pleased to recommend a dividend of ₹0.60 per equity share (6% on equity capital of the Company) for the financial year 2016-17 despite a very challenging year with poor economic recovery, volatility in raw material prices and liquidity crisis. Total dividend is ₹238 Lakhs and dividend distribution tax amounts to ₹48 lakhs. The dividend shall be paid to the eligible shareholders whose names appear in the Register of Members as on the record date fixed by the Board.

## DISCLOSURES UNDER THE COMPANIES ACT, 2013

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company has complied with requirements and the details of which are disclosed hereunder.

### 1. Extract of Annual Return

The details forming part of the extract of the Annual Return is enclosed in Annexure-I.

### 2. Number of Board Meetings

The Board of Directors met 5 (five) times in the year 2016-17. The details of the Board meetings and the attendance of the Directors are given in the Corporate Governance Report.

### 3. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors report that:

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates which are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and of the profit & loss account of the Company for year ended on that date.
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- (d) they have prepared the annual accounts on a going concern basis.

- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and effective.
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

#### **4. Statement on declaration given by Independent Directors**

The Company maintains the requisite number of Independent Directors as required under Section 149(4) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have submitted the declaration of independence, as required under Section 149(7) of the Companies Act, 2013, confirming that they meet the criteria of independence as provided in sub-Section(6) of Section 149 of the Act.

#### **5. Remuneration Policy**

The Company follows a policy on remuneration of Directors, Key Managerial Personnel and Senior Management employees including criteria for determining qualification, positive attributes and independence of Directors. The following is the Remuneration Policy for Directors:

##### **i. For Executive Directors**

The remuneration of the Whole Time Directors shall comprise of a fixed component and a performance linked pay, as may be fixed by the Nomination and Remuneration Committee and subsequently approved by the Board of Directors and Members. Performance Linked Pay shall be payable based on the performance of the individual and the Company during the year. Remuneration trend in the industry and in the region, academic background, qualifications, experience and contribution of the individual are to be considered in fixing the remuneration. These Directors are not eligible to receive sitting fees for attending the meetings of the Board and Committees.

##### **ii. For Non-Executive Directors**

The Non-Executive Directors will be paid sitting fees for attending the Board and Committee Meetings as per the stipulations in the Act, and the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee. Different scales of sitting fee may be fixed for each category of Directors and type of meeting. However, the fees payable to the Independent Directors and Women Directors shall not be lower than the fee payable to other categories of directors. In addition to this, the travel and other expenses incurred for attending the meetings are to be met by the Company.

The Company shall have no other pecuniary relationship or transactions with any Non-Executive Directors.

#### **6. Explanation of Board on qualification of Statutory Auditors & Secretarial Auditor, if any**

During the year ended 31st March 2017, there was no qualification, reservation or adverse remark made by the statutory auditor on the financial statements of the company and by the Practicing Company Secretary in their respective reports.

#### **7. Particulars of loans, guarantees or investments given or made by the Company**

During the year 2016-17, the Company has not given any loan to any person/other body corporate except loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 or given any guarantee or provided security in connection with a loan to any person/body corporate. During the year 2016-17, the Company has invested in the equity capital of M/s.Danish Steel Cluster Private Ltd.,Bengaluru.

#### **8. Related Party Transactions**

The related party transactions entered into with related parties are on arm's length basis and in compliance with the applicable provisions of the companies act and the listing agreement. There are no materially significant related party transactions made by the company with promoters, directors or key managerial personnel etc., which may have potential conflict of interest with the interest of the company at large.

The related party transactions were placed before the Audit Committee and the Board specifying the nature, value and terms and conditions of the transactions. In principle approval is obtained for the transactions which are foreseen and are, repetitive in nature.

#### **9. Amount transferred or proposed to transfer to any reserves**

The Company has not transferred or proposed to transfer any amount to any reserves as there is no requirement to transfer such amount as required under the Companies Act, 2013.

#### **10. Material changes and commitments, if any, affecting the financial position of the Company**

There are no material changes and commitments affecting the financial position of the company between the end of the financial year on 31<sup>st</sup> March 2017 and the date of this report.

#### **11. Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo**

Particulars required to be disclosed under Section 134 of the Companies Act, 2013 read with the Rule 8(3)

# Sicagen India Limited

of the Companies (Accounts) Rules, 2014 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure II, which forms part of this Report.

## 12. Risk Management Committee

The Company has constituted a Risk Management Committee which comprises of two Directors, finance head and operations heads as members for implementing, monitoring and reviewing of risk management plan periodically. The Committee constituted by the Company has been delegated with powers to oversee the risk management process, risk identification, effective implementation of mitigation plan and risk reporting.

## 13. Composition of Audit Committee

During the year, the Board has reconstituted the Audit Committee. The Committee now comprises of Mr.B.Narendran, as Chairman and Mr.Sunil Deshmukh, Mr.Harish Chandra Chawla and Ms.Sashikala Srikanth as members. More details on the Audit Committee are given in the Corporate Governance Report.

## 14. Evaluation of Board

Pursuant to the provisions of Section 134 of the Companies Act, 2013 read with Schedule IV of the Act and also in line with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Independent Directors of the Company met on 20<sup>th</sup> March 2017 without the attendance of Non-Independent Directors and Members of Management and reviewed the performance of Non-Independent Directors and the Board as a whole. They also reviewed the performance of the Chairperson.

Evaluation of the Board was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees, competencies, duties and responsibilities, attendance, value of contribution made to the Company's progress etc.

## 15. Corporate Social Responsibility (CSR)

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has to spend at least 2% of last three years of its average profit before tax for carrying out appropriate CSR activities as referred under Schedule VII of the Act. The Company has constituted a CSR Committee and framed a policy for implementation of CSR initiatives.

The Company is a member of a Not-For-Profit Company formed under Section 8 of the Companies Act, 2013 to carry out necessary CSR activities in the ensuing years.

A report on CSR activities forming part of this report is attached herewith as Annexure III.

## 16. Vigil Mechanism

Pursuant to the provisions of Section 177 (9) of the Companies Act, 2013 read with the Rule 7 of the Companies (Meetings of Board and its powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has established a vigil mechanism for its directors and employees to report their grievances or genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. In order to prevent fraudulent activities and also to ensure a corruption free work environment, a detailed Whistle Blower policy has been laid down by the Board. Brief details of the Whistle Blower policy are given in the Corporate Governance Report.

## 17. Internal Complaints Committee

The Company has constituted an Internal Complaints Committee to prevent and prohibit any form of sexual harassment at workplace and provide redressal for woman employees as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 18. Particulars required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) & (3) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014

The particulars required under Section 197(12) read with Rule 5(1), (2) & (3) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 are given in Annexures IV & V, and form part of this Report.

## 19. Corporate Governance Report

A Report on Corporate Governance as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 forms part of this Annual Report. The requisite certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as required under the above Regulation is attached to this Report.

## 20. Management Discussion & Analysis Report

Management Discussion & Analysis Report for the year under review, as stipulated under Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is attached along with this report.

## 21. Directors

Mr.Sunil Deshmukh, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-election.

Ms.Rita Chandrasekar was appointed as an additional Director of the Company with effect from 28<sup>th</sup> June 2017. As per the provisions of Section 161 of the Companies Act, 2013 (Act), Ms.Rita Chandrasekar shall hold office as Director only upto the date of this Annual General Meeting. The Board has also recommended the appointment of Ms.Rita Chandrasekar as Independent Director (Non-executive), who meets the criteria of independence as provided in Section 145 of the Companies Act, 2013 for shareholders' approval at the ensuing Annual General Meeting. Subject to approval of the shareholders, the aforesaid Director shall hold office as Independent Director for a period of 5 years w.e.f 28<sup>th</sup> June 2017.

Mr.Shridhar Gogte, who is presently in the whole time employment of the Company and acting as Vice President Operations, was appointed as an additional Director of the Company and inducted as Whole Time Director of the Company with effect from 28<sup>th</sup> June 2017. As per the provisions of Section 161 of the Companies Act 2013, Mr.Shridhar Gogte shall hold office as Director only upto the date of this Annual General Meeting. Subject to approval of the shareholders, the aforesaid Director shall hold office as Whole Time Director for a period of 2 years w.e.f 28<sup>th</sup> June 2017.

## **22. Auditors**

### **(a) Statutory Auditors**

At the 10<sup>th</sup> AGM, M/s.CNGSN & Associates LLP, Chartered Accountants, were appointed as statutory auditors of the Company for a period of 3 years and they will hold office until the conclusion of 13<sup>th</sup> AGM as per Section 139 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules 2014. Since the term of appointment of the aforesaid Auditors comes to an end, the Board of Directors, based on the recommendation of Audit Committee, has considered to appoint M/s.SRSV & Associates, Chartered Accountants, Chennai as the new statutory auditors of the Company for a period of 5 years and recommended the appointment for shareholders' approval at the ensuing Annual General Meeting and subject to approval of the shareholders, the aforesaid new Auditors shall hold office from the conclusion of the 13<sup>th</sup> AGM until the conclusion of 18<sup>th</sup> AGM.

M/s.SRSV & Associates, Chartered Accountants, Chennai has consented to act as the new Statutory Auditors of the Company and also confirmed that the appointment shall be within the limits as specified under the Companies Act 2013, if appointed.

### **(b) Cost Auditor and Cost Audit Report**

The Company had appointed Mr.J.Karthikeyan, Cost Accountant as Cost Auditor of the Company for the financial year 2016-17 to carry out necessary cost audit in

respect of manufacturing activities of the Company such as specialty chemicals division, industrial packaging division, power & control systems division etc.

Pursuant to Section 148 of the Companies Act, 2013 read with the amended rules thereof, the Board of Directors on recommendation of the Audit Committee, appointed Mr.J.Karthikeyan, Cost Accountant, as Cost Auditor of the Company for the financial year 2017-18 and have recommended his remuneration to the shareholders for their ratification at the ensuing Annual General Meeting

### **(c) Secretarial Auditor**

The Company has appointed Mr.R.Kannan, Practicing Company Secretary to carry out necessary secretarial audit for the financial year 2017-18 as required under Section 204 of the Companies Act, 2013.

### **(d) Internal Auditor**

M/s.M.K.Dandekar & Co, Chartered Accountants, Chennai were appointed as Internal Auditors on 01<sup>st</sup> June 2016 to conduct necessary internal audit of the functions and activities of the Company, as required under Section 138 of the Companies Act, 2013 read with the Rule 13 of the Companies (Accounts) Rules, 2014. The Board has approved the renewal of their appointment for a further period of one year with effect from 01<sup>st</sup> June 2017.

## **23. Internal Control System**

A strong and robust internal control system is in place in the Company with appropriate policies and procedures to ensure reliability of financial reporting, timely feedback on the achievement of operational and strategic goals, compliance with policies, procedures, rules and regulations, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and economical and efficient use of resources. The internal auditors appointed by the Company continuously monitor the effectiveness of internal controls. Audits are conducted on an ongoing basis and significant deviations are brought to the notice of the Audit Committee and corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps. The audit committee approves the audit plan and audit plan is reviewed annually. Further, the Audit Committee also reviews the quarterly reports submitted by internal auditors.

## **24. Fixed Deposits**

The Company has not invited or accepted any deposits during the year.

# Sicagen India Limited

## 25. Dematerialization of Equity Shares

As at 31<sup>st</sup> March 2017, 3,81,96,749 equity shares representing 96.53% of the paid-up share capital of the Company have been dematerialized. The shareholders holding shares in physical form are advised to dematerialise their shares to avoid the risks associated with holding the share certificates in physical form.

## 26. Subsidiary & Associate Companies

In terms of general permission granted by the Central Government earlier, vide its circular dated 08<sup>th</sup> February 2011 and also pursuant to Section 136 of the Companies Act, 2013 which has given exemption from attaching the annual reports of subsidiary companies along with the annual report of the Company, the copies of balance sheet, profit and loss account, report of Directors & Auditors and other related information of South India House Estates & Properties Limited, Wilson Cables Private Limited, Danish Steel Cluster Private Limited (Subsidiary Companies) and EDAC Automation Limited (Associate Company) are not attached with this annual report. However, a statement containing the salient features of the financial statements of the aforesaid Subsidiary Companies for the year ended 31<sup>st</sup> March 2017 is attached with the consolidated accounts section.

The Company shall make available the annual accounts of the aforesaid subsidiary Companies and Associate Company to the shareholders of the Company upon their request. The annual accounts of the said subsidiary Companies and Associate Company shall also be kept available for inspection by any member at the Registered office of the Company.

In accordance with Accounting Standard 23 of Institute of Chartered Accountants of India and Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the consolidated financial statements are prepared by the Company. The audited consolidated financial statements together with auditors' report for the financial year ended 31<sup>st</sup> March 2017 are attached with this annual report. In terms of the explanations given in Accounting Standard-23(5), the financial statement of Associate Company namely EDAC Automation Ltd, wherein the Company holds 49.99% equity stake, has not been taken into account for consolidation as the Company has no significant influence over the aforesaid Associate Company.

## ACKNOWLEDGEMENT

Your Directors take this opportunity to express their gratitude to Company's Bankers, NBFCs, Customers, Suppliers, Government Departments and other business associates for their continuous support extended to the Company. Your Directors wish to place on record, their appreciation of the efficient and dedicated services rendered by the employees at all levels across the Company. We are sincerely grateful to all the shareholders for their confidence, faith and support in the endeavours of the Company.

For and on behalf of the Board

Place : Chennai  
Date : 28<sup>th</sup> June 2017

**Ashwin C Muthiah**  
Chairman



**Annexure-I to Directors' Report**  
**EXTRACT OF ANNUAL RETURN**  
**for the financial year ended on 31<sup>st</sup> March 2017**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

- (i) Company Identification Number (CIN) : L74900TN2004PLC053467
- (ii) Registration Date : 11.06.2004
- (iii) Name of the Company : Sicagen India Limited
- (iv) Category / Sub-Category of the Company : Company limited by Shares / Indian Non-Government Company
- (v) Address of the Registered office and contact details : 4<sup>th</sup> Floor, SPIC House, No.88 Mount Road, Guindy, Chennai 600 032. Phone : 044-30070300
- (vi) Whether listed Company : Yes
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s Cameo Corporate Services Ltd  
 "Subramanian Building"  
 No 1 Club House Road, Chennai 600 032.  
 Ph.: 044-28460390, E-mail: investor@cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Trading of Building Materials	46	93%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	South India House Estates & Properties Ltd SPIC House, No.88, Mount Road, Guindy, Chennai-600032	U65993TN1981PLC009029	Subsidiary	100	2(87)
2	Wilson Cables Private Ltd 142 Gul Circle, Jurong Industrial Estate Singapore 629602	Foreign Company	Subsidiary	100	2(87)
3	Danish Steel Cluster Private Ltd No.46, Bommasandra, Jigani Link Road, KIADB Industrial Area, Jigani, Bengaluru-562106.	U02710KA2004PTC033200	Subsidiary	60	2(87)
4	EDAC Automation Ltd SPIC House, No.88, Mount Road, Guindy, Chennai-600032	U35111TN1993PLC024524	Associate	49.99	2(6)

# Sicagen India Limited

## IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	616657	--	616657	1.56	616657	--	616657	1.56	--
(b) Central Govt.	--	--	--	--	--	--	--	--	--
(c) State Govt. (s)	--	--	--	--	--	--	--	--	--
(d) Bodies Corporate	1276632	--	1276632	3.22	1244132	--	1244132	3.14	0.08
(e) Banks / FI	--	--	--	--	--	--	--	--	--
(f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-Total (A)(1)</b>	<b>1893289</b>	<b>--</b>	<b>1893289</b>	<b>4.78</b>	<b>1860789</b>	<b>--</b>	<b>1860789</b>	<b>4.70</b>	<b>0.08</b>
<b>(2) Foreign</b>									
(a) NRIs -Individuals	48838	--	48838	0.13	48838	--	48838	0.13	--
(b) Other – Individuals	--	--	--	--	--	--	--	--	--
(c) Bodies Corporate	14676751	--	14676751	37.09	14676751	--	14676751	37.09	--
(d) Banks / FI	--	--	--	--	--	--	--	--	--
(e) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-Total (A)(2)</b>	<b>14725589</b>	<b>--</b>	<b>14725589</b>	<b>37.22</b>	<b>14725589</b>	<b>--</b>	<b>14725589</b>	<b>37.22</b>	<b>--</b>
<b>Total Shareholding of Promoter</b>	<b>16618878</b>	<b>--</b>	<b>16618878</b>	<b>42.00</b>	<b>16586378</b>	<b>--</b>	<b>16586378</b>	<b>41.92</b>	<b>0.08</b>
<b>(A) =(A)(1)+(A)(2)</b>									
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	1111	100	1211	0.00	1111	100	1211	0.00	--
(b) Banks/FI	668	170384	171052	0.43	668	170384	171052	0.43	--
(c) Central Govt.	--	--	--	--	--	--	--	--	--
(d) State Govt.(s)	334	--	334	0.00	334	--	334	0.00	--
(e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
(f) Insurance Companies	67770	--	67770	0.17	67770	--	67770	0.17	--
(g) FIs	4909323	--	4909323	12.41	4909323	--	4909323	12.41	--
(h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
(i) Others (Specify)	--	--	--	--	--	--	--	--	--
<b>Sub-Total (B)(1)</b>	<b>4979206</b>	<b>170484</b>	<b>5149690</b>	<b>13.01</b>	<b>4979206</b>	<b>170484</b>	<b>5149690</b>	<b>13.01</b>	<b>--</b>
<b>(2) Non- Institutions</b>									
(a) Bodies Corporate									
i. Indian	5251896	61509	5313405	13.43	5301848	61509	5363357	13.55	0.12
ii. Overseas	--	--	--	--	--	--	--	--	--
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹2 lakhs	7136100	1156257	8292357	20.96	6890557	1136672	8027229	20.29	0.67

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Individual shareholders holding nominal share capital in excess of ₹2 lakhs	3348749	--	3348749	8.46	3598609	--	3598609	9.09	0.63
(c) Others (Specify)									
(a) Clearing Member	18440	--	18440	0.04	39600	--	39600	0.10	0.06
(b) NRIs	345844	5972	351816	0.89	339384	5972	345356	0.87	0.02
(c) OCBs	--	--	--	--	--	--	--	--	--
(d) Trusts	2052	--	2052	0.01	2052	--	2052	0.01	--
(e) HUF	476247	50	476297	1.20	459160	253	459413	1.16	0.04
<b>Sub-Total (B)(2)</b>	<b>16555342</b>	<b>1247574</b>	<b>17802916</b>	<b>44.99</b>	<b>16631210</b>	<b>1204406</b>	<b>17835616</b>	<b>45.07</b>	<b>0.08</b>
<b>Total Public Share Holding = (B)(1)+(B)(2)</b>	<b>21534748</b>	<b>1418058</b>	<b>22952806</b>	<b>58.00</b>	<b>21610416</b>	<b>1374890</b>	<b>22985306</b>	<b>58.08</b>	<b>0.08</b>
C. Shares held by custodian for GDRs/ADRs	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>38153626</b>	<b>1418058</b>	<b>39571684</b>	<b>100.00</b>	<b>38196794</b>	<b>1374890</b>	<b>39571684</b>	<b>100.00</b>	<b>--</b>

**(ii) Shareholding of Promoters:**

S.No	Name of the Promoter	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	
1	Ranford Investments Ltd	7400649	18.70	-	7400649	18.70	-	-
2	Darnolly Investments Ltd	7276102	18.39	-	7276102	18.39	-	-
3	Southern Petrochemical Industries Corporation Ltd	577681	1.46	-	577681	1.46	-	-
4	ACM Educational Foundation	572043	1.45	-	572043	1.45	-	-
5	A.C.Muthiah	423700	1.07	-	423700	1.07	-	-
6	SPIC Group Companies Employees Welfare Foundation	16250	0.04	-	-	-	-	0.04
7	SPIC Officers & Staff Welfare Foundation	16250	0.04	-	-	-	-	0.04
8	A.C. Muthiah	153858	0.39	-	153858	0.39	-	-
9	Sical Logistics Ltd	50000	0.13	-	50000	0.13	-	-
10	The Express Carriers Ltd	44200	0.11	-	44200	0.11	-	-
11	Ashwin C Muthiah	28504	0.07	-	28504	0.07	-	-
12	Ashwin C Muthiah	13334	0.03	-	13334	0.03	-	-
13	A.C. Muthiah	39099	0.10	-	39099	0.10	-	-
14	Valli Ashwin Muthiah	7000	0.02	-	7000	0.02	-	-
15	ACM Medical Foundation	109	0.00	-	109	0.00	-	-
16	South India Travels Pvt. Ltd	99	0.00	-	99	0.00	-	-
	<b>Total</b>	<b>16618878</b>	<b>42.00</b>	<b>-</b>	<b>16586378</b>	<b>41.92</b>	<b>-</b>	<b>0.08</b>

# Sicagen India Limited

## (iii) Change in Promoters' Shareholding (please specify, if there is no change):

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		% of change during the year
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	SPIC Group Companies Employees Welfare Foundation	16250	0.04	-	-	0.04
2	SPIC Officers & Staff Welfare Foundation	16250	0.04	-	-	0.04

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Twinshield Consultants Pvt. Ltd	31,48,810	7.96	31,48,810	7.96
2	Passage To India Master Fund	19,19,900	4.85	19,19,900	4.85
3	Davos International Fund	15,45,000	3.90	15,45,000	3.90
4	Sparrow Asia Diversified Opportunities Fund	7,50,000	1.90	7,50,000	1.90
5	Leman Diversified Fund	6,94,423	1.76	6,94,423	1.76
6	P Subramanian	2,84,290	0.72	5,01,517	1.27
7	Mercantile Ventures Ltd	4,65,423	1.18	4,97,923	1.26
8	Mahendra Girdharilal	4,77,447	1.21	4,77,447	1.21
9	Sharad Kanayalal Shah	4,45,000	1.13	3,50,000	0.88
10	C Gopal Reddy	2,00,214	0.51	2,00,214	0.51
	<b>Total</b>	<b>99,30,507</b>	<b>25.09</b>	<b>1,00,85,234</b>	<b>25.48</b>

## (v) Shareholding of Directors and Key Managerial Personnel (KMP):

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr.Ashwin C Muthiah	41,838	0.106	41,838	0.106
2	Mr.Sunil Deshmukh	--	--	--	--
3	Mr.B.Narendran	2,515	0.006	2,515	0.006
4	Mr.Harish Chandra Chawla	--	--	--	--
5	Ms.Sashikala Srikanth	--	--	--	--
6	Mr.Devidas Mali	--	--	--	--
7	Mr.D.Balagopal (CFO)	--	--	--	--
8	Mr.R.Achuthan (CS) *	--	--	--	--
	<b>Total</b>	<b>44,353</b>	<b>0.112</b>	<b>44,353</b>	<b>0.112</b>

\* W.e.f 25<sup>th</sup> May 2016

**V. INDEBTEDNESS:**

 Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31<sup>st</sup> March 2017

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year 01.04.2016</b>				
i) Principal Amount	2779	1681	-	4460
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>2779</b>	<b>1681</b>	<b>-</b>	<b>4460</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	818	1291	-	2109
Reduction	--	--	--	--
Net Change	818	1291	-	2109
<b>Indebtedness at the end of the financial year 31.03.2017</b>				
i) Principal Amount	3597	2972	-	6569
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>3597</b>	<b>2972</b>	<b>-</b>	<b>6569</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

A. Remuneration to Managing Director(MD), Whole Time Director (WTD) and/or Manager:

(Amount in ₹)

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total
		Mr.Devidas Mali, WTD		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	33,00,000		
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	8,23,000	41,23,000	
	(c) Profits in lieu of salary u/sec.17(3) of Income Tax Act, 1961	--	--	
2	Stock Option	--	--	
3	Sweat Equity	--	--	
4	Commission	--	--	
	- as % of profit			
	- others – Performance pay	7,00,000	7,00,000	
5	Others – Special Allowance	15,00,000	15,00,000	
Total (A)				63,23,000
Ceiling as per the Companies Act, 2013		5% of net profit of the Company		

**B. Remuneration to other Directors:**
**1. Independent Directors**

(Amount in ₹)

S.No	Particulars of Remuneration	Name of Directors			Total Amount
		Mr.B Narendran	Mr.Harish Chandra Chawla	Ms.Sashikala Srikanth	
1	Fee for attending Board / Committee meetings	2,50,000	2,50,000	2,00,000	7,00,000
2	Commission	--	--	--	--
3	Others, please specify	--	--	--	--
<b>Total B(1)</b>		<b>2,50,000</b>	<b>2,50,000</b>	<b>2,00,000</b>	<b>7,00,000</b>

# Sicagen India Limited

## 2. Other Non-Executive Directors

(Amount in ₹)

S.No	Particulars of Remuneration	Name of the Directors		Total Amount
		Mr.Ashwin C Muthiah	Mr.Sunil Deshmukh	
1	Fee for attending Board / Committee meetings	2,50,000	2,50,000	5,00,000
2	Commission	--	--	--
3	Others, please specify	--	--	--
<b>Total (2)</b>		<b>2,50,000</b>	<b>2,50,000</b>	<b>5,00,000</b>
<b>Total (B) = (1)+(2)</b>				<b>12,00,000</b>
<b>Total Managerial Remuneration (excluding sitting fee)</b>				<b>63,23,000</b>
Overall Ceiling as per the Act		11% of the net profit of the Company		

## C. Remuneration to other Directors / Key Managerial Personnel other than MD/WTD/MANAGER:

(Amount in ₹)

S.No	Particulars of Remuneration	Mr.D.Balagopal	*Mr.R.Achuthan
		CFO	CS
1	(a) Salary as per provisions contained in Section 17(1) Income-tax Act, 1961	23,36,364	10,36,788
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,26,907	19,800
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission	--	--
	- as % of profit	--	--
	- others - Performance pay	1,90,470	--
5	Others - LTA	25,000	--
<b>Total (A)</b>		<b>26,78,741</b>	<b>10,56,588</b>

\*W.e.f 25<sup>th</sup> May 2016

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## Annexure – II to Directors' Report

The particulars required under Section 134 of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014

### A) Conservation of Energy

The operations of the Company are not energy intensive.

### B) Technology Absorption

No technology has been imported or absorbed.

### Form "A"

#### Research & Development (R&D)

- |  |     |
|--|-----|
| 1. Specific area in which R & D is carried out by the Company. | Nil |
| 2. Benefits derived as a result of the above R & D.            | Nil |
| 3. Future Plan of Action                                       | Nil |
| 4. Expenditure on R & D  | Nil |

### C) Foreign Exchange, Earnings & Outgo

Total Foreign Exchange

Earned Nil

Used ₹ 5 lakhs

## Annexure –III to Directors' Report

### Report on CSR Activities

#### 1). Brief outline of CSR Policy

The Company in its endeavour to contribute its mite for the sustained development and growth of the Society has formulated its CSR Policy to achieve any or all of the following objectives.

- To provide basic amenities such as sanitation, safe drinking water, etc. to the less privileged and also to provide an impetus to rural development.
- To promote education through improving the infrastructure in schools run by the government, local bodies and not-for-profit organizations.
- To improve the capabilities and self-sustenance of the disadvantaged and make them employable and self-reliant through promotion of skills, provision of vocational training, establishment of public libraries, etc.
- To join hands with other organizations, authorities, local bodies, etc. to cater to the needs of the people living in rural areas including agricultural development activities.
- To undertake projects in the area of health care and to eradicate hunger, malnutrition and poverty.
- To ensure environment sustainability, ecological balance and preservation of the quality of soil, air and water.
- To provide financial support to technology incubators of academic institutions approved by the Central Government.
- To implement Infrastructure development in areas where the less privileged live.

#### 2). Composition of the CSR Committee

The CSR Committee comprising of the following 3 members nominated by the Board of Directors:

Mr.Ashwin C Muthiah - Chairman of Committee

Mr.Harish Chandra Chawla - Member

Mr.Sunil Deshmukh - Member

During the year, the Committee met one time on 30<sup>th</sup> January 2017.

# Sicagen India Limited

## 3). Average net profit of the Company for the last 3 financial years and prescribed CSR limit:

(₹ in Lakhs)

FY	Net profit	Avg. Net Profit	CSR limit (2% of avg. net profit)
2013-14	1077.13		
2014-15	370.59	683.82	13.68
2015-16	603.13		

CSR spent during the 2016-17 : Nil

Total amount to be spent for the 2016-17 : ₹13.68 Lakhs

Amount unspent, if any : ₹59.26 Lakhs (includes ₹22.07 Lakhs for the year 2014-15 and ₹23.52 Lakhs for 2015-16)

## 4. Reason(s) for not spending whole amount

The Company has, jointly with other likeminded entities, formed a Not-For-Profit entity namely AM Foundation (Formerly AM Corporate Social Responsibility Foundation) for carrying out necessary CSR projects and the said CSR entity has identified projects in water management, sanitation and hygiene to be executed in co-ordination with other Not-For-Profit entities with similar objects. As part of this, the said AM Foundation has started implementing sustainable Water Management projects in and around Thiruvallur and Tuticorin Districts and also identified WTNIS as partner for executing the health and sanitation projects in Pondicherry and Cuddalore District. The Company will spend the amount, as required to implement the projects through the above said entity, once the report and technical details are obtained.

## 5. Responsibility Statement

The CSR committee and the Management of the Company hereby affirm that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Place: Chennai  
Date: 28<sup>th</sup> June 2017

**Ashwin C Muthiah**  
Chairman of CSR Committee

**Harish Chandra Chawla**  
Member

**Sunil Deshmukh**  
Member



## Annexure - IV to Directors' Report

The particulars required under Section 197(12) of the Companies Act, 2013 read with the Rules 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 annexed to and forming part of the Directors Report for the year ended 31<sup>st</sup> March 2017.

S. No	Name	Designation	Nature of employment	Qualifications	Experience (Years)	Date of Joining	Age (Years)	Last Employment & Position held	Remuneration Received (₹)
1	Mr. Devidas Mali	COO & Whole Time Director	Operation	ACS, LLB	28	03-Dec-12	54	Bekaert Industries Pvt Ltd GM Operations (Wires)	63,23,000
2	Mr. Shridhar Gogte	VP (Operations)	Operation	ACA	20	01-Jul-15	44	Franke Faber India Ltd Director-Finance	48,65,061
3	Mr. Punit Engineer	General Manager	Sales	Chartered Engineer	26	10-Apr-14	53	Carlsberg India Private Ltd Senior Manager	29,36,273
4	Mr. D Balagopal	CFO	Finance & Accounts	ACA	27	02-Jul-13	52	Primex Ghana Ltd Associate GM	26,78,741
5	Mr. Prasanna Joshi	Zonal Head	Sales	MBA	11	04-Jun-13	33	AMI Holdings Pvt. Ltd Sr. Manager-Strategic Management	22,48,989
6	Mr. Nandakumar Varma	General Manager	Operation	B. TECH., MBA	25	05-Apr-93	48	Mekel Corporation Design Engineer	22,48,954
7	Mr. P. Nandakumar	Joint General Manager	Danube	MBA	24	01-Jul-16	48	EID Parry Sr. Manager Marketing	20,76,090
8	Mr. Rajesh Lashman	Deputy General Manager	IT	MCA, ITIL V3	17	01-Nov-12	40	IT Consultant Advisor	16,52,172
9	Mr. P. Raja	Chief Manager	HR	BE, MBA	13	15-Apr-15	36	Godrej India Sr. Manager	16,40,115
10	Mr. S Santhanakrishnan	General Manager	Operation	MBA	33	03-Jan-97	53	SPIC Ltd Research Associate	15,96,112

### Notes:

1. The nature of employment is contractual.
2. The remuneration includes salary, allowances, performance pay and perquisites pertaining to the FY 2016-17.
3. Other terms and conditions of the employment are as per Company's Rules.
4. None of the employees are related to any Directors of the Company.
5. None of the Directors / Employees holds more than 2% of the equity shares in the Company.

## Annexure - V to Directors' Report

The particulars required under Section 197(12) of the Companies Act, 2013 read with the Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 annexed to and forming part of the Directors Report for the year ended 31<sup>st</sup> March 2017.

1	The ratio of the remuneration of each Director to the median remuneration of the employees.	₹2.62 Lakhs per annum to ₹63.23 Lakhs per annum Ratio of remuneration is 1: 18
2	% increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary (CS) in the financial year	17.46% increase in remuneration to Whole Time Director.  5.88% increase in remuneration to CFO.  No increase in remuneration to CS as it is not applicable for financial year 2016-17.
3	% increase in the median remuneration of employees in the financial year.	6%
4	The number of permanent employees on the rolls of company;	415
5	The explanation on the relationship between average increase in remuneration and company performance;	Increase in remuneration to employees is considered based on the performance criteria fixed by the Company.
6	Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the company;	Performance incentive is linked to overall performance of the individual and Company.
7	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	After demerger, no public offer has been made so far.
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Salary increase to non-managerial employees is at 6.19% and for managerial employees is at 5.73%.
9	Comparison of the each remuneration of the KMPs against the performance of the Company;	Remuneration consists of two parts (i) fixed and (ii) variable incentive. Payment of variable incentive is based on overall performance of the Company.
10	The key parameters for any variable component of remuneration availed by the Directors;	No Director other than COO & Whole Time Director is receiving any remuneration except sitting fees payment.  Variable payment such as performance linked payment to COO & Whole Time Director shall be based on the performance criteria fixed by the Board from time to time.
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year.	Not applicable

It is affirmed that the remuneration paid / payable to the Directors, KMPs and other median employees are as per the remuneration policy of the Company.

Place: Chennai

Date: 28<sup>th</sup> June 2017

**Devidas Mali**

COO & Whole Time Director

## **Annexure - VI to Directors' Report**

**Form No.MR-3**

### **SECRETARIAL AUDIT REPORT**

**For the Financial Year Ended 31<sup>st</sup> March 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members of  
Sicagen India Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Sicagen India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - Not applicable
  - (d) The Securities and Exchange Board of India (Prohibition of Inside Trading) Regulations, 2015;
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not Applicable
  - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not Applicable
  - (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not Applicable
  - (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable

# Sicagen India Limited

(vi) Other laws as may be applicable specifically to the Company in my opinion:

1. Factories Act, 1948,
2. Contract Labour (Regulation and Abolition) Act, 1970
3. Shops and Commercial Establishments Act as applicable
4. Indian Contract Act, 1872
5. Customs Act, 1962

Based on the review of the copies of the compliance reports by the functional heads of the Company including in the factories located in Minjur and Thirubuvana, Pondicherry to the Management/Board of Directors of the Company, I report that the Company has substantially complied with the provisions of those Acts that are applicable to it such as the Payment of Wages Act 1936, Industrial Disputes Act 1947, Minimum Wages Act 1948, Employees Provident Fund and Miscellaneous Provisions Act 1952, Employees State Insurance Act 1948, others Pollution Control laws and other laws mentioned in the said checklist.

I have also examined compliance with the applicable Clauses of the following:

1. Secretarial Standards (SS) on the meetings of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI).
2. Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd and National Stock Exchange of India Limited.

No specific violations in respect of Tax laws came to the notice of the undersigned from the review of the said checklist. However, I report that I have not carried out the audit with reference with the applicable financial laws such as the direct and indirect tax laws, as same falls under the review of statutory audit and other designed professionals.

## **I further report that:-**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Audit Committee of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all Directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
3. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
4. During the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the company's affairs.

Date : 17<sup>th</sup> May 2017  
Place : Chennai

**R Kannan**  
Practicing Company Secretary  
CP No.3363

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2016-17

### Economic scenario

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation and International Monetary Fund. The Government of India had forecasted that the Indian economy will grow by 7.1% in FY 2016-17. As per the Economic Survey, Indian economy is projected to grow between 6.75% and 7.5% in FY 2017-18 and about 7.8% in 2018-19.

India's gross domestic product (GDP) grew by 7% on year-on-year basis in October-December 2016 quarter, which is the strongest among G-20 countries, as per OECD Economic Survey of India, 2017.

The improvement in India's economic fundamentals has accelerated due to the combined impact of strong government reforms, Reserve Bank of India's (RBI) focus on control of inflation.

India's consumer confidence index stood at 136 in the fourth quarter of 2016, topping the global list of countries on the same parameter, as a result of strong consumer sentiment.

Retail price inflation for February 2017 was reported at 3.65 %, compared to 5.26 % a year ago.

India has retained its position as the third largest start-up base in the world with over 4,750 technology start-ups, with about 1,400 new start-ups being founded in 2016.

With the improvement in the economic scenario, there have been various investments leading to increased M&A activity which has more than doubled year-on-year.

India's industry output grew by 2.74% year-on-year in January 2017, led by a good performance in the capital goods sector which registered a 10.7% year-on-year growth.

Many foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India.

The Government of India has launched an initiative to create 100 smart cities with a proposed investment of ₹48,000 crores as well as Atal Mission for Rejuvenation and Urban Transformation for 500 cities with an outlay of and ₹50,000 crores.

### Operational Performance

One of the most important imperatives of the company is to extend leadership in providing infrastructure solutions. We remain focused on delivering superior products in the market, enhancing penetration in our core categories and markets. Strategic pillars of the company are to sustain its position and strengthen presence in all markets, create a future ready sales organization, build a best-in-class

supply chain and develop sustainable high performance culture, leading to sustainable growth.

During the year under review, the total revenue of the Company was ₹570.88 Crores as compared to ₹465.44 Crores with profit before tax at ₹7.53 Crores as against ₹ 6.03 Crores in 2015-16.

### Opportunities & Outlook

The Company is exploring various avenues for organic growth and is also looking for good alliance partners to expand the product range beyond the existing range by catering to a wide customer base and increasing product portfolios. Various initiatives of the Government including identification and development of 100 smart cities and the "Make in India" and "Digital India" programs are expected to provide an impetus to Infrastructure & Industry and, in turn, boost local production and demand for domestic products which would bring in opportunities for high growth. We are excited to seize opportunities that emerge from India's growth, in terms of the development of smart cities and sustainable infrastructure plans.

An ocean of opportunities lie before us and given our passion for achievement and success, we are confident of leveraging the assets and human capital to continue on the path of growth, profitability and customer orientation. We envisage unprecedented opportunities as the Indian economy accelerates ahead. In tomorrow's India, we envision reaching more consumers and enriching them with top quality products across all segments of our business.

The Company anticipates that the initiatives taken by the management will make the organization more robust, competitive, future ready and also equip it better to face the emerging challenges in the ever changing business environment. Strengthening the existing market penetration and retaining market share are focus points and the company is taking up several initiatives in this direction. The company has planned measures to serve its customers in a more efficient, cost effective, reliable and friendly manner to provided best quality products. It is also channelling its efforts into exploring and creating excellence in the areas of customer development and product development through enhanced focus on customer satisfaction, timely product delivery, and innovation in service systems, technology upgradation and trained manpower to deliver excellence to customer.

### Risks & Concerns

The major risks and concerns affecting the Company's business mainly originate from several external environmental factors. The risks relating to price instability from volatile prices that crippled operations in the industry

# Sicagen India Limited

in second Quarter, and extreme fluctuation in demand and supply conditions due to glut in the market caused by extensive steel imports in 2016-17 disturbed the domestic steel market adversely. We established strong supplier relationships and flexible sourcing through the centralised procurement of raw materials. The Industrial policies on trade and credit, imbalanced liquidity position and other Government policies also impact the business to a great extent. Further, intense competition from the unorganized sector which sells inferior quality materials at lower prices creating extensive pressure on impact the margin and profitability negatively across all divisions. Moreover, cyclical swings in the business due to numerous other factors impact the market share of the Company. The Company, being present in diversified business segments, and a major player for trading and distribution of building materials, is constantly observing the entire gamut of risk factors which may impact the profit margins. Company would take all reasonable steps to maintain and enhance the competitive advantage gained over decades of experience and expertise. We continue to closely monitor market conditions and seek to put in place security of critical supplies. Another major concern in Power & Control Systems division emanates from the fund allocation policies of public sector undertakings as well as Capex allocation from each of companies.

The Management has initiated effective measures to monitor the Risk Management System and appropriate steps are taken to strengthen the existing business practices and policies to mitigate the risk and overcome the challenges. Policies and procedures adopted by the Management, corporate strategies, annual business planning process, management reviews, management system certifications aid in creating an appropriate risk management framework. Purchases, inventory, sales and collection processes are reviewed strictly and continuously by management to minimize the risk of price fluctuations in a volatile market. Continuous efforts are also put in by management to focus on increase in sales and profitability in core products by implementation of credit policy to lower the market exposure. Robust plans to improve the customer service and enhance customer satisfaction are set up by providing value added services across the segments.

## **Internal Control System & Adequacy**

The Company's internal control systems are commensurate with the nature of its business. Existence of adequate internal control systems designed to provide reasonable assurance on the effectiveness and efficiency of operations, reliable financial controls and strict compliance with all applicable laws, rules and regulations and ensuring adherence to corporate policies. Periodical audit is being conducted by the Internal Auditors and their reports are placed before the Audit Committee

of the Board. Audit involves performing procedures to obtain audit evidence about the adequacy of the internal control systems. The Audit Committee reviews internal audit reports, operational, financial systems and processes and risk management policies etc., followed by the company and advise appropriate decisions. The scope of internal audit functions have been enlarged according to the requirement of the new Companies Act, Listing (Obligations and Disclosure Requirements) Regulations and other applicable laws. The Risk Management Committee of the Board has delegated the responsibility to oversee the risk management process, risk identification, effective analysis of the risk implementation of mitigation and monitoring plan and risk reporting to the Management.

## **Human Resource Development**

The Company considers its employees as an important and valuable asset, maintains cordial relationship with them and focuses on employee development by offering them opportunities for growth. Actions are being taken to increase gender diversity and maintaining a safe and fulfilling work environment. The value we place on our people has been reciprocated with the industrial harmony existing in the company. The Company takes care of its employees through engagement, development and retention by providing ample opportunities to prove their talent and efficiency and grow with the Company. Our work culture ensures safety, good health, development of capabilities, quality of life and overall well-being of our employees. The Company is periodically conducting effective training & development programs for all categories of employees focusing on aspects relating to employee productivity, talent management, diversity and inclusion, capability development, employee engagement, maintaining high employee morale. The Company continues to focus on creating strong and long term relationship with all employees as employee retention and development are the highest priorities of the company.

## **Cautionary Statement**

Statements in this Management discussion and analysis Report describing the Company's structure, challenges, outlook, financials and HR policies may be "forward looking statements" within the meaning of applicable securities law and regulations. Forward-looking statements involve inherent risks and uncertainties. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply and price volatility in the domestic and overseas market in which the company operates, changes in the Government, laws, rules, regulations and other statutes and other incidental factors.

## REPORT ON CORPORATE GOVERNANCE 2016-17

### 1. Company's Philosophy

Corporate Governance is a reflection of our policies, our culture, our relationship with stakeholders and our commitment to value. Your Company strives to conduct business with sound Corporate Governance practices which reflect fairness, integrity, accountability and transparency in our dealings with stakeholders and regulatory authorities.

### 2. Board of Directors

The Board has 6 Directors which consists of one Executive Director, two Non-Executive Directors & three Independent Directors. All Directors are with professional expertise in various fields such as administration, marketing, finance, accounts, legal, secretarial and engineering. The Board of Directors of the Company is headed by Mr.Ashwin C Muthiah, Chairman, Non-Executive Director. There is no pecuniary relationship or transaction of Non-Executive Directors with the Company and vis-versa.

### 3. Number of meetings of Board of Directors and dates on which held during the financial year 2016-17.

Total Number of Board Meetings held : 5

I Quarter (Apr' 16 – Jun'16)	II Quarter (Jul'16 – Sept'16)	III Quarter (Oct'16 – Dec '16)	IV Quarter (Jan'17 – Mar'17)
25.05.2016	03.08.2016	10.11.2016	30.01.2017
			20.03.2017

Attendance of Directors at the meeting of the Board of Directors held during 2016-17 and the last Annual General Meeting (AGM) held on 20<sup>th</sup> September 2016 are as follows.

Name and designation of the Director	Category / Position	Attendance		Number of other Directorships & Committee Membership/ Chairmanship *		
		At Board Meetings	At Last AGM	Director	Member of Committee	Chairman of Committee
Mr.Ashwin C Muthiah Chairman	Non-Executive Non Independent	5	Yes	4	1	1
Mr.Sunil Deshmukh Director	Non-Executive Non Independent	5	Yes	7	-	-
Mr.B.Narendran Director	Non-Executive Independent	5	Yes	6	4	3
Mr.Harish Chandra Chawla Director	Non-Executive Independent	5	Yes	2	1	-
Ms.Sashikala Srikanth Director	Non-Executive Independent	4	Yes	6	2	2
Mr.Devidas Mali COO & Whole Time Director	Executive Non-Independent	5	Yes	2	1	-

\* Directorships held in public limited companies are only included. Directorship held in private Companies, foreign companies and companies registered under Sec.8 of the Companies Act, 2013 are excluded. Memberships/ Chairmanships held in Audit Committee and Stakeholders Relationship Committee have only been included.

### 4. Committees of Board of Directors

The Board has constituted various Committees to discuss, deal with the matters in detail and to monitor the activities falling within the terms of reference and discharge the roles and responsibilities as prescribed under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and/or the Companies Act, 2013 from time to time.

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## (a) Audit Committee

The Company has a qualified and independent Audit Committee which comprises four Directors, three of whom are Non-Executive Independent. As on 31.03.2017, the Audit Committee comprises of the following members.

Sl. No.	Name of the Director	Position
1	Mr.B Narendran	Chairman
2	Mr.Sunil Deshmukh	Member
3	Mr.Harish Chandra Chawla	Member
4	Ms.Sashikala Srikanth	Member

The Company Secretary acted as Secretary to the Audit Committee.

## Attendance details of Audit Committee

Five Audit Committee meetings were held during the financial year 2016-17 i.e. on 25.05.2016, 03.08.2016, 10.11.2016, 30.01.2017 and 20.03.2017. The attendance record of the audit committee meetings is given hereunder.

Sl. No.	Name of the Director	No. of meetings attended
1	Mr.B Narendran	5
2	Mr.Sunil Deshmukh	5
3	Mr.Harish Chandra Chawla	5
4	Ms.Sashikala Srikanth	4

The terms of reference of Audit Committee are as follows:-

1. Oversee the company's financial reporting process and review the financial statements and auditors' report thereon.
2. Recommendation of appointment, re-appointment and if required, the replacement or removal of the statutory auditors, cost auditors, internal auditors and fixation of their fees.
3. Recommend the appointment of Chief Financial Officer after assessing the qualifications, experience, background etc.
4. Review and monitor the auditor's independence, performance and effectiveness of audit process;
5. Review of internal control and internal audit system.
6. Review of the functioning of Vigil mechanism under whistle blower policy.
7. Seek information from any employee, if needed.
8. Obtain legal or expert opinion or professional advice from outside, if any required.
9. Approval or any subsequent modification of transactions of the company with related parties;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Monitoring the end use of funds raised through public offers and related matters.
14. Investigation of any activity within the terms of reference of Audit Committee.



### (b) Stakeholders Relationship Committee

The Stakeholders Relationship Committee consists of members as stated below.

Sl. No.	Name of the Director	Position
1	Mr.B Narendran	Chairman
2	Mr.Devidas Mali	Member

The terms of reference of the Stakeholders Relationship Committee are:-

1. To monitor the work related to transfer, transmission, demat, remat, sub-division and consolidation of shares.
2. To consider and approve transfer, transmission and transposition of shares.
3. To consider and approve issue of duplicate share certificates/share certificate for re-materialization and consolidation, splitting of shares.
4. To consider and resolve the grievances of security holders including complaints related to transfer of shares, non-receipt of annual reports, dividends.
5. To review the quarterly audit report on reconciliation of share capital issued by the practicing company secretary and place the same to the Board.
6. To review the shareholding pattern of the Company to be submitted on quarterly basis to the stock exchanges.

The Company Secretary who acted as Secretary to the Committee was authorized to approve share transfers and resolve shareholders grievances.

The Committee met 18 times during the year and all the members were present at the meeting. During the year under report, 9 complaints were received from the shareholders and out of which 1 investor compliant was pending as on 31<sup>st</sup> March 2017 and redressed subsequently. As on 31<sup>st</sup> March 2017, no documents were pending for transfer.

### (c) Nomination & Remuneration Committee

The following Directors are the present members of the aforesaid Committee. During the year the Committee met 1 time on 25<sup>th</sup> May 2016.

Sl. No.	Name of the Director	Position
1	Mr.Harish Chandra Chawla	Chairman
2	Mr.Sunil Deshmukh	Member
3	Mr.B Narendran	Member
4	Ms.Sashikala Srikanth	Member

The terms of reference of Nomination and Remuneration Committee are:-

1. To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the appointment and payment of remuneration to Directors, Key Managerial Personnel and other senior management level employees.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal.
3. To recommend the appointment of Managing Director(s), Chief Executive Officer, Whole Time Director(s) and the terms and conditions of their appointment.
4. To carry out evaluation of every Directors.
5. To determine remuneration package of Directors and recommend to the Board for approval.
6. To recommend the appointment of Chief Financial Officer, Company Secretary and other Division/Business Heads of the Company and the terms and conditions of their appointment including remuneration.

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## (d) Capital Issues and Allotment Committee

The Capital Issues and Allotment Committee comprises of the following members.

Sl. No	Name of the Director	Position
1	Mr.B Narendran	Chairman
2	Mr.Sunil Deshmukh	Member
3	Mr.Harish Chandra Chawla	Member
4	Mr.Devidas Mali	Member

The Broad terms of reference of the Capital Issues and Allotment Committee are:-

1. To issue, offer and allot in the course of one or more public or private offerings in domestic and/or international market, the following securities:
  - (i) Optionally convertible redeemable cumulative/non-cumulative preference shares.
  - (ii) Issue of share warrants convertible into equity shares of the company as per SEBI guidelines.
  - (iii) Issue of equity shares under private placement on preferential basis as per SEBI guidelines.
  - (iv) Rights cum public issue of equity shares as per SEBI guidelines.
  - (v) Raising of funds through GDR/ADR/FCCBs/Secured Premium Notes.
2. To appoint Lead Managers, Co-managers, Advisors, Merchant Bankers, Underwriters, Registrars, Legal Managers for the purpose of issue of further capital and fix their remuneration.
3. To open necessary bank accounts.
4. To determine the allottees under the preferential issue and other issues of capital.
5. To determine the allotment of shares and issue allotment letters, share certificates, advices, refund orders.
6. To comply with listing and other statutory requirements and to carry out all or any other act or deeds relating to the issue of various securities.
7. To secure necessary approvals from appropriate authorities and shareholders' through postal ballot for the increase in the authorized share capital and fund raising.

No meeting was held during the financial year 2015-16, as there was no occasion to meet by members of Capital Issues & Allotment Committee.

## (e) Management Committee

The Management Committee was formed by the Board to authorize Company executives to borrow money, grant loan, make investments, give guarantee etc., as and when necessity arises. The Committee comprises of members as stated below. During the year, the Management Committee met 3 times on 18<sup>th</sup> August 2016, 11<sup>th</sup> November 2016 and 22<sup>nd</sup> March 2017.

Sl.No	Name of the Director	Position
1	Mr.Sunil Deshmukh	Chairman
2	Mr.B Narendran	Member
3	Mr.Devidas Mali	Member

The terms of reference of Management Committee are as follows:

1. To approve the business plan, borrowing plan and investment policy;
2. To recommend delegation of powers to the executives to enable day to day operations;
3. To borrow money from any Banks, NBFCs and/or other lending institutions to the extent up to Rs.200 Crores (Rupees two hundred crores only);

4. To invest in any class of shares, debentures, stocks, bonds, etc. of other body corporate(s) to the extent up to Rs.30 crores (Rupees thirty crores only);
5. To give guarantee or provide security in connection with the loan availed or to be availed by any other body corporate(s) to the extent of Rs.10 crores (Rupees ten crores only);
6. To give loan to any other body corporate(s) to the extent up to Rs.30 crores (Rupees thirty crores only); and the above shall be reviewed by the Committee and the above limits replenished upon approval/ratification by the Board of Directors of the Company at the subsequent Board Meetings.
7. To mortgage all or any part of the immovable properties, current assets, book debts, inventories with various banks, NBFCs, financial institutions for the purpose of securing any borrowing facility and execute such documents as are required for availing such facility.
8. To conduct postal ballot process and obtain requisite approval from the shareholders as and when required.

The Company Secretary acted as Secretary to the Management Committee.

#### (f). Risk Management Committee

The Company has constituted a Risk Management Committee which comprises of two Directors, finance head and operational heads as members.

Sl.No	Name	Position
1	Mr.Sunil Deshmukh	Chairman
2	Mr.Devidas Mali	Member
3	Finance Head	Member
4	Operational Heads	Member

The Committee constituted by the Board has been delegated with powers to oversee the risk management process, risk identification, effective implementation of mitigation plan and risk reporting.

#### (g). Corporate Social Responsibility (CSR) Committee

The CSR Committee constituted for implementation of CSR activities comprises of the following Directors as members.

Sl.No	Name of the Director	Position
1	Mr.Ashwin C Muthiah	Chairman
2	Mr. Harish Chandra Chawla	Member
3	Mr.Sunil Deshmukh	Member

During the year, the members of CSR Committee met 1 time on 30<sup>th</sup> January 2017.

#### 5. Details of remuneration paid/payable to the Whole Time Director(s) for the financial year 2016-17

The details of remuneration paid/payable to Whole Time Director(s) of the Company for the financial year 2016-17 are as follows:

(₹ in Lakhs)

Name	Salary & Special Allowances	Perks & other payments	Total
Mr. Devidas Mali COO & Whole Time Director	48.15	15.08*	63.23

\* Payment includes Rs.7 Lakhs paid towards Performance Linked Pay (PLP) for the FY 2015-16 .

#### 6. Details of sitting fee paid to the Non-executive Directors for the financial year 2016-17.

The Non-Executive Directors were paid sitting fees of Rs.50,000/- per meeting for attending the Board meetings. The details of sitting fees paid to each of the Directors during the year 2016-17 are given below:

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Sl.No	Name of the Director	Amount (₹)	Tax deducted (₹)	Net amount Paid (₹)
1	Mr.Ashwin C Muthiah	2,50,000	77,250	1,72,750
2	Mr.B Narendran	2,50,000	25,000	2,25,000
3	Mr.Sunil Deshmukh	2,50,000	25,000	2,25,000
4	Mr.Harish Chandra Chawla	2,50,000	25,000	2,25,000
5	Ms.Sashikala Srikanth	2,00,000	20,000	1,80,000
	Total	12,00,000	1,77,250	10,72,750

## 7. Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedures and Conduct for Regulation, Monitoring and Reporting of Trading in the Securities of the Company by the Insiders.

## 8. Code of Conduct

The Company has formulated a Code of Conduct for the Board members and Senior Management Personnel. All the Board members and Senior Management personnel have affirmed compliance with above code and a declaration to that effect signed by the COO & Whole Time Director is attached and forms part of this report.

## 9. Reconciliation of share capital and Audit

The Company has appointed a qualified Practicing Company Secretary to carry out necessary audit for reconciliation of the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital on quarterly basis. A copy of the Reconciliation of share capital and audit report issued by the Practicing Company is periodically placed before the Board and submitted to the stock exchanges and depositories.

## 10. General Body Meetings

Details of date, time and venue of Annual General Meetings (AGM) of the Company held for last 3 years are given below.

Year	Date & Time	Venue
2014	11 <sup>th</sup> August 2014 at 10.30 a.m.	Raja Annamalai Hall, Esplanade, Chennai-600 108
2015	23 <sup>rd</sup> September 2015 at 3.30 p.m.	Raja Annamalai Hall, Esplanade, Chennai-600 108
2016	20 <sup>th</sup> September 2016 at 2.30 p.m.	Raja Annamalai Hall, Esplanade, Chennai-600 108

Special resolution approving appointment of Whole Time Director was passed at the Annual General Meeting held on 23<sup>rd</sup> September 2015. The Company has not convened any Extra-Ordinary General Meeting during the financial year 2016-17.

## 11. Postal Ballot

No item was transacted through Postal Ballot during the financial year 2016-17. None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

## 12. Related party transaction & disclosures

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors, the subsidiaries or relatives, etc. that may have potential conflict with interest of the Company at large.

- There are no materially significant transactions with the related party viz. Promoters, Directors or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.
- There are no pecuniary relationships or transactions with the Non-executive Directors of the Company except the payment of sitting fees made for attending the Board Meetings of the Company.

- c). No transactions entered into with related parties during the financial year exceeding 5% of annual turnover or 25% of the net worth of the Company as per the last audited financial statements of the Company.
- d). The Company has complied with various rules and regulations prescribed by Stock exchanges, SEBI or any other statutory authority relating to capital markets. No penalties or strictures imposed have been imposed by them on the Company.

### 13. Minutes of Subsidiary Companies

The Minutes of meeting of Board of Directors of Subsidiary Companies were placed before the Board of Directors of the Company.

### 14. General Shareholders information

#### (a). Registered Office

The Registered office of the Company is situated at 4th Floor, SPIC House, No.88, Mount Road, Guindy, Chennai-600032.

#### (b). Disclosures regarding appointment or re-appointment of Directors

According to the Articles of Association, one-third of the Directors retire by rotation and, if eligible, offer themselves for re-appointment at the Annual General Meeting. Mr.Sunil Deshmukh, Director shall retire in the ensuing Annual General Meeting. The Board has recommended the re-appointment of the above retiring Director.

#### (c). Communication with shareholders

The Company's quarterly, half yearly and annual results are regularly submitted to the stock exchanges and also published in the leading news papers in accordance with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The above results are simultaneously posted on the Company's website [www.sicagen.com](http://www.sicagen.com) as required under the said SEBI Regulations. Annual Reports of the Company are also available in the Company's website.

#### (d). Communication through electronic mode

As per the earlier circular issued by the Ministry of Corporate Affairs, all the companies have been allowed / permitted to send its annual report comprising of Notice, Directors' Report, Auditors' Report, Balance Sheet, Profit & Loss account etc. by email to its members after giving an advance opportunity to register their Email address with the Company or with the concerned depository. In order to implement the above practice, the shareholders are hereby requested to register your email ID with the Company/RTA by submitting EARF (Email Address Registration Form), a copy of which is available with the company and also can be downloaded from the Company's website [www.sicagen.com](http://www.sicagen.com).

#### (e). Ensuing AGM

Date	: 27 <sup>th</sup> July 2017
Time	: 10.00 a.m.
Venue	: Rajah Annamalai Mandram, Esplanade, Chennai - 600108
Book closure	: From 21 <sup>st</sup> July 2017 to 27 <sup>th</sup> July 2017 (both days inclusive)
Date of payment of dividend	: Between 10 <sup>th</sup> August 2017 and 23 <sup>rd</sup> August 2017.

#### (f). Financial Calendar for 2017-18 (Tentative)

The financial year of the Company is April to March of every year and the tentative financial calendar for publication of quarterly/annual results is as under.

1.	1 <sup>st</sup> quarter ending 30 <sup>th</sup> June 2017	Before 15 <sup>th</sup> August, 2017
2.	2 <sup>nd</sup> quarter ending 30 <sup>th</sup> September 2017	Before 15 <sup>th</sup> November, 2017
3.	3 <sup>rd</sup> quarter ending 31 <sup>st</sup> December 2017	Before 15 <sup>th</sup> February, 2018
4.	Last quarter & year ending 31 <sup>st</sup> March 2018	Within 60 days of end of the year.

Annual General Meeting : on or before 30<sup>th</sup> September, 2018.

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## (g). Listing of Equity Shares on Stock Exchanges

The equity shares of the Company are listed on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE). Annual listing fee for the financial year 2017-18 was paid to BSE and NSE.

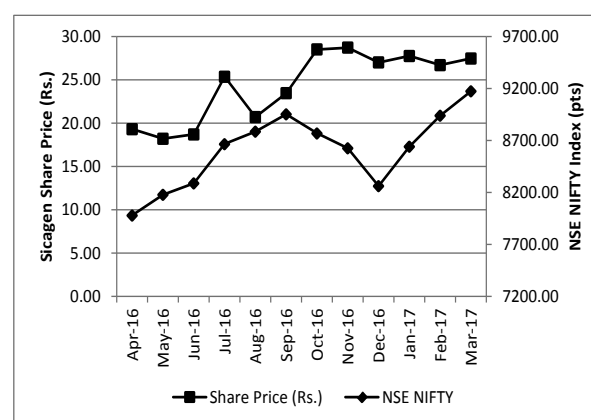
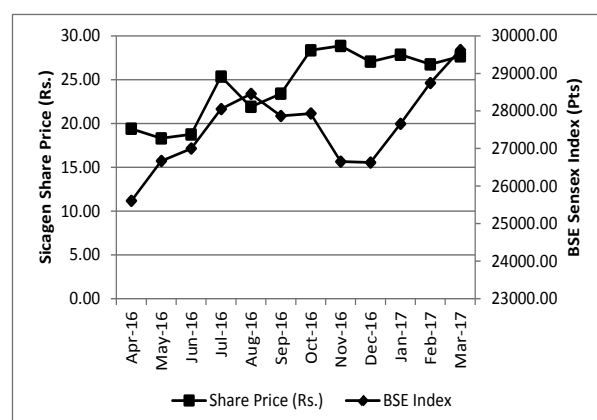
Name of the Stock Exchange	Scrip Code	Trade Name
Bombay Stock Exchange	533014	SICAGEN
National Stock Exchange	SICAGEN	SICAGEN

## (h). Stock market data

The Company's equity shares have been listed/traded on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). Month wise high and low closing quotation of shares traded on BSE and NSE during 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 are given below.

Month & Year	BSE			NSE		
	High	Low	Average	High	Low	Average
	₹	₹	₹	₹	₹	₹
April 2016	19.40	17.65	18.53	19.30	17.50	18.40
May 2016	18.30	17.25	17.78	18.20	17.30	17.75
June 2016	18.75	17.45	18.10	18.70	17.30	18.00
July 2016	25.35	18.50	21.93	25.35	18.35	21.85
August 2016	21.90	18.35	20.13	20.70	18.35	19.53
September 2016	23.40	19.20	21.30	23.45	19.50	21.48
October 2016	28.35	20.95	24.65	28.50	20.75	24.63
November 2016	28.85	22.00	25.43	28.70	21.80	25.25
December 2016	27.05	23.45	25.25	27.00	23.55	25.28
January 2017	27.85	24.75	26.30	27.75	24.55	26.15
February 2017	26.75	24.75	25.75	26.70	25.30	26.00
March 2017	27.65	24.15	25.90	27.45	24.05	25.75

## (i). Performance of Sicagen's share price in comparison with BSE Sensex Index and NSE Nifty Index



#### (j). Share Transfer & Depository System

The physical share transfers, transmissions, transpositions etc., are process based on requests received and the documents duly completed in all respects are registered within the time limit as specified by the listing agreement.

The Company has availed depository services from National Securities Depository Ltd (NSDL) & Central Depository Services (India) Ltd (CDSL) for dematerialization of shares. The shareholders may kindly note the Company's ISIN: INE 176J01011 allotted by NSDL & CDSL. Since trading in equity shares of the Company shall be permitted only in dematerialized form, the shareholders who are holding shares in physical form, are advised to dematerialize their shares to avoid the risks associated with holding the share certificates in physical form.

The shareholders may also kindly note that as directed by SEBI, the Company/RTA is in the process of sending reminders to the shareholders, who are holding the shares in physical form and who have not claimed their share certificates from the Company so far, to retrieve their share certificates.

#### (k). Registrar and Share Transfer Agents (RTA)

The Company has appointed M/s. Cameo Corporate Services Limited, as its Registrar and Share Transfer Agent both for electronic and physical transactions of the shares. The shareholders are therefore requested to send all documents, correspondences, queries, intimations on any matters relating to transfer/transmission/demat/remat of shares, issue of duplicate share certificates, change of address etc., to the following address.

M/s.Cameo Corporate Services Limited  
Unit: Sicagen India Limited  
No.:1, Club House Road,  
"Subramanian Building", 5th Floor  
Chennai - 600 002  
Tel: 044-28460390 Fax: 044-28460129  
E-mail: cameo@cameoindia.com

A separate email ID secl@sicagen.com has been created by the Company for the purpose of registering the complaints by the investors. Mr.R.Achuthan, Company Secretary has been appointed as Compliance Officer of the Company for redressal of investors' grievances. The shareholders may correspond to the following address for redressal of grievances if any.

Mr.R.Achuthan  
Company Secretary  
Sicagen India Limited,  
4<sup>th</sup> Floor, SPIC House, No.88, Mount Road,  
Guindy, Chennai-600032  
Tel: 044-30070300 Fax: 044-30070399  
E-mail: companysecretary@sicagen.com, secl@sicagen.com

#### (l). Distribution of shareholding as on 31<sup>st</sup> March 2017

No. of shares Category	No. of holders	% of total	No. of shares	% of total
Upto 500	39346	92.34	2431728	6.14
501-1000	1588	3.72	1326562	3.35
1001-2000	752	1.76	1186787	2.99
2001-3000	283	0.66	735972	1.85
3001-4000	119	0.27	427442	1.08
4001-5000	124	0.29	592072	1.4
5001-10000	220	0.51	1617265	4.08
10001 and Above	175	0.41	31253856	78.98
<b>Total</b>	<b>42607</b>	<b>100.00</b>	<b>39571684</b>	<b>100.00</b>

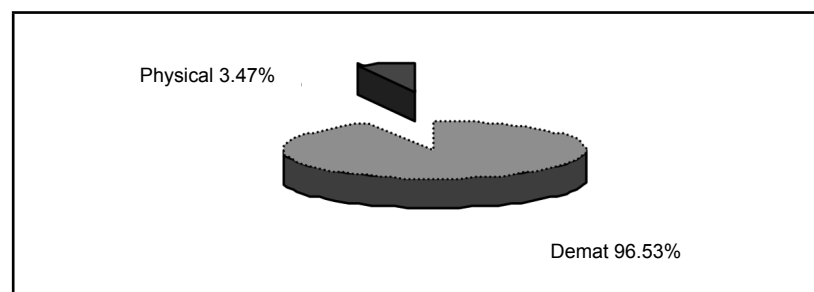
# Sicagen India Limited

## (m). Shareholding Pattern as on 31<sup>st</sup> March 2017

Category	No. of holders	No. of shares held	% of holding
Promoters Holding			
Promoters & Associates	12	16586378	41.91
Non-Promoters Holding			
(a) Institutional Investors			
Mutual Funds	4	1211	0.00
Financial Institutions / Banks	16	171052	0.43
Central/State Government	1	334	0.00
Insurance Companies	2	67770	0.17
Foreign Portfolio Investors	3	4159323	10.51
Foreign Institutional Investors	1	750000	1.90
(b) Others			
Bodies Corporate	482	5363357	13.55
Trusts	3	2052	0.01
Clearing Members	40	39600	0.01
NRIs	202	345356	0.87
Hindu Undivided Families (HUF)	599	459413	1.16
(c) Other Public shareholding	41239	11625838	29.38
<b>Total</b>	<b>42607</b>	<b>39571684</b>	<b>100.00</b>

## (n). Dematerialization of Shares

3,81,96,794 equity shares representing 96.53% of the paid-up share capital of the Company have been dematerialized up to 31.03.2017. Trading in equity shares of the Company is permitted only in dematerialized form with effect from the date of listing of shares ie 21<sup>st</sup> August 2008



## (o). Nomination of physical shares

Members holding shares in physical form are encouraged to nominate a person to whom the shares in the Company shall vest in the event of death. Nomination forms will be sent to the Members on request.

## (p). CEO / CFO Certification

As required under Regulation 17(8) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from COO & CFO was submitted to the Board and the same has been annexed herewith.

## (q). Practicing Company Secretary's Certificate on Corporate Governance

The Company has obtained a certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the same has been annexed at the end of this report.

## (r). Plant Locations

Specialty Chemicals	: Thirubuvanai, Pondicherry
Drums Manufacturing	: Minjur, Ponneri Taluk, Chennai
Plant location of Subsidiary Companies	
Cable Manufacturing	: Wilson Cables Private Limited, Jurong Industrial Estate, Singapore
Steel Fabrication	: Danish Steel Cluster Private Ltd, KIADB Industrial Area, Jigani, Bengaluru



**Certificate of COO / CFO**

(Under Regulation 17(8) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

To

The Board of Directors of  
Sicagen India Limited

We, Devidas Mali, COO & Whole Time Director and D.Balagopal, CFO of the Company hereby certify to the Board of Directors of the Company that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2017 and that to the best of their knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 17<sup>th</sup> May 2017

Place : Chennai

**Devidas Mali**

COO & Whole Time Director

**D Balagopal**

CFO

# Sicagen India Limited

## Compliance Certificate on Corporate Governance Report

Practicing Company Secretary's Certificate  
[Under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

To

The Shareholders of Sicagen India Limited,

We have examined the compliance of the conditions of Corporate Governance by Sicagen India Limited for the year ended 31<sup>st</sup> March 2017 as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance in the aforesaid SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Directors and the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the aforesaid SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 17<sup>th</sup> May 2017  
Place : Chennai

**R Kannan**  
Practicing Company Secretary  
FCS No.: 6718  
CP No.: 3363

## Declaration from COO & Whole Time Director on Code of Conduct

To

The Shareholders of Sicagen India Limited,

As provided under Regulation 26(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31<sup>st</sup> March 2017.

Date : 17<sup>th</sup> May 2017  
Place : Chennai

**Devidas Mali**  
COO & Whole Time Director

Annual Report 2016-17

# Accounts - Standalone



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## Independent Auditor's Report

### To the Members of SICAGEN INDIA LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying financial statements of M/s.SICAGEN INDIA LIMITED ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the financial period then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) if the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2017;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and 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 it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure 2".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 31
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
    - iii. There were no amounts which were required to be

# Sicagen India Limited

transferred to the Investor Education and Protection Fund by the Company.

- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the

disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 29.

For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
F.R.No.004915S / S200036  
**C N GANGADARAN**

Place: Chennai  
Date: 17<sup>th</sup> May 2017

Partner  
Memb.No.011205

## Annexure 1 to the Independent Auditor's Report

Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date

- i. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.  
c) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.
- iii. The company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act. Accordingly, reporting under this clause does not arise.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security.
- v. In our opinion and according to the information and explanations given to us the company has not accepted any deposits during the year. Accordingly, reporting under this clause does not arise.
- vi. The Central Government has prescribed the maintenance of cost records under section 148 (1) of the Companies Act 2013. Accordingly clause vi of paragraph 3 of Companies (Auditors Report) Order 2016 is applicable.
- vii. a) According to the records of the Company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months.  
b) As at 31<sup>st</sup> March 2017 according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:
- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or debenture holders.
- ix. The company has not raised money by way of initial public offer or further public offer during the Current year and the term loans were applied for the purposes for which those were raised.
- x. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the financial period.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been provided in accordance with the requisite approvals mandated by Section 197 read with Schedule V of the Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause xii of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.  
(Based on the above Para, matters referred in clause (xiv) of paragraph 3 of Companies (Auditors Report) Order 2016 is not applicable).
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, clause xv of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause xvi of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

Sl. No	Period	Nature of Dues	Not Paid (₹ in Lakhs)	Forum where Pending
1	2011-12	Income Tax	1,699.00	ITAT

For **CNGSN & ASSOCIATES LLP**  
Chartered Accountants  
F.R.No.004915S / S200036  
**C N GANGADARAN**

Place: Chennai  
Date: 17<sup>th</sup> May 2017

Partner  
Memb.No.011205

**Annexure 2 to the Independent Auditor's report**  
**Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of**  
**Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s SICAGEN INDIA LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **CNGSN & ASSOCIATES LLP**

Chartered Accountants  
F.R.No.004915S / S200036

**C N GANGADARAN**

Place: Chennai  
Date: 17<sup>th</sup> May 2017

Partner  
Memb.No.011205

# Sicagen India Limited

## Balance Sheet as at 31<sup>st</sup> March 2017

(₹ in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	3957	3957
b) Reserves and Surplus	2	<u>38515</u>	<u>38057</u>
		42472	42014
<b>2. Non-Current Liabilities</b>			
a) Deferred Tax Liabilities (Net)	3	313	311
b) Other Long Term Liabilities	4	457	413
c) Long-Term Provisions	5	<u>2432</u>	<u>2553</u>
		3202	3277
<b>3. Current Liabilities</b>			
a) Short-Term Borrowings	6	6569	4460
b) Trade Payables		4432	2306
c) Other Current Liabilities	7	606	634
d) Short-Term Provisions	8	<u>453</u>	<u>314</u>
		12060	7714
<b>TOTAL</b>		<u>57734</u>	<u>53005</u>
<b>II. ASSETS</b>			
<b>1. Non-current Assets</b>			
a) Fixed Assets			
(i) Tangible assets	9 a	3050	2883
(ii) Intangible assets	9 b	74	82
(iii) Capital work-in-progress	9 c	3	-
b) Non-current investments	10	11580	13498
c) Long-term loans and advances	11	18504	18389
d) Other non-current assets	12	<u>3564</u>	<u>2826</u>
		36775	37678
<b>2. Current Assets</b>			
a) Inventories	13	5707	5039
b) Trade Receivables	14	11551	8289
c) Cash and Cash Equivalents	15	1742	1070
d) Short-Term Loans and Advances	16	1708	929
e) Other Current Assets	17	<u>251</u>	<u>15327</u>
		20959	15327
<b>TOTAL</b>		<u>57734</u>	<u>53005</u>
Significant Accounting Policies			
Notes on Financial Statements	1-34		

As per our Report of even date

For and on behalf of the Board

**For CNGSN & Associates LLP**

Chartered Accountants

F.R.No.004915S

**C N GANGADARAN**

Partner

M.No.011205

Place : Chennai

Date: 17<sup>th</sup> May 2017

**ASHWIN C MUTHIAH**

Chairman

**DEVIDAS MALI**

COO & Whole Time Director

**B. NARENDRAN**

Director

**D.BALAGOPAL**

Chief Financial Officer

**SUNIL DESHMUKH**

Director

**R.ACHUTHAN**

Company Secretary



## Profit and Loss Statement for the year ended 31<sup>st</sup> March 2017

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>I. INCOME</b>			
Revenue from operations	18	<b>56057</b>	45086
Other Income	19	<b>1031</b>	1458
<b>Total Revenue</b>		<b>57088</b>	46544
<b>II. EXPENSES</b>			
Cost of materials consumed	20	<b>2684</b>	2365
Purchases of Stock-in-Trade	21	<b>49043</b>	38907
(Increase)/Decrease in inventories of Finished Goods, Work-In-Progress and Stock in Trade	22	<b>(583)</b>	(218)
Employee Benefit Expense	23	<b>1906</b>	1853
Finance Costs	24	<b>616</b>	567
Depreciation and Amortization Expense		<b>160</b>	261
Other expenses	25	<b>2509</b>	2206
<b>Total expenses</b>		<b>56335</b>	45941
<b>III. Profit before exceptional and extraordinary items and tax</b>		<b>753</b>	603
<b>IV. Profit before extraordinary items and tax</b>		<b>753</b>	603
<b>V. Profit before tax</b>		<b>753</b>	603
Tax expense			
(1) Current tax		<b>7</b>	19
(2) Deferred tax		<b>2</b>	(136)
<b>VI. Profit / (Loss) for the period</b>		<b>744</b>	720
<b>XI. Earnings per equity share</b>	26		
(1) Basic before exceptional items (₹)		<b>1.88</b>	1.82
(2) Basic after exceptional items (₹)		<b>1.88</b>	1.82

Significant Accounting Policies

Notes on Financial Statements

1-34

As per our Report of even date

For and on behalf of the Board

**For CNGSN & Associates LLP**

Chartered Accountants

F.R.No.004915S

**C N GANGADARAN**

Partner

M.No.011205

Place : Chennai

Date: 17<sup>th</sup> May 2017

**ASHWIN C MUTHIAH**

Chairman

**DEVIDAS MALI**

COO &amp; Whole Time Director

**B. NARENDRAN**

Director

**D.BALAGOPAL**

Chief Financial Officer

**SUNIL DESHMUKH**

Director

**R.ACHUTHAN**

Company Secretary

# Sicagen India Limited

## Cash Flow Statement for the year ended 31<sup>st</sup> March 2017

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
<b>A Cash Flow from Operating Activities</b>		
Profit before tax	753	603
<b>Adjustments for</b>		
Depreciation	160	261
(Profit)/Loss on Disposal of Fixed Assets(net)	18	17
Provision Written Back	-	(770)
Interest Income	(36)	(37)
Dividend Income	(794)	(640)
Interest Expenditure	567	508
<b>Operating Profit before Working Capital Changes</b>	<b>668</b>	<b>(58)</b>
<b>Adjustments for</b>		
Trade and Other Receivables	(4885)	(522)
Inventories	(668)	(47)
Trade Payables and Other Liabilities	4263	712
<b>Cash Generated from Operations</b>	<b>(622)</b>	<b>85</b>
Less : Tax Paid	10	25
<b>Net Cash from Operating Activities</b>	<b>(632)</b>	<b>60</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(357)	(186)
Sale of Fixed Assets(net)	16	19
Redemption of Investment	2500	-
Investment in Subsidiary	(582)	-
Interest Income	30	37
Dividend Income	550	640
<b>Net Cash used in Investing Activities</b>	<b>2157</b>	<b>510</b>
<b>C Cash Flow from Financing Activities</b>		
Long term Borrowings (Net of repayment)	-	(179)
Interest Paid	(567)	(508)
Dividend Paid (Including Dividend Distribution Tax)	(286)	(286)
<b>Net Cash used in Financing Activities</b>	<b>(853)</b>	<b>(973)</b>
<b>D Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)</b>	<b>672</b>	<b>(403)</b>
Cash and Cash Equivalents as at (Opening) 1 <sup>st</sup> April 2016	1070	1473
Cash and Cash Equivalents as at (Closing) 31 <sup>st</sup> March 2017	1742	1070

As per our Report of even date

For and on behalf of the Board

**For CNGSN & Associates LLP**

Chartered Accountants

F.R.No.004915S

**C N GANGADARAN**

Partner

M.No.011205

Place : Chennai

Date: 17<sup>th</sup> May 2017

**ASHWIN C MUTHIAH**

Chairman

**DEVIDAS MALI**

COO & Whole Time Director

**B. NARENDHAN**

Director

**D.BALAGOPAL**

Chief Financial Officer

**SUNIL DESHMUKH**

Director

**R.ACHUTHAN**

Company Secretary

## Significant Accounting Policies

### 1. Basis of Preparation

The financial statements of the company have been prepared in accordance with the Generally accepted accounting Principles in India ( GAAP) under the historical cost convention on accrual basis and to complying with applicable Mandatory Accounting Standards as prescribed under Section 133 of the companies act 2013 read with Rule 7 of the companies (accounts) Rules 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 (the 'Act') shall continue to apply. Consequently, these financial statements are prepared to comply in all material aspects with the Accounting Standards notified under sub-section (3C) of Section 211 of the Act [Companies (Accounting Standards) Rules, 2006] and the other relevant provisions of the Companies Act, 2013.

### Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that are considered in the reported amounts of assets and Liabilities ( including contingent liabilities) on the date of financial statements and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumption that management believes are reasonable under the circumstances. Actual results may vary from these estimates and any such differences are dealt in the period in which they are known/ materialize.

### Current/Non Current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

### 2. Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Leasehold Land is capitalized and the amount is not amortized. Intangible assets are capitalized and the amount is amortized.

Depreciation is provided at the rates prescribed under Schedule II of the Companies Act, 2013 and useful life of the assets on the following methods.

- Assets of all divisions are calculated at straight Line method.
- Depreciation on certain premises is provided on composite cost where it is not possible to segregate the land cost.
- Improvements on leasehold premises are depreciated over the tenure of the lease.
- Any asset purchased during the year with a value less than ₹5000 is charged off as revenue expenditure.

### Acquired intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

### 3. Impairment of Assets

Assessment is carried out at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. The Company recognizes impairment of assets other than the assets which are specifically excluded under Accounting Standard 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India after comparing the assets recoverable value with its carrying amount in the books. Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable value.

### 4. Borrowing Costs

Borrowing Costs are capitalized as a part of qualifying fixed assets wherever it is possible that they will result in future economic benefits. Other borrowing costs are expensed.

### 5. Investments

Long Term Investments in shares and units are stated at cost, net of permanent diminution in value wherever necessary. Cost includes acquisition charges and the interest attributable to funds borrowed for acquisition of investments.

Dividends are accounted for when the right to receive the payment is established.

# Sicagen India Limited

## 6. Inventories

- a) Trading Stock, Stores and Spares, Raw materials, Packing materials are valued at cost, computed on Moving Weighted Average Cost for Building Materials Division & Goodwill Governor Services division.
- b) Finished goods and work in process are valued at the lower of cost and estimated net realizable value. Cost is determined on materials consumed valued on first in first out basis and direct and indirect overheads for Beta, Specialty Chemicals divisions and Moving Weighted Average Cost for Goodwill Governor Services division.
- c) Work-in-process on ship building contracts reflects proportionate value of input and expenses yet to be billed.
- d) Loose tools are valued after writing off a certain percentage on cost only in Goodwill Engineering Works division.

## 7. Excise Duty

- a) Cenvat credit on materials purchased for production is taken into account at the time of purchase and cenvat credit on purchase of capital items, wherever applicable is taken into account as and when the assets are installed, to the credit of respective purchase and asset account. The cenvat credit so taken is utilized for payment of excise duty on goods manufactured. The unutilized cenvat credit is carried forward in the books.
- b) Excise duty payable on manufactured goods held in the factories is included in the valuation of such stocks.

## 8. Revenue Recognition

Revenue is recognized and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.

- a) Sale of goods  
Revenues from sale of products are accounted net of returns, discount and sales tax and are recognized at the point of dispatch .
- b) Sales of Service
  - i. Revenue from services is recognized when billed on completion of services.
  - ii. Revenue in Goodwill Engineering works division is recognized as and when the Boat is ready for delivery.

## c) Other operating Income

Other operating income comprises income from activities incidental to the operations of the company and is recognized as and when the right to receive the income is established.

## d) Other Income

Interest income is accounted on accrual basis. Dividend income is accounted as and when the right to receive the dividend is established.

## 9. Foreign Currency Transaction

Foreign currency transactions are recorded in the books at the exchange rates prevailing on the date of transaction.

Foreign currency monetary assets and liabilities wherever receivable or payable are translated at exchange rates prevailing on the Balance Sheet date and the exchange differences arising on settlement or translation of monetary items are adjusted in the statement of Profit and Loss account in the period it arises.

## 10. Post-employment and long term employee Benefits

### Defined contribution plans

- a) Company's contribution to the Employees Provident Fund/Superannuation Fund, the Employee State Insurance and other funds are determined under the relevant scheme / or any other applicable statute and charged to the statement of profit and Loss account in the period of incurrence when the services are rendered by the employees.
- b) Company employees are covered under superannuation schemes, State governed provident funds scheme, employees state insurance scheme and group medical and personal accident insurance.
- c) Retirement benefits in the form of Provident Fund/ Superannuation Fund are defined contribution schemes and the contributions are charged to the statement of Profit and Loss account in the year in which the contributions to the respective funds are due.
- d) Employees Gratuity Fund scheme managed by Life Insurance Corporation of India is a Defined Benefit Plan.
- e) Company's liability toward gratuity and other retirement benefits are actuarially determined at each balance sheet date The present value of obligation is provided for on the basis of actuarial valuation using the Projected Unit Credit Method at the end of each financial year.
- f) Actuarial gains/losses are charged to statement of Profit and Loss immediately in each year.

#### **11. Provision for Current Tax and Deferred Tax**

Provision for Current Tax liability is estimated after taking into consideration benefits admissible at the current rate of tax under the provisions of the Income Tax Act 1961.

Deferred tax is recognized for all timing differences between the taxable income and accounting income subject to prudence in respect of deferred tax assets. Deferred tax is measured using the tax rates and tax laws that are enacted or substantively enacted as on the balance sheet date.

#### **12. Provisions & Contingent Liabilities**

The company recognizes provision when there is a present obligation for a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made and all known liabilities of material nature have been provided for in the accounts except liabilities of a contingent nature when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources have been disclosed at their estimated value in the notes on accounts in accordance with Accounting Standard -29. As regards Provisions, it is only those obligations arising from past events existing independently of an enterprise's future actions that are recognized as provisions. And Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **13. Segment Reporting**

The accounting policies adopted for Segment reporting are in line with Accounting Standard -17. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Further, inter-segment revenue has been accounted for based on the transaction price, which is market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities for the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated Corporate Income net of Unallocated Corporate expenditure".

#### **14. Cash Flow Statement**

Cash flow statements are made using the indirect method whereby profit / (loss ) before extra ordinary items / exceptional 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 flows from operating , investing and financing activities of the company are segregated based on available information including taxes paid relating to these activities.

# Sicagen India Limited

## Notes on Financial Statements for the year ended 31<sup>st</sup> March 2017

### 1. Share Capital

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of ₹ 10 each	50000000	5000	50000000	5000
<b>Issued</b>				
Equity Shares of ₹ 10 each	39571684	3957	39571684	3957
<b>Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 10 each fully paid	39571684	3957	39571684	3957

1.1 Number of shares and the amount outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	39571684	3957	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	39571684	3957	-	-

1.2 Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M/s.Ranford Investments Ltd.	7400649	18.70	7400649	18.70
M/s.Darnolly Investments Ltd.	7276102	18.39	7276102	18.39
M/s.Twinshield Consultants Pvt.Ltd.	3148810	7.96	3148810	7.96

1.3 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

### 2. Reserves and Surplus

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>a. Capital Reserves</b>		
As per Last Balance sheet	2856	2856
<b>b. Securities Premium Account</b>		
As per Last Balance sheet	29444	29444
<b>c. General Reserve</b>		
As per Last Balance Sheet	200	200
<b>d. Surplus</b>		
Opening balance	5557	5123
Add : Profit/(Loss) for the current year	744	720
Less : Proposed Dividend	286	286
Closing Balance	6015	5557
<b>Total</b>	<b>38515</b>	<b>38057</b>

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>3. Deferred Tax Liability</b>		
Related to Fixed Asset	311	448
Provided under Income Tax Act, 1961	2	(137)
<b>Total</b>	<b>313</b>	<b>311</b>
<b>4. Other Long Term Liabilities</b>		
Others	457	413
<b>Total</b>	<b>457</b>	<b>413</b>
<b>5. Other Long Term Liabilities</b>		
(a) Provision for employee benefits		
Gratuity	206	205
Leave Encashment	24	29
(b) Others		
Provision for Tax	2202	2319
<b>Total</b>	<b>2432</b>	<b>2553</b>

### 5.1 Employee Benefits

Disclosures required under Accounting Standard - 15 on Employee Benefits are given below:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	Gratuity	Leave	Gratuity	Leave
<b>I. PRINCIPAL ACTUARIAL ASSUMPTIONS</b>				
[Expressed as weighted averages]				
Discount Rate	7.20%	7.20%	7.70%	7.70%
Salary escalation rate	6.00%	6.00%	6.00%	6.00%
Attrition rate	10.00%	10.00%	10.00%	10.00%
Expected rate of return on Plan Assets	8.25%	-	8.00%	-
<b>II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)</b>				
<b>RECONCILIATION OF OPENING AND CLOSING BALANCES</b>				
PVO as at the beginning of the period	205	28	180	12
Interest cost	14	2	13	1
Current service cost	19	5	18	4
Benefits paid	(40)	(5)	(20)	(3)
Actuarial loss/(gain) on obligation (balancing figure)	8	(6)	14	15
<b>PVO as at the end of the period</b>	<b>206</b>	<b>24</b>	<b>205</b>	<b>29</b>
<b>III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS -</b>				
<b>RECONCILIATION OF OPENING AND CLOSING BALANCES</b>				
Fair value of plan assets as at the beginning of the period	195	-	178	-
Expected return on plan assets	15	-	16	-
Contributions	37	5	22	3
Benefits paid	(40)	(5)	(20)	(3)
Actuarial gain/(loss) on plan assets [balancing figure]	-	-	(1)	-
<b>Fair value of plan assets as at the end of the period</b>	<b>207</b>	<b>-</b>	<b>195</b>	<b>-</b>

# Sicagen India Limited

(₹ in Lakhs)

Particulars	As at		As at	
	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2016	
	Gratuity	Leave	Gratuity	Leave
<b>IV. ACTUAL RETURN ON PLAN ASSETS</b>				
Expected return on plan assets	15	-	16	-
Actuarial gain (loss) on plan assets	-	-	(1)	-
<b>Actual return on plan assets</b>	<b>15</b>	<b>-</b>	<b>15</b>	<b>-</b>
<b>V. ACTUARIAL GAIN / LOSS RECOGNIZED</b>				
Actuarial gain / (loss) for the period - Obligation	(8)	7	(14)	(15)
Actuarial gain / (loss) for the period- Plan Assets	-	-	(1)	-
Actuarial (gain) / loss recognized in the period	8	(7)	15	15
<b>Unrecognized actuarial (gain) / loss at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSES</b>				
Present value of the obligation	206	24	205	29
Fair value of plan assets	207	-	195	-
Difference	(1)	24	10	29
Unrecognised transitional liability	-	-	-	-
Unrecognised past service cost - non vested benefits	-	-	-	-
Amount determined under para 55 of AS 15R	-	-	-	-
Net Liability Recognized in the balance sheet	-	24	10	29
Present value of the future reduction in contribution under para 59(b) of AS15R	-	-	-	-
Net Liability / (Asset) Recognized under part 59 of AS 15R	1	-	-	-
<b>VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS</b>				
Current service cost	19	5	18	4
Interest Cost	14	2	13	1
Expected return on plan assets	(15)	-	(16)	-
Net actuarial (gain)/loss recognised in the year	8	(7)	15	15
<b>Expenses recognized in the statement of profit and loss</b>	<b>26</b>	<b>-</b>	<b>30</b>	<b>20</b>
<b>VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET</b>				
Opening net liability	10	29	2	12
Expenses as above	26	-	30	20
Contribution paid	(37)	(5)	(22)	(3)
<b>Closing net liability</b>	<b>(1)</b>	<b>24</b>	<b>10</b>	<b>29</b>
<b>IX. AMOUNT FOR THE CURRENT PERIOD</b>				
Present Value of obligation	206	24	205	29
Plan Assets	207	-	195	-
Surplus / (Deficit)	1	(24)	(10)	(29)
Experience adjustments on plan liabilities -(loss)/gain	(3)	8	(3)	(14)
Experience adjustments on plan assets -(loss)/gain	-	-	(1)	-



Particulars	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	Gratuity	Leave	Gratuity	Leave
<b>X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)</b>				
Funds managed by Insurer		100.00%		100.00%
<b>XI. ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR</b>		NA		NA
<b>6. Short Term Borrowings</b>				
<b>Secured</b>				
Working Capital Facility		3597		2779
<b>Unsecured</b>				
<b>Loans repayable on demand</b>				
From Others		2972		1681
<b>Total</b>		<b>6569</b>		<b>4460</b>
6.1 Credit facilities availed from Banks/NBFCs by way of Channel Financing/Inventory Funding arrangements for the Company were secured by way of hypothecation of stock.				
6.2 Working capital facilities availed from a Bank were secured by hypothecation of stocks and receivables of all divisions and creation of equitable mortgage by way of deposit of title deeds of certain immovable assets of the Company as collateral security.				
<b>7. Other Current Liabilities</b>				
(a) Unpaid Dividend		49		43
(b) Other payables				
Liability for Expense		174		218
Statutory Remittances (TDS, VAT, ESI, PF, Service Tax, ED etc.)		188		118
Advance from Customers		188		248
Trade / Security Deposit		7		7
<b>Total</b>		<b>606</b>		<b>634</b>
<b>8. Short Term Provision</b>				
(a) <b>Provision for employee benefits</b>				
Bonus/Performance pay		160		145
(b) <b>Others</b>				
Provision for Tax		7		(117)
Proposed Equity Dividend		238		238
Provision for Tax on Proposed Equity Dividend		48		48
<b>Total</b>		<b>453</b>		<b>314</b>

(₹ in Lakhs)

9. Fixed Assets 2016-17

Fixed Assets	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at 1 <sup>st</sup> April 2016	Additions	Disposals	Transfer	Balance as at 31 <sup>st</sup> March 2017	Balance as at 1 <sup>st</sup> April 2016	Depreciation charge for the year	Disposals	Transfer	Balance as at 31 <sup>st</sup> March 2017	Balance as at 31 <sup>st</sup> March 2017	Balance as at 31 <sup>st</sup> March 2016
a) Tangible Assets	Land - Free hold	481	29	-	-	510	-	-	-	-	510	481
	- Lease hold	1	-	-	-	1	-	-	-	-	1	1
	Buildings	2646	36	-	-	2682	1042	42	-	1,084	1598	1604
	Plant and Machinery	1039	96	27	(9)	1099	691	32	13	709	390	348
	Office Equipment	561	27	75	9	522	501	15	67	450	72	60
	Furniture and Fixtures	239	88	6	-	321	154	13	5	162	159	85
	Vehicles	118	40	30	-	128	92	6	19	79	49	26
	Trucks	29	-	-	-	29	24	1	-	25	4	5
	Lease hold improvements	685	31	-	-	716	412	37	-	449	267	273
Total	5799	347	138		6008	2916	146	104		2,958	3050	2883
Previous Year	5678	207	86	-	5799	2720	247	51	-	2,916	2883	-
b) Intangible Assets	Computer software	178	6	-	-	184	96	14	-	110	74	82
	Total	178	6	-	-	184	96	14	-	110	74	82
	Previous Year	178	-	-	-	178	82	14	-	96	82	-
c) Capital Work In Progress		-	86	83	-	3	-	-	-	-	3	-
	Total	-	86	83	-	3	-	-	-	-	3	-
	Previous Year	22	24	46	-	-	-	-	-	-	-	-
Grand Total	5977	439	221	-	6195	3012	160	104	-	3068	3127	2965
Previous Year	5878	231	132	-	5977	2802	261	51	-	3012	2965	

## 10. Non Current Investments

(₹ in Lakhs)

Particulars	As at		As at
	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	
<b>Trade Investments</b>			
(a) Investment in Equity Instruments	8080	7498	
(b) Investment in Preference Shares	3500	6000	
<b>Total</b>	<b>11580</b>	<b>13498</b>	
Aggregate amount of quoted investments (Market value of Rs.1061.02 Lakhs (Previous Year Rs.1058.67 Lakhs)	1881	1881	
Aggregate amount of unquoted investments	9699	11617	
<b>Total</b>	<b>11580</b>	<b>13498</b>	

## Details of Trade Investments

S. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		(₹ in Lakhs)		Whether stated at Cost Yes / No	If Ans to Col (9) is 'No' - Basis of Valuation
			2017	2016			2017	2016	2017	2016		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	<b>Investment in Equity Instruments</b>											
	Southern Petrochemical Industries Corporation Ltd	Others	3017349	3017349	Quoted	Fully Paid	2	2	1230	1230	Yes	
	First Leasing Company of India Ltd (Includes Bonus Shares)	Others	2153649	2153649	Quoted	Fully Paid	9	9	415	415	Yes	
	Mercantile Ventures Ltd	Others	2360205	2360205	Quoted	Fully Paid	2	2	236	236	Yes	
	Mitsuba Sical India Private Ltd	Others	300000	300000	UnQuoted	Fully Paid	-	-	65	65	Yes	
	EDAC Automation Ltd	Others	449970	449970	UnQuoted	Fully Paid	50	50	45	45	Yes	
	South India House Estates And Properties Ltd	Subsidiary	10000000	10000000	UnQuoted	Fully Paid	100	100	1000	1000	Yes	
	Wilson Cables Private Ltd	Subsidiary	5886216	5886216	UnQuoted	Fully Paid	100	100	4507	4507	Yes	
	AM Foundation (Formerly AM Corporate Social Responsibility Foundation)	Others	1200	1200	UnQuoted	Fully Paid	12	12	-	-	Yes	
	Danish Steel Cluster Private Limited	Subsidiary	4250823		UnQuoted	Fully Paid	60	-	582	-	Yes	
<b>Sub-Total (a)</b>									8080	7498		
(b)	<b>Investments in Preference Shares</b>											
	Green Star Fertilizers Ltd	Others	2500000	5000000	UnQuoted	Fully Paid	100	100	2500	5000	Yes	
	EDAC Engineering Ltd	Others	10000000	10000000	UnQuoted	Fully Paid	83	83	1000	1000	Yes	
<b>Sub Total (b)</b>									3500	6000		
<b>Grand Total (a)+(b)</b>									11580	13498		

# Sicagen India Limited

## NOTES:

- 1 16,02,350 equity shares of Southern Petrochemical Industries Corporation Ltd (SPIC) pledged with lenders prior to demerger and pending under dispute were released through settlement of outstanding dues as per the Memorandum of Compromise entered into with lenders along with other entities. Further, the dispute over 38,23,600 equity shares of SPIC pledged with lenders prior to demerger was settled and the value of that shares adjusted against the outstanding dues by the the lenders prior to demerger was taken into account.
- 2 3,85,104 equity shares of SPIC pledged prior to demerger were released and the said shares are in the process of name transfer.
- 3 1,00,00,000 equity shares of South India House Estates & Properties Ltd vested in the books of the Company under the earlier demerger scheme and pending under dispute for name transfer were registered in Company's favour upon settlement of outstanding dues.
- 4 No provision is considered necessary for short fall in market value of certain quoted investments ascertained on individual basis amounting to ₹ 862.16 Lakhs (₹ 981.34 Lakhs) as a significant portion of it relates to companies promoted by the Company which are considered temporary in nature.
- 5 Certain investments held in other entities are considered as strategic long term investments and hence the evaluation of intrinsic value of such long term investments will be undertaken by the Company in an appropriate manner in future.

(₹ in Lakhs)		
Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>11. Long Term Loans and Advances</b>		
<b>a. Security Deposits</b>		
Unsecured, considered good	79	72
<b>b. Other loans and advances</b>		
Unsecured, considered good	11	1
<b>c. Advance Income tax (Net of Provisions)</b>		
Unsecured, considered good	2320	2426
<b>d. Balance with government authorities - unsecured considered good</b>		
VAT Credit receivable	44	44
<b>e. Others - Unsecured considered good</b>		
Other Advance	16050	15846
<b>Total</b>	<b>18504</b>	<b>18389</b>
<b>12. Other Non-current Assets</b>		
<b>Long term trade receivables (including trade receivables on deferred credit terms)</b>		
Unsecured, considered good	3564	2826
<b>Total</b>	<b>3564</b>	<b>2826</b>
<b>13. Inventories (valued at lower of cost and net realisable value)</b>		
a. Raw Materials and components	361	286
b. Work-in-progress	42	44
c. Finished goods	27	14
d. Stock-in-trade	5107	4503
e. Stores and spares	157	180
f. Loose Tools	1	1
g. Others	12	11
<b>Total</b>	<b>5707</b>	<b>5039</b>

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>14. Trade Receivables</b>		
<b>Trade Receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	680	1019
<b>Other Trade Receivables</b>		
Unsecured, considered good	10871	7270
<b>Total</b>	<b>11551</b>	<b>8289</b>
<b>15. Cash and Cash Equivalents</b>		
<b>Balances with banks</b>		
Current Accounts	1082	913
Cheques, drafts on hand	26	38
Cash on hand	8	10
Margin Money	77	66
Bank Deposits with maturity of more than 3 months	500	-
<b>Others</b>		
Balance with bank (for unpaid dividend)	49	43
<b>Total</b>	<b>1742</b>	<b>1070</b>
<b>16. Short Term Loans and Advances</b>		
<b>a. Security Deposits</b>		
Unsecured, considered good	2	2
<b>b. Other loans and advances</b>		
Loans and advances to employees	1	-
Unsecured, considered good	1	-
<b>c. Prepaid expense-unsecured considered good</b>	<b>65</b>	<b>22</b>
<b>d. Advance Income tax (net of provisions)-unsecured considered good</b>	<b>285</b>	<b>255</b>
<b>e. Advance Sales Tax</b>	<b>57</b>	<b>25</b>
<b>f. Balance with government authorities - unsecured considered good</b>		
Cenvat Credit receivable	6	2
VAT Credit receivable	1	1
Service Tax credit receivable	3	4
<b>g. Debit Balance with creditors</b>		
Secured, considered good	-	-
Unsecured, considered good	1287	618
<b>Total</b>	<b>1708</b>	<b>929</b>
<b>17. Other Current Assets</b>		
<b>Others</b>		
Dividend Receivable	244	-
Interest accrued on deposits	7	-
<b>Total</b>	<b>251</b>	<b>-</b>

# Sicagen India Limited

(₹ in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>18. Revenue From Operation</b>		
<b>Sale of products</b>		
Traded Goods	51976	41177
Manufactured Goods	3489	3300
<b>Sub-Total</b>	<b>55465</b>	<b>44477</b>
<b>Sale of services</b>	<b>869</b>	<b>815</b>
<b>Other operating revenues</b>		
Scrap Sales	88	141
<b>Less: Excise duty</b>	<b>365</b>	<b>347</b>
<b>Total</b>	<b>56057</b>	<b>45086</b>
<b>18.1 Details of Products Sold</b>		
<b>Traded Goods</b>		
Steel Pipes	35010	27063
Steel	9565	8657
PVC Pipes	763	507
Cables	2767	2287
Vehicles	-	28
Spares and Others	3871	2635
<b>Sub-Total (A)</b>	<b>51976</b>	<b>41177</b>
<b>Manufactured Goods</b>		
Drums	2371	2270
Others	1118	1030
<b>Sub-Total (B)</b>	<b>3489</b>	<b>3300</b>
<b>Total (A) + (B)</b>	<b>55465</b>	<b>44477</b>
<b>19. Other Income</b>		
Interest Income	36	38
Profit on sale of Fixed Assets	2	1
Dividend Income	794	640
Other non-operating income	199	779
<b>Total</b>	<b>1031</b>	<b>1458</b>
<b>20. Cost of Raw Materials Consumed</b>		
Inventory at the beginning of the year	318	486
Add : Purchases	2765	2197
Less : Inventory at the end of the year	399	318
<b>Cost of Raw Materials consumed</b>	<b>2684</b>	<b>2365</b>

(₹ in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>20.1 Details of Raw Material Consumed</b>		
CRCA Coils	1464	1277
Others	1220	1088
<b>Cost of Raw Materials consumed</b>	<b>2684</b>	<b>2365</b>
<b>21. Purchases of Stock-in-Trade</b>		
Steel Pipes	32551	25542
Steel	9121	8308
PVC Pipes	731	475
Cables	2685	2229
Spares and Others	3955	2353
<b>Total</b>	<b>49043</b>	<b>38907</b>
<b>22. (Increase)/Decrease in inventories of finished goods, Work-In-Progress (WIP) and Stock in Trade</b>		
<b>Inventory at the end of the year</b>		
Finished Goods	27	14
WIP	39	41
Stock in Trade	5236	4664
<b>Sub-Total (A)</b>	<b>5302</b>	<b>4719</b>
<b>Inventory at the beginning of the year</b>		
Finished Goods	14	9
WIP	41	51
Stock in Trade	4664	4441
<b>Sub-Total (B)</b>	<b>4719</b>	<b>4501</b>
<b>(Increase)/Decrease (B-A)</b>	<b>(583)</b>	<b>(218)</b>
<b>23. Employee benefit expense</b>		
Salaries, Wages and Bonus	1670	1623
Contribution to Provident Fund and Others	103	113
Staff Welfare Expense	133	117
<b>Total</b>	<b>1906</b>	<b>1853</b>

# Sicagen India Limited

(₹ in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>24. Finance Cost</b>		
Interest	567	508
Bank Charges	49	59
<b>Total</b>	<b>616</b>	<b>567</b>

## 25. Other Expenses

Rent	389	420
Rates & Taxes	113	101
Insurance	43	36
Power & Fuel	120	104
Office Maintenance	215	75
Vehicle Operating Expenses	1	-
<b>Repairs &amp; maintenance</b>		
Plant & Machinery	1	3
Building	5	1
Vehicles	20	27
Others	139	129
Travelling & Conveyance	327	274
Printing & Stationery	32	31
Postage, Telegram & Telephone	80	74
Staff Recruitment & Training	5	-
Subscription / Donation	20	31
Advertisement, Publicity & Sales Promotion	154	69
Payment to Auditors ( Details given below)	28	22
Legal & Professional Fees	36	53
Freight & Forwarding charges	501	366
Director's Sitting Fee	14	14
Brokerage & Commission	15	22
Other Selling Expenses	2	1
Consumable Stores & Tools	10	11
Security Service Charges	120	131
Loss on sale of Fixed Assets	20	18
Entertainment Expenses	2	2
Consultancy Fees	88	180
Miscellaneous Expenses	9	11
<b>Total</b>	<b>2509</b>	<b>2206</b>

### 25.1 Payment to Auditor

Statutory Audit Fee	14	13
Taxation matters	3	3
Other services	11	5
Reimbursement of expenses	-	1
<b>Total</b>	<b>28</b>	<b>22</b>



(₹ in Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>26. Earning Per Share [EPS]</b>		
Profit Before Exceptional Item	744	720
Profit After Exceptional Item	744	720
No. of Shares used in computing EPS - Basic	39571684	39571684
EPS before exceptional item - Basic (₹)	1.88	1.82
EPS after exceptional item - Basic (₹)	1.88	1.82
Face Value per share (₹)	10	10

**27. Expenditure in Foreign Currency during the Financial year:**

Travelling Expenses	5	5
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**28. Earnings in Foreign Exchange (Received during the year)**

Export of goods	-	2
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**29. The details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 is as below:**

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8.11.2016	7,636,500	170,878	7,807,378
(+) Permitted receipts	45,000	11,344,216	11,389,216
(+) Withdrawal from the banks	-	9,469,406	9,469,406
(-) Permitted payments	-	9,527,527	9,527,527
(-) Amount deposited in Banks	7,681,500	10,806,326	18,487,826
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>650,647</b>	<b>650,647</b>

**30. As per Accounting Standard 18, the disclosure of transactions with the related parties are given below:**
**a. List of related parties where control exists**

S.No	Name of the Related Party	Relationship
1	Firstgen Distribution Private Limited	Enterprise over which a Director is able to exercise significant influence
2	Wilson Cables Private Limited	Wholly owned Subsidiary Company
3	South India House Estates and Properties Limited	Wholly owned Subsidiary Company
4	South India Investments & Associates	Enterprise over which a Director's Relative is a partner and is able to exercise significant influence
5	SIDD Life Sciences Private Limited	Enterprise over which a Director is able to exercise significant influence
6	Danish Steel Cluster Private Limited	Subsidiary Company

# Sicagen India Limited

## b. Other related parties with whom transactions have taken place during the year 2016 - 17

S.No	Name of the related party & relationship
1	Mr.Devidas Mali,COO & Whole Time Director

## c. The following transactions were carried out with the related parties during the year 2016-17 ₹ in Lakhs

S.No	Particulars of transaction	Amount
1	<b>Sale of Goods/Income from Services Rendered</b>	
	Firstgen Distribution Private Limited	1,923.82
	Danish Steel Cluster Private Limited	282.37
2	<b>Manergerial Remuneration paid</b>	
	Mr. Devidas Mali, COO & Whole Time Director	63.23
	South India House Estates and Properties Ltd, (Mr. V. Rajagopal, Whole Time Director)	3.00
3	<b>IT Support Charges</b>	
	Wilson Cables Private Limited	15.00
	SIDD Life Sciences Private Limited	18.98
4	<b>Rent paid</b>	
	South India House Estates & Properties Limited	0.40
5	<b>Rent Received</b>	
	South India House Estates & Properties Limited	0.50
6	<b>Reimbursement of Expenses - Payable</b>	
	Wilson Cables Private Limited	97.39
7	<b>Reimbursement of Expenses - Receivable</b>	
	Wilson Cables Private Limited-Salary	4.89
	SIDD Life Sciences Private Limited-Travel Expense	0.91
	Danish Steel Cluster Private Limited	13.70
8	<b>Loan Given</b>	
	Danish Steel Cluster Private Limited	734.00

## 31 Contingent Liability

- Appeals filed with ITAT (A) for a demand of ₹1699 Lakhs (Assessment year 2011-12). Provision has not been made for the demand.
- Guarantees given by the bankers for performance of Contracts and others ₹378.20 Lakhs (₹265.58 Lakhs ).

## 32 During the year the company had obtained approval from the board for adoption of the IND AS which would be applicable from the Financial Year 2017-18 with the transition date as 1<sup>st</sup> April 2016.

## 33 Previous year's figures have been regrouped and rearranged wherever necessary.

**34. Segment Information for the year ended 31<sup>st</sup> March 2017**  
**Information about Primary Business Segments**

(₹ in Lakhs)

Business Segments	Trading	Manufacturing	Eliminations	2017		Trading	Manufacturing	Eliminations	2016	
				Total					Total	
<b>REVENUE</b>										
External Sales	52933	3124	-	56057		41942	3144	-	45086	
Inter Segment Sales	5	-	(5)	-		2	-	(2)	-	
Total Revenue	52938	3124	(5)	56057		41944	3144	(2)	45086	
<b>RESULT</b>										
Segment Result	1343	154	-	1497		781	196	-	977	
Unallocated Corporate Expenses										
net of Unallocated Income				(177)					134	
Operating Profit				1320					1111	
Interest Expense				567					508	
Income Taxes(net of def.tax)				9					(117)	
Profit from ordinary activities				744					720	
Exceptional items				-					-	
Net Profit				744					720	
<b>OTHER INFORMATION</b>										
Segment Assets	21120	1807	-	22927		16534	1402	-	17936	
Unallocated Corporate Assets				34807					35068	
Total Assets	21120	1807	-	57734		16534	1402	-	53004	
Segment Liabilities	7698	162	-	7860		4253	104	-	4357	
Unallocated Corporate Liabilities				7402					6633	
Total Liabilities	7698	162	-	15262		4253	104	-	10990	
Capital Expenditure	258	99	-	357		154	31	-	185	
Depreciation	123	37	-	160		329	73	-	402	

**Information about Secondary Business Segments**

	India		Rest of the World	Total	India		Rest of the World	Total
Revenue by Geographical Market	56057		-	56057	45084		2	45086
Segment Assets	22927		-	22927	17936		-	17936
Capital Expenditure	357		-	357	185		-	185

**Notes:**

- The Company has identified Business Segment as the Primary Segment and Geographic Segment as the Secondary Segment for disclosure. The Company's Primary segment identified as business segment based on nature of products, returns and Internal Business Reporting System as per Accounting Standard 17.
- The Business Segments identified are Trading and Manufacturing.
- The Geographical Segments considered for disclosure are India and Rest of the World. All sales facilities are located in India. Geographical segments are based on the location of the customer who is invoiced or in relation to which the revenue is otherwise recognised.
- Segmental assets include all operating assets used by the respective segment and principally consists of operating cash, debtors, inventories and fixed assets.

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Annual Report 2016-17

# Accounts - Consolidated



## **Independent Auditor's Report** **To the Members of SICAGEN INDIA LIMITED** **Report on the Consolidated Financial Statements**

We have audited the accompanying financial statements of M/s. SICAGEN INDIA LIMITED ("the Holding Company"), its subsidiaries and its associate (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31<sup>st</sup> March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their audit reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2017;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matters

- a) We did not audit the financial statements of “Wilson Cables Private Limited” and “Danish Steel Cluster Private Limited”, Subsidiaries, whose financial statements reflect the group’s share of total assets of ₹15,012 Lakhs as at 31<sup>st</sup> March 2017, total revenue is ₹15,462 Lakhs and net cash flows amounting to ₹1,478 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- b) Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

- e) On the basis of the written representations received from the Directors of the Holding Company as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure I”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 32 to the consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 30.

**For CNGSN & ASSOCIATES LLP**

Chartered Accountants  
F.R.No.004915S/S200036

**C N GANGADARAN**

Partner

Place : Chennai

Date : 17<sup>th</sup> May 2017

Memb.No.011205

## Annexure I to the Independent Auditor's Report

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2017, we have audited the internal financial controls over financial reporting of SICAGEN INDIA LIMITED ("the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note, issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports and the information and explanation provided by the management is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial



control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, based on the test checks conducted by us, the Holding Company, its subsidiary companies, and its jointly controlled enterprise which are companies incorporated in India, have, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were prima facie operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria

established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **CNGSN & ASSOCIATES LLP**

Chartered Accountants

F.R.No.004915S/S200036

**C N GANGADARAN**

Partner

Memb.No.011205

Place : Chennai

Date : 17 May 2017

# Sicagen India Limited

## Consolidated Balance Sheet as at 31<sup>st</sup> March 2017

(₹ in Lakhs)					
Particulars	Note No.	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
a) Share Capital	1	3957		3957	
b) Reserves and Surplus	2	<u>43953</u>	<b>47910</b>	<u>44301</u>	48258
<b>2. Minority Interest</b>			<b>191</b>		-
<b>3. Non-current Liabilities</b>					
a) Long-Term Borrowings	3	1281		1356	
b) Deferred Tax Liabilities	4	538		390	
c) Other Long Term Liabilities	5	458		413	
d) Long-Term Provisions	6	<u>2645</u>	<b>4922</b>	<u>2750</u>	4909
<b>4. Current Liabilities</b>					
a) Short-Term Borrowings	7	7595		4691	
b) Trade Payables		5550		2872	
c) Other Current Liabilities	8	1440		858	
d) Short-Term Provisions	9	<u>455</u>	<b>15040</b>	<u>314</u>	8735
<b>TOTAL</b>			<u><b>68063</b></u>		<u>61902</u>
<b>II. ASSETS</b>					
<b>1. Non-current Assets</b>					
(a) Fixed assets					
(i) Tangible assets	10 a	6387		5601	
(ii) Intangible assets	10 b	84		82	
(iii) Capital work-in-progress	10 c	1244		184	
(iv) Goodwill on Consolidation		274		-	
(b) Non-current investments	11	7526		10026	
(c) Long-term loans and advances	12	16976		17010	
(d) Other non-current assets	13	<u>5108</u>	<b>37599</b>	<u>4319</u>	37222
<b>2. Current assets</b>					
(a) Inventories	14	12040		8718	
(b) Trade receivables	15	14858		11667	
(c) Cash and cash equivalents	16	2360		3165	
(d) Short-term loans and advances	17	955		1130	
(e) Other current assets	18	<u>251</u>	<b>30464</b>	<u>-</u>	24680
<b>TOTAL</b>			<u><b>68063</b></u>		<u>61902</u>
Significant Accounting Policies					
Notes on Financial Statements					
1-35					

As per our Report of even date

For and on behalf of the Board

**For CNGSN & Associates LLP**

Chartered Accountants

F.R.No.004915S

**C N GANGADARAN**

Partner

M.No.011205

Place : Chennai

Date: 17 May 2017

**ASHWIN C MUTHIAH**

Chairman

**DEVIDAS MALI**

COO & Whole Time Director

**B. NARENDRAN**

Director

**D.BALAGOPAL**

Chief Financial Officer

**SUNIL DESHMUKH**

Director

**R.ACHUTHAN**

Company Secretary

## Consolidated Profit and Loss Statement for the year ended 31<sup>st</sup> March 2017

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>I. INCOME</b>			
Revenue from operations	19	<b>71086</b>	60067
Other Income	20	<b>1497</b>	1770
<b>Total Revenue</b>		<b>72583</b>	61837
<b>II. EXPENSES</b>			
Cost of materials consumed	21	<b>15606</b>	15004
Purchases of Stock-in-Trade	22	<b>49043</b>	38907
(Increase)/Decrease in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	23	<b>(1575)</b>	469
Employee benefit expense	24	<b>3396</b>	2833
Finance Costs	25	<b>661</b>	598
Depreciation and amortization expense		<b>413</b>	508
Other Expenses	26	<b>4294</b>	3571
<b>Total expenses</b>		<b>71838</b>	61890
<b>III. Profit before exceptional and extraordinary items and tax</b>		<b>745</b>	(53)
Exceptional items (Net)		-	-
<b>IV. Profit before extraordinary items and tax</b>		<b>745</b>	(53)
Extraordinary Items		-	-
<b>V. Profit before tax</b>		<b>745</b>	(53)
Tax expense			
(1) Current tax		<b>(9)</b>	19
(2) Deferred tax		<b>29</b>	(178)
<b>VI. Profit / (Loss) for the period</b>		<b>725</b>	106
Less:-Share of Profit/(Loss) of Minority Interest		<b>(15)</b>	-
<b>Net Consolidated Profit/Loss (after adjusting Minority Interest)</b>		<b>740</b>	106
<b>XI Earnings per equity share:</b>	27		
<b>Total Operation</b>			
(1) Basic before exceptional items (₹)		<b>1.87</b>	0.27
(2) Basic after exceptional items (₹)		<b>1.87</b>	0.27
Significant Accounting Policies			
Notes on Financial Statements	1-35		

As per our Report of even date

For and on behalf of the Board

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F.R.No.004915S

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Chief Financial Officer

**SUNIL DESHMUKH**

Director

**R.ACHUTHAN**

Company Secretary

# Sicagen India Limited

## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2017

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
<b>A Cash Flow from Operating Activities</b>		
Profit before tax	745	(53)
<b>Adjustments for</b>		
Depreciation	413	509
(Profit)/Loss on Disposal of Fixed Assets(net)	19	17
Effect of Exchange Rate Changes	(802)	(87)
Change in Deferred Tax Liability	119	-
Provision Written Back	-	(770)
Interest Income	(45)	(45)
Dividend Income	(794)	(640)
Interest Expenditure	600	529
<b>Operating Profit before Working Capital Changes</b>	<b>255</b>	<b>(540)</b>
<b>Adjustments for</b>		
Trade and Other Receivables	(4012)	(806)
Inventories	(3322)	123
Trade Payables and Other Liabilities	6254	919
<b>Cash Generated from Operations</b>	<b>(825)</b>	<b>(304)</b>
Tax Paid	(10)	(25)
<b>Net Cash from Operating Activities</b>	<b>(835)</b>	<b>(329)</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(2297)	(477)
Sale of Fixed Assets(net)	17	19
Redemption of Investments (Net)	2226	707
Interest Income Received	38	45
Dividend Income Received	550	640
<b>Net Cash used in Investing Activities</b>	<b>534</b>	<b>934</b>
<b>C Cash Flow from Financing Activities</b>		
Long Term Borrowings (Net of repayment)	176	1177
Interest Paid	(600)	(529)
Increase / (Decrease) in minority interest	206	-
Dividend Paid (Including Dividend Tax)	(286)	(286)
<b>Net Cash used in Financing Activities</b>	<b>(504)</b>	<b>362</b>
<b>D Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)</b>	<b>(805)</b>	<b>967</b>
Cash and Cash Equivalents as at (Opening) 1 <sup>st</sup> April 2016	3165	2198
Cash and Cash Equivalents as at (Closing) 31 <sup>st</sup> March 2017	2360	3165

As per our Report of even date

For and on behalf of the Board

### For CNGSN & Associates LLP

Chartered Accountants

F.R.No.004915S

**C N GANGADARAN**

Partner

M.No.011205

Place : Chennai

Date: 17<sup>th</sup> May 2017

**ASHWIN C MUTHIAH**

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Director

**D.BALAGOPAL**

Chief Financial Officer

**SUNIL DESHMUKH**

Director

**R.ACHUTHAN**

Company Secretary

## Significant Accounting Policies

### 1. Basis of preparation

The financial statements of the Sicagen India Limited (the Company) and its subsidiaries (together "the Group") have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on accrual basis and complying with applicable Mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. Consequently, these financial statements are prepared to comply in all material aspects with the Accounting Standards notified under sub-Section (3C) of Section 211 of the Act read with the Companies (Accounting Standards) Rules, 2006 and the other relevant provisions of the Companies Act, 2013. The accounting policies adopted in the preparation of financial statements are consistent with those of previous years except in the case of Subsidiary Company namely Wilson Cables Private Limited where in as on 1<sup>st</sup> April 2016, Wilson Cables Private Limited changed its accounting policy with respect to the subsequent measurement of leasehold building and plant and machinery from the revaluation model to the cost model. The Company believes that costs outweigh the benefits for using the revaluation model and subsequent measurement using the cost model is consistent with industry practice in relation to these types of assets.

This change in accounting policy was applied retrospectively.

### 2. Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) on the date of financial statements and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results may vary from these estimates and any such differences are dealt in the period in which they are known / materialize.

### 3. Current / Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their

realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

### 4. Basis of Consolidation

- a) Sicagen India Limited has prepared the consolidated financial statements by consolidating the accounts of Sicagen India Limited (The parent) and its subsidiaries:
  - South India House Estates Limited, a Company incorporated in India in which Sicagen India limited holds 100% of the share capital.
  - Wilson Cables Private Limited, a Company incorporated in the Republic of Singapore in which Sicagen India limited holds 100% of the share capital.
  - Danish Steel Cluster Private Limited (DSC), a Company incorporated in India in which Sicagen acquired 60% of Share Capital from 22<sup>nd</sup> November 2016. Accounts of DSC have been consolidated for the period from 1<sup>st</sup> November 2016 to 31<sup>st</sup> March 2017.
- b) The consolidated financial statements do not include the financial statements of its associate company EDAC Automation Limited. Sicagen India Limited holds 49.99% of equity capital of EDAC Automation Limited but it does not exercise any significant influence and therefore taking the applicability of the conditions mentioned in the Accounting Standard 23(5) it is not required to be consolidated.

### 5. Principles of consolidation

- a) The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements" and Accounting Standard 23 (AS 23) "Accounting for investments in Associate Companies in the consolidated financial statements as prescribed by the Companies Accounting Standards Rules, 2006.
- b) The consolidated financial statements of Sicagen India Limited and its Subsidiaries have been prepared in accordance with accounting policies and standards applicable to them in the countries in which they are incorporated as stated in the accounting policies of the respective companies and published separately.
- c) The consolidated financial s tatements have been consolidated on a line by line basis by adding together the Book value like items of assets , liabilities, income and Expenses. The intra group balances and intra group transactions and unrealised profits have been eliminated.

# Sicagen India Limited

- d) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements. Differences in accounting policies have been disclosed separately.
- e) The results and financial position of all the foreign subsidiaries are translated into the reporting currency as follows:
  - (i) Assets and liabilities are translated at the closing rate at the date of that balance sheet.
  - (ii) Income and expenses are translated at average exchange rates (unless average rate is not reasonable at the rates prevailing on the transaction dates, in such case income and expenses are translated at the rate on the dates of the transactions); and
  - (iii) All resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of net investment
- f) Minority's share in net profit of subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.
- g) Minority interest's share in net assets of 'the Group' is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

## 6) Fixed Assets and Depreciation

- 1) Goodwill : The excess of cost to the parent of its investment in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investment in subsidiaries were made is recognised in the financial statements as goodwill. The parent's portion of equity in the subsidiaries is determined on the basis of the value of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment.

- 2) Fixed Assets are stated at cost less accumulated depreciation.

Leasehold Land is capitalized and the amount is not amortized in the company. Intangible assets are capitalized and the amount is amortized.

Depreciation is provided at the rates prescribed under Schedule II of the Companies Act, 2013 and useful life of the assets on the following methods in the company

- a) Depreciation on Assets of the company are calculated at straight Line method using the useful

lives of assets and in the manner prescribed in Schedule II of the Companies Act, 2013, and for the Subsidiary Company Wilson Cables Private Limited depreciation on property, plant and equipment, other than leasehold building and computer, is calculated using the reducing balance method to allocate their depreciable amounts over their estimated useful lives as follows:

Category	Useful lives
Plant and machinery	5 - 10 years
Electrical fittings & installation	10 years
Factory equipment	10 years
Laboratory equipment	10 years
Office equipment	10 years
Furniture & fittings	10 years
Motor vehicles	5 years

- b) Depreciation on certain premises is provided on composite cost where it is not possible to segregate the land cost.

## 7) Acquired intangible assets

Intangible assets including software licenses of enduring nature and trade-marks and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any and are amortized over their estimated useful lives on straight line basis. from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Pursuant to this policy, the rates are determined by Management based on the estimated useful lives of the assets.

## 8) Impairment of Assets

Assessment is carried out at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. The Company recognizes impairment of assets other than the assets which are specifically excluded under Accounting Standard 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India after comparing the assets recoverable value with its carrying amount in the books. Impairment loss is provided to the extent the carrying amount of assets exceed their recoverable amount.

## 9) Borrowing Costs

Borrowing Costs are capitalized as a part of qualifying fixed assets wherever it is possible that they will result in future economic benefits. Other borrowing costs are expensed.

## 10) Investments

Long Term Investments in shares and units are stated at cost, net of permanent diminution in value wherever necessary. Cost includes acquisition charges and interest attributable to funds borrowed for acquisition of investments.

Dividends are accounted for when the right to receive the payment is established.

## 11) Inventories

- a. Trading Stock, Stores and Spares, Raw materials, Packing materials are valued at cost, for the group except for Building Material and Governor Services divisions it is computed on Moving Weighted Average Cost.
- b. Finished goods and work in process are valued at the lower of cost and estimated net realizable value for the group cost is determined on materials consumed valued on first in first out basis and direct and indirect overheads for group except for Goodwill Governor Services which is valued at Moving Weighted Average Cost.
- c. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- d. Work-in-process on ship building contracts reflects proportionate value of input and expenses yet to be billed.
- e. Loose tools are valued after writing off a certain percentage on cost only in Goodwill Engineering Works division.

## 12) Leases

As lessee

Finance leases which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

## 13) Excise Duty

- a. Cenvat credit on materials purchased for production is taken into account at the time of purchase and cenvat credit on purchase of capital items, wherever applicable is taken into account as and when the assets are installed, to the credit of respective purchase and asset account. The cenvat credit so taken is utilized for payment of excise duty on goods manufactured. The unutilized cenvat credit is carried forward in the books.
- b. Excise duty payable on manufactured goods held in the factories is included in the valuation of such stocks.

## 14) Revenue Recognition

Revenue is recognized and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.

- a. Sale of goods  
Revenues from sale of products is accounted net of returns, discount and sales tax and are recognized at the point of dispatch .
- b. Sales of Service
  - i. Revenue from services is recognized when billed on completion of services.
  - ii. Revenue in boat building division is recognized as and when the Boat is ready for delivery.
- c. Other operating Income  
Other operating income comprises income from activities incidental to the operations of the company and is recognized as and when the right to receive the income is established.
- d. Other Income  
Interest income is accounted on accrual basis. Dividend income is accounted as and when the right to receive the dividend is established.

## 15) Foreign Currency Transaction

Foreign currency transactions are recorded in the books at the exchange rates prevailing on the date of transaction.

# Sicagen India Limited

Foreign currency monetary assets and liabilities wherever receivable or payable are translated at exchange rates prevailing on the Balance Sheet date and the exchange differences arising on settlement or translation of monetary items are adjusted in the statement of Profit and Loss account in the period it arises.

## Translation of non-integral foreign operations

All the activities of the foreign subsidiaries are carried out with a significant degree of autonomy from those of the parent. Accordingly, as per the provisions of Accounting Standard-11, "Effect of changes in foreign exchange rates" specified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014, these operations have been classified as "Non-integral operations" and therefore all assets and liabilities, both monetary and non-monetary, are translated at the closing rate while income and expenses are translated at the average monthly exchange rates, where such rates are not approximate the exchange rate on the date of transaction. The resulting exchange differences are accumulated in the foreign currency translation reserve until the disposal of the net investment

## 16) Post employment and long term employee benefits

Defined contribution plans:

- a. Company's contribution to the Employees Provident Fund / Superannuation Fund, the Employee State Insurance and other funds are determined under the relevant scheme / or any other applicable statute and charged to the statement of profit and loss in the period of incurrence when the services are rendered by the employees.
- b. Company employees are covered under Superannuation Schemes, State Governed Provident Fund Scheme, Employees State Insurance Scheme and Group Medical and Personal Accident Insurance.
- c. Retirement benefits in the form of Provident Fund/ Superannuation Fund are defined contribution schemes and the contributions are charged to the statement of Profit and Loss in the year in which the contributions to the respective funds are due.
- d. Employees Gratuity Fund scheme managed by Life Insurance Corporation of India is a Defined Benefit Plan.
- e. Company's liability toward gratuity and other retirement benefits are actuarially determined at each balance sheet date. The present value of obligation is provided for on the basis of actuarial valuation using the Projected Unit Credit Method at the end of each financial year.

- f. Actuarial gains / losses are charged to statement of Profit and Loss immediately in each year.

## 17) Provision for Current Tax and Deferred Tax

Provision for Current Tax liability is estimated after taking into consideration benefits admissible at the current rate of tax under the provisions of the Income Tax Act 1961.

Deferred tax is recognized for all timing differences between the taxable income and accounting income subject to prudence in respect of deferred tax assets. Deferred tax is measured using the tax rates and tax laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of the MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income-tax during the specified period.

## 18) Provisions & Contingent Liabilities

The company recognizes provision when there is a present obligation for a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made and all known liabilities of material nature have been provided for in the accounts except liabilities of a contingent nature when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources have been disclosed at their estimated value in the notes on accounts in accordance with Accounting Standard -29. As regards Provisions, it is only those obligations arising from past events existing independently of an enterprise's future actions that are recognized as provisions. And Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 19) Segment Reporting

The accounting policies adopted for Segment reporting are in line with Accounting Standard -17. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. The Company's operating businesses are organised and



managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Further, inter-segment revenue has been accounted for based on the transaction price which is market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities for the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under “Unallocated Corporate Income net of Unallocated Corporate expenditure”.

## **20) Cash flow statement**

Cash flow statements are made using the indirect method whereby profit / (loss) before extra ordinary items / exceptional 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 flows from operating, investing and financing activities of the company are segregated based on available information including taxes paid relating to these activities.

## **21) Significant accounting judgments and estimates**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability which will be affected in the future periods.

### **a) Judgments made in applying accounting policies**

In the process of applying the Company's accounting policies, management is of the opinion that there is no significant judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

### **b) Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the

reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### **c) Impairment of loans and receivables**

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Company considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of loans and receivables at the end of each reporting period are disclosed in the respective financial statements.

### **d) Useful lives of property, plant and equipment**

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological and other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of property, plant and equipment at the end of each reporting period is disclosed in Notes of the respective companies financial statements.

# Sicagen India Limited

## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2017

### 1. Share Capital

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	Number	₹ in Lakhs	Number	₹ in Lakhs
<b>Authorised</b>				
Equity Shares of ₹ 10 each	50000000	5000	50000000	5000
<b>Issued</b>				
Equity Shares of ₹ 10 each	39571684	3957	39571684	3957
<b>Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 10 each fully paid	39571684	3957	39571684	3957

1.1 Number of shares and the amount outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares		Preference Shares	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	39571684	3957	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	39571684	3957	-	-

1.2 Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
M/s.Ranford Investments Ltd.	7400649	18.70	7400649	18.70
M/s.Darnolly Investments Ltd.	7276102	18.39	7276102	18.39
M/s.Twinshield Consultants Pvt.Ltd.	3148810	7.96	3148810	7.96

1.3 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>2. Reserves and Surplus</b>		
<b>a. Capital Reserves</b>		
As per Last Balance Sheet	5202	7587
<b>b. Securities Premium Account</b>		
As per Last Balance Sheet	29444	29444
<b>c. Revaluation Reserve</b>		
Opening Balance	1981	(151)
Add: Addition on revaluation during the year	-	151
Less : Amount transferred to P&L as reduction from depreciation	1981	-
<b>Closing Balance</b>	-	-

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>d. General Reserve</b>		
As per Last Balance Sheet	200	200
<b>e. Foreign Currency Translation Reserve</b>		
Opening Balance	(323)	(83)
Add: Effect of Foreign Exchange rate variation during the year	187	(240)
Less : Transferred to P&L on disposal of net investment in non-integral foreign operations	-	-
Closing Balance	(136)	(323)
<b>f. Surplus</b>		
Opening balance	8789	7573
Add : Profit/Loss for the current year	740	106
Add : Transfer from Reserves	-	-
Less : Proposed Dividend	286	286
Less : Interim Dividend	-	-
Less : Transfer to Reserves	-	-
Closing Balance	9243	7393
<b>Total</b>	<b>43953</b>	<b>44301</b>
2.1 The Revaluation Reserve has become Nil in 2016-17 as the Subsidiary Company-Wilson Cables Private Limited has changed its accounting policy with respect to the measurement of leasehold building and plant & machinery from the revaluation model to the cost model with retrospective effect from 01 <sup>st</sup> April 2015.		
<b>3. Long Term Borrowings</b>		
<b>Secured</b>		
Term Loans from Banks	1281	1356
<b>Total</b>	<b>1281</b>	<b>1356</b>
<b>4. Deferred Tax Liabilities</b>		
Related to Fixed Asset	509	568
Provided under Income Tax Act, 1961	29	(178)
<b>Total</b>	<b>538</b>	<b>390</b>
<b>5. Other Long Term Liabilities</b>		
Others	458	413
<b>Total</b>	<b>458</b>	<b>413</b>
<b>6. Long Term Provisions</b>		
<b>(a) Provision for employee benefits</b>		
Gratuity	207	205
Leave Encashment	39	29
<b>(b) Others</b>	<b>2399</b>	<b>2516</b>
<b>Total</b>	<b>2645</b>	<b>2750</b>

# Sicagen India Limited

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>7. Short Term Borrowings</b>		
<b>Secured</b>		
(a) Loans repayable on demand		
From Banks	1027	231
Working Capital Facility	3597	2778
	<u>4624</u>	<u>3009</u>
<b>Unsecured</b>		
(a) Loans repayable on demand		
From Others	2971	1682
<b>Total</b>	<u>7595</u>	<u>4691</u>
7.1 Credit facilities availed from Banks/NBFCs by way of Channel Financing/Inventory Funding arrangements for the company were secured by way of hypothecation of stock.		
7.2 Working capital facilities availed from a Bank were secured by hypothecation of stocks and receivables of all divisions and creation of equitable mortgage by way of deposit of title deeds of certain immovable assets of the company as collateral security.		
<b>8. Other Current Liabilities</b>		
(a) Unpaid Dividend	49	43
(b) Other payables		
Liability for Expense	321	352
Statutory Remittances (TDS,VAT,ESI,PF,Service Tax, ED etc.)	233	150
Advance from Customers	830	306
Trade / Security Deposit	7	7
<b>Total</b>	<u>1440</u>	<u>858</u>
<b>9. Short Term Provision</b>		
(a) Provision for employee benefits		
Leave Encashment	2	-
Bonus/Performance pay	160	146
(b) Others		
Provision for Tax	7	(118)
Proposed Equity Dividend	238	238
Provision for Tax on Proposed Equity Dividend	48	48
<b>Total</b>	<u>455</u>	<u>314</u>

**10. Fixed Assets - 2016-17**

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1 <sup>st</sup> April 2016	Additions	Disposals / Adjustments	Transfer	Balance as at 31 <sup>st</sup> March 2017	Balance as at 1 <sup>st</sup> April 2016	Depreciation charge for the year	Disposals / Adjustments	Transfer	Balance as at 31 <sup>st</sup> March 2017	Balance as at 31 <sup>st</sup> March 2016
a) <b>Tangible Assets</b>											
Land - Free hold	484	115	-	-	599	-	-	-	-	599	484
- Lease hold	1	-	-	-	1	-	-	-	-	1	1
Buildings	2760	333	-	-	3093	1071	47	-	-	1975	1689
Under Lease	3245	-	(1,111)	-	4356	1737	89	(1,111)	-	2937	1508
Plant and Machinery	6359	515	(763)	-	7637	5056	159	(778)	-	5993	1303
Office Equipment	761	72	85	-	748	677	27	77	-	627	84
Furniture and Fixtures	324	97	18	-	403	201	19	16	-	204	123
Vehicles	285	56	30	-	311	154	18	20	-	152	131
Trucks	29	-	-	-	29	24	1	-	-	25	5
Lease hold improvements	685	31	-	-	716	412	38	-	-	450	273
<b>Total</b>	14933	1219	(1,741)	-	17893	9332	398	(1,776)	-	11506	5601
Previous Year	14678	379	124	-	14933	8918	494	80	-	9332	
b) <b>Intangible Assets</b>											
Computer software	178	17	-	-	195	96	15	-	-	111	82
<b>Total</b>	178	17	-	-	195	96	15	-	-	111	82
Previous Year	178	-	-	-	178	82	14	-	-	96	
c) <b>Capital Work In Progress</b>											
Previous Year	184	1143	83	-	1244	-	-	-	-	-	184
<b>Total</b>	184	1143	83	-	1244	-	-	-	-	-	184
Previous Year	85	144	45	-	184	-	-	-	-	-	
<b>Grand Total</b>	15295	2379	(1,658)	-	19332	9428	413	(1,776)	-	11617	5867
Previous Year	14941	523	169	-	15295	9000	508	80	-	9428	-

10.1 Wilson Cables Private Limited, a wholly owned subsidiary of the Company has changed its accounting policy with respect to the measurement of leasehold building and plant & machinery from the revaluation model to the cost model. The Company believes that costs outweigh the benefits for using the revaluation model and subsequent measurement using the cost model is consistent with industry practice in relation to these types of assets. The necessary adjustments to give effect to this change in accounting policy have been provided in the Deletion/Adjustment column of Fixed Assets Schedule. The Leasehold Building and Plant & Machinery has been reduced by ₹1891 lakhs from Gross Block as well as from Accumulated Depreciation to give effect to this change in accounting policy.

**11. Non Current Investments**

(₹ in Lakhs)

Particulars	As at	
	31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Trade Investments</b>		
(a) Investment in Equity Instruments	4026	4026
(b) Investment in Preference Shares	3500	6000
<b>Total</b>	<b>7526</b>	<b>10026</b>
Aggregate amount of quoted investments (Market value of ₹1890.22 Lakhs) (Previous Year ₹ 2014.69 Lakhs)	3911	3911
Aggregate amount of unquoted investments	3615	6115
<b>Total</b>	<b>7526</b>	<b>10026</b>

**Details of Trade Investments**

S. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		(₹ in Lakhs)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			2017	2016			2017	2016	2017	2016		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>A. SUBSIDIARY COMPANY'S INVESTMENTS</b>												
(a) Investment in Equity Instruments												
	Southern Petrochemical Industries Corporation Ltd	Others	1636900	1636900	Quoted	Fully Paid	0.80	0.80	1064	1064	Yes	
	First Leasing Company of India Ltd	Others	121718	121718	Quoted	Fully Paid	0.53	0.53	38	38	Yes	
	Synthetics & Chemicals Ltd	Others	1125	1125	Quoted	Fully Paid					Yes	
	Birla Power Solutions Ltd	Others	3600	3600	Quoted	Fully Paid					Yes	
	Heidelberg Cements India Ltd	Others	700	700	Quoted	Fully Paid					Yes	
	Lakshmi Finance & Ind. Corporation Ltd	Others	900	900	Quoted	Fully Paid	0.03	0.03			Yes	
	Mercantile Ventures Ltd	Others	3711000	3711000	Quoted	Fully Paid	3.29	3.29	928	928	Yes	
	Mercantile Ventures Ltd	Others	3800	3800	Quoted	Fully Paid					Yes	
	Pondicherry Spinners Ltd	Others	50000	50000	Unquoted	Fully Paid	3.28	3.28	3	3	Yes	
	Corn Industries & General Enterprises Ltd	Others	79606	79606	Unquoted	Fully Paid	17.08	17.08	1	1	Yes	

S. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		(₹ in Lakhs)	Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
	Sai Business & Consultancy Systems Pvt Ltd	Others	70350	70350	Unquoted	Fully Paid	17.40	17.40	1	Yes	
	Sri Balajee Leasing Services Ltd	Others	541	541	Unquoted	Fully Paid				Yes	
	Sree Karpagamal Mills Ltd	Others	2500	2500	Unquoted	Fully Paid	1.25	1.25		Yes	
	Armenian Investments Ltd	Others	9300	9300	Unquoted	Fully Paid				Yes	
	Elliot Investments Ltd	Others	12900	12900	Unquoted	Fully Paid				Yes	
	Harrington Investments Ltd	Others	3900	3900	Unquoted	Fully Paid				Yes	
	Everest Investments Ltd	Others	10000	10000	Unquoted	Fully Paid				Yes	
	Ripon Investments Ltd	Others	3900	3900	Unquoted	Fully Paid				Yes	
	Navia Markets Ltd	Others	10000	10000	Unquoted	Fully Paid				Yes	
	Mac Packaging Ltd	Others	220012	220012	Unquoted	Fully Paid				Yes	
	India Radiators Ltd	Others	47188	47188	Unquoted	Fully Paid				Yes	
	Profad Ltd	Others	100150	100150	Unquoted	Fully Paid				Yes	
(b)	<b>Investments in Government or Trust Securities</b>										
	National Savings Certificate (NSC)	Others			Unquoted	Fully Paid				Yes	
(c)	<b>Investments in Partnership Firms</b>										
	South India Investments & Associates	Others			Unquoted	Fully Paid				Yes	
<b>B.</b>	<b>HOLDING COMPANY'S INVESTMENTS</b>										
(a)	<b>Investment in Equity Instruments (Holding Company)</b>										
	Southern Petrochemical Industries Corporation Ltd	Others	3017349	3017349	Quoted	Fully Paid	1.82	1.82	1230	Yes	
	First Leasing Company of India Ltd (includes bonus shares)	Others	2153649	2153649	Quoted	Fully Paid	9.45	9.45	415	Yes	
	Mercantile Ventures Ltd	Others	2360205	2360205	Quoted	Fully Paid	2.00	2.00	236	Yes	
	Mitsuba Sical India Private Ltd	Others	300000	300000	UnQuoted	Fully Paid	0.16	0.16	65	Yes	
	EDAC Automation Ltd	Associate	449970	449970	UnQuoted	Fully Paid	49.99	49.99	45	Yes	
	AM Foundation (Formerly AM Corporate Social Responsibility Foundation)	Others	1200	1200	Unquoted	Fully Paid	12.00	12.00	-	Yes	
(b)	<b>Investments in Preference Shares</b>										
	Greenstar Fertilizers Ltd	Others	2500000	2500000	UnQuoted	Fully Paid	100.00	100.00	5000	Yes	
	EDAC Engineering Ltd	Others	10000000	10000000	UnQuoted	Fully Paid	83.00	83.00	1000	Yes	
	<b>Total</b>								<b>7526</b>		

# Sicagen India Limited

## NOTES

- 1 16,02,350 equity shares of Southern Petrochemical Industries Corporation Ltd (SPIC) pledged with lender prior to demerger and were under dispute and pending for adjudication before the Hon'ble High Court of Madras, were released through settlement of outstanding dues as per the Memorandum of Compromise entered into with lenders along with other entities. Further, the dispute over 38,23,600 equity shares of SPIC pledged with lenders prior to demerger was settled and the value of that shares adjusted against the outstanding dues by the the lender prior to demerger was taken into account.
- 2 3,85,104 equity shares of SPIC pledged prior to demerger were released and the said shares are in the process of name change.
- 3 15,00,000 equity shares of SPIC owned by Subsidiary Company and pledged with lenders prior to demerger and pending for adjudication before the Hon'ble High Court of Madras were released through settlement of outstanding dues.
- 4 Certain investments owned by Subsidiary Company in other entities are under the process of retransfer as per the direction of the Madras High Court. However, the Company will take appropriate steps for transfer of such investments or its equivalent value in such manner as it may deem fit and proper subject to further judicial/regulatory clearance if any required in future.
- 5 No provision is considered necessary for short fall in market value of certain quoted investments ascertained on individual basis, as the significant portion of which relates to Companies promoted by the Company which considered temporary in nature.
- 6 Certain investments held in other entities are considered as strategic in long term investments and hence the evaluation of intrinsic value of such long term investments will be undertaken by the Company in an appropriate manner in future.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>12. Long Term Loans and Advances</b>		
a. <b>Capital Advances</b>		
Unsecured, considered good	8	-
b. <b>Security Deposits</b>		
Secured, considered good	8	-
Unsecured, considered good	80	72
c. <b>Loans and advances to related parties</b>		
Unsecured, considered good	1030	1029
d. <b>Other loans and advances</b>		
Secured, considered good	-	-
Unsecured, considered good	11	-
e. <b>Advance Income tax (net of provisions)-unsecured considered good</b>	2510	2616
f. <b>Balance with government authorities - unsecured considered good</b>		
VAT Credit receivable	44	44
g. <b>Others - Unsecured considered good</b>		
Other Advance	13285	13248
<b>Total</b>	<b>16976</b>	<b>17010</b>

12.1 An amount of ₹302 lakhs which is due and payable to Mercantile Ventures Limited (MVL) was agreed to be adjusted out of the amounts outstanding and receivable of ₹2291 lakhs by South India House Estates & Properties Limited (SIHEPL) from South India Travels Private Limited (SITPL). It was also agreed amongst SIHEPL, SITPL and MVL that MVL would collect the amount of ₹302 lakhs from SITPL and give credit to SIHEPL's account against the dues receivable by MVL from SIHEPL.

(₹ in Lakhs)

<b>13. Other Non-Current Assets</b>		
<b>Long term trade receivables (including trade receivables on deferred credit terms)</b>		
Unsecured, considered good	5108	4319

13.1 Wilson Cables Private Limited - (Wholly Owned Subsidiary of the Company) had overdue debtors amounting to ₹275 lakhs which were adjusted against retained earnings.



(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>14. Inventories (valued at lower of cost and net realisable value)</b>		
a. Raw Materials and components	3028	1208
b. Work-in-progress	276	756
c. Finished goods	3459	2059
d. Stock-in-trade	5107	4503
e. Stores and spares	157	180
f. Loose Tools	1	1
g. Others	12	11
<b>Total</b>	<b>12040</b>	<b>8718</b>

**15. Trade Receivables**

**Trade Receivables outstanding for a period exceeding six months from the date they are due for payment**

Unsecured, considered good	735	1080
Less: Provision for Doubtful Debts	2	-
	<b>733</b>	<b>1080</b>

**Other Trade Receivables**

Secured, considered good	184	-
Unsecured, considered good	13941	10587
<b>Total</b>	<b>14858</b>	<b>11667</b>

**16. Cash and Cash Equivalents**
**Balances with Banks**

Current Accounts	1338	1525
Cheques and drafts on hand	26	38
Cash on hand	12	14
Bank Deposits with maturity of less than 3 months	358	1479
Margin Money	77	66

**Others**

Balance with bank (for unpaid dividend)	49	43
Bank Deposits with maturity of more than 12 months		
Bank Deposits with maturity of more than 3 months	500	-

<b>Total</b>	<b>2360</b>	<b>3165</b>
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# Sicagen India Limited

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>17. Short Term Loans and Advances</b>		
<b>a. Security Deposits</b>		
Unsecured, considered good	3	2
<b>b. Other loans and advances</b>		
Loans and advances to employees	1	-
Unsecured, considered good	1	
<b>c. Prepaid expense-unsecured considered good</b>	105	66
<b>d. Advance Income tax (net of provisions)-unsecured considered good</b>	303	255
<b>e. Advance Sales Tax</b>	57	25
<b>f. Balance with government authorities - unsecured considered good</b>		
Cenvat Credit receivable	60	2
Vat Credit receivable	1	61
Service Tax credit receivable	3	4
<b>g. Debit Balance with creditors</b>		
Secured considered good	159	97
Unsecured, considered good	262	618
<b>Total</b>	<b>955</b>	<b>1130</b>

## 18. Other Current Assets

### Others

Dividend Receivable	244	-
Interest accrued on deposits	7	-
<b>Total</b>	<b>251</b>	<b>-</b>

(₹ in Lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2017	For the Year ended 31 <sup>st</sup> March 2016
<b>19. Revenue From Operation</b>		
<b>Sale of products</b>		
Traded Goods	51976	41177
Manufactured Goods	18638	18281
<b>Sub-Total</b>	<b>70614</b>	<b>59458</b>
<b>Sale of services</b>	<b>880</b>	<b>815</b>
<b>Other operating revenues</b>		
Scrap Sales	100	141
<b>Less: Excise duty</b>	<b>508</b>	<b>347</b>
<b>Total</b>	<b>71086</b>	<b>60067</b>

(₹ in Lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2017	For the Year ended 31 <sup>st</sup> March 2016
<b>19.1 Details of Products Sold</b>		
<b>Traded Goods</b>		
Steel Pipes	35010	27063
Steel	9565	8657
PVC Pipes	763	507
Cables	2767	2287
Vehicles	-	28
Spares and Others	3871	2635
<b>Sub-Total (A)</b>	<b>51976</b>	<b>41177</b>
<b>Manufactured Goods</b>		
Drums	2371	2270
Others	2075	1030
Cables	14192	14981
<b>Sub-Total (B)</b>	<b>18638</b>	<b>18281</b>
<b>Total</b>	<b>70614</b>	<b>59458</b>
<b>20. Other Income</b>		
Interest Income	45	45
Profit on sale of Fixed Assets	2	4
Dividend Income	794	640
Other non-operating income	656	1081
<b>Total</b>	<b>1497</b>	<b>1770</b>
<b>21. Cost of Raw Materials Consumed</b>		
Inventory at the beginning of the year	1396	1114
Add : Purchases	16882	15052
Less : Inventory at the end of the year	2672	1162
<b>Cost of Raw Materials consumed</b>	<b>15606</b>	<b>15004</b>
<b>21.1 Details of Raw Material Consumed</b>		
CRCA Coils	1464	1277
Others	1578	1088
Cables	12564	12639
<b>Cost of Raw Materials consumed</b>	<b>15606</b>	<b>15004</b>
<b>22. Purchases of Stock-in-Trade</b>		
Steel Pipes	32551	25542
Steel	9121	8308
PVC Pipes	731	475
Cables	2685	2229
Spares and Others	3955	2353
<b>Total</b>	<b>49043</b>	<b>38907</b>

# Sicagen India Limited

(₹ in Lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2017	For the Year ended 31 <sup>st</sup> March 2016
<b>23. (Increase)/Decrease in inventories of finished goods, work-in-progress and Stock in Trade</b>		
<b>Inventory at the end of the year</b>		
Finished Goods	3608	2277
WIP	281	459
Stock in Trade	5235	4664
<b>Sub-Total (A)</b>	<b>9124</b>	<b>7400</b>
<b>Inventory at the beginning of the year</b>		
Finished Goods	2340	2692
WIP	545	736
Stock in Trade	4664	4441
<b>Sub-Total (B)</b>	<b>7549</b>	<b>7869</b>
<b>(Increase)/Decrease (B-A)</b>	<b>(1575)</b>	<b>469</b>
<b>24. Employee benefit expense</b>		
Salaries, Wages and Bonus	2842	2397
Contribution to Provident Fund and Others	269	244
Staff Welfare Expense	285	192
<b>Total</b>	<b>3396</b>	<b>2833</b>
<b>25. Finance Cost</b>		
Interest	600	530
Bank Charges	61	68
<b>Total</b>	<b>661</b>	<b>598</b>
<b>26. Other Expenses</b>		
Rent	476	504
Rates & Taxes	215	188
Insurance	96	86
Power & Fuel	300	301
Office Maintenance	220	87
Vehicle Operating Expenses	1	-
<b>Repairs &amp; maintenance</b>		
Plant & Machinery	16	4
Building	8	2
Vehicles	31	34
Others	229	224
Travelling & Conveyance	442	343
Printing & Stationery	40	42
Postage, Telegram & Telephone	107	100
Staff Recruitment & Training	5	-
Subscription / Donation	27	36
Advertisement, Publicity & Sales Promotion	177	78
Payment to Auditors ( Details given in Note No.26.1)	38	30
Legal & Professional Fees	58	60
Freight & Forwarding charges	831	571
Directors' Sitting Fee	165	161
Brokerage & Commission	15	22
Foreign Exchange Fluctuation	5	-

Particulars	For the Year ended 31 <sup>st</sup> March 2017	For the Year ended 31 <sup>st</sup> March 2016
Other Selling Expenses	2	1
Consumable Stores & Tools	96	66
Bad Debts written off	20	-
Security Service Charges	120	131
Loss on sale of Fixed Assets	21	18
Entertainment Expenses	14	19
Consultancy Fees	198	270
Miscellaneous Expenses	89	12
Testing Fees	47	71
Foreign Workers Levy	107	87
Factory Miscellaneous Expenses	78	23
<b>Total</b>	<b>4294</b>	<b>3571</b>

**26.1 Payment to Auditor**

Statutory Audit Fee	23	21
Taxation matters	3	3
Other services	11	5
Reimbursement of expenses	1	1
<b>Total</b>	<b>38</b>	<b>30</b>

**27. Earning Per Share [EPS]**

Profit Before Exceptional Item (₹ in Lakhs)	740.00	106.00
Profit After Exceptional Item (₹ in Lakhs)	740.00	106.00
No. of Shares used in computing EPS - Basic	39571684	39571684
EPS before exceptional item - Basic (₹)	1.87	0.27
EPS after exceptional item - Basic (₹)	1.87	0.27
Face Value per share (₹)	10	10

**28. Expenditure in Foreign Currency during the Financial year:**

Travelling Expenses	5	5
Professional and Consultation Fees	-	-
Interest in IFU Loan	4	-
Job Work	1	-
<b>Total</b>	<b>10</b>	<b>5</b>

**29. Earnings in Foreign Exchange (Received during the year)**

Export of goods	35	2
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# Sicagen India Limited

## 30. The details of Specified Bank Notes (SBN) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 is as below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8.11.2016	7,693,500	201,590	7,895,090
(+) Permitted receipts	45,000	11,344,216	11,389,216
(+) Withdrawal from the banks	-	9,619,406	9,619,406
(-) Permitted payments	-	9,617,360	9,617,360
(-) Amount deposited in Banks	7,738,500	10,806,326	18,544,826
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>741,526</b>	<b>741,526</b>

## 31. As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

### a. List of related parties where control exists

S.No	Name of the related parties	Relationship
1	Firstgen Distribution Private Ltd	Enterprise over which a Director is able to exercise significant influence
2	Wilson Cables Private Ltd	Wholly Owned Subsidiary Company
3	South India House Estates and Properties Ltd	Wholly Owned Subsidiary Company
4	South India Investments & Associates	Enterprise over which a Director's Relative is a partner and is able to exercise significant influence
5	SIDD Life Sciences Private Ltd	Enterprise over which a Director is able to exercise significant influence
6	Danish Steel Cluster Private Limited	Subsidiary Company
7	DSC Denmark Holding Aps	Associate Company of Danish Steel Cluster Private Limited Which is a Subsidiary Company
8	LSJ Sourcing & Consulting Aps	Company in which KMP/Relative of KMP of Subsidiary Company exercise significant influence

### b. Other related parties with whom transactions have taken place during the year 2016 -17

S.No	Name of the related parties & relationship
1	Mr. Devidas Mali, COO & Whole Time Director

### c. The following transactions were carried out with the related parties during the year 2016-17

S.No	Particulars of transaction	Amount
1	<b>Sale of Goods/Income from Services Rendered</b>	
	Firstgen Distribution Private Limited	1,923.82
	Danish Steel Cluster Private Limited	282.37
2	<b>Manergerial Remuneration paid</b>	
	Mr.Devidas Mali, COO & Whole Time Director	63.23
	South India House Estates and Properties Ltd, (Mr.V.Rajagopal, Whole Time Director)	3.00
3	<b>IT Support Charges</b>	
	Wilson Cables Private Limited	15.00
	SIDD Life Sciences Private Limited	18.98

		₹ in Lakhs
<b>S.No</b>	<b>Particulars of transaction</b>	<b>Amount</b>
4	<b>Rent paid</b>	
	South India House Estates and Properties Ltd	0.40
5	<b>Rent received</b>	
	South India House Estates and Properties Ltd	0.50
6	<b>Reimbursement of expenses - Payable</b>	
	Wilson Cables Private Ltd	97.39
7	<b>Reimbursement of expenses - Receivable</b>	
	Wilson Cables Private Ltd - Salary	4.89
	SIDD Life Sciences Private Limited - Travel Expenses	0.91
	Danish Steel Cluster Private Limited	13.70
8	<b>Loan given</b>	
	Danish Steel Cluster Private Limited	734.00
9	<b>Rework charges</b>	
	DSC Denmark Holding Aps	0.91

### 32. Contingent Liability

- Appeals filed with ITAT for a demand of ₹1699 Lakhs (Assessment year 2011-12). Appeals filed with CIT(Appeals) for a likely demand of ₹285 Lakhs (Assessment year 2013-14) in case of South India House Estates & Properties Ltd. Provision has not been made for both the demands.
- Guarantees given by the bankers for performance of Contracts and others ₹378.20 Lakhs (₹265.58 Lakhs).

**33. During the year, the Company has obtained approval from the Board for adoption of IND AS which would be applicable from the financial year 2017-18 with the transition date as 1st April 2016.**

**34. Previous year's figures have been regrouped and rearranged wherever necessary.**

35. Segment Information for the year ended 31<sup>st</sup> March 2017

## Information above primary business segments

(₹ in Lakhs)

Business Segments	Trading	Manufacturing	Eliminations	2017		Trading	Manufacturing	Eliminations	2016	
					Total					Total
<b>REVENUE</b>										
External Sales	52956	18130	-		<b>71086</b>	41942	18125	-		60067
Inter Segment Sales	5	-	(5)		-	2	-	(2)		-
Total Revenue	52961	18130	(5)		<b>71086</b>	41944	18125	(2)		60067
<b>RESULT</b>										
Segment Result	1329	193	-		<b>1522</b>	750	(408)	-		342
Unallocated Corporate Expenses										
Net of Unallocated Income					<b>(177)</b>					134
Operating Profit					<b>1345</b>					476
Interest Expense					<b>600</b>					529
Income Taxes(net of deferred.tax)					<b>20</b>					(159)
Profit from ordinary activities					<b>725</b>					106
Exceptional items					-					-
Net Profit					<b>725</b>					106
<b>OTHER INFORMATION</b>										
Segment Assets	26848	11729	-		<b>38577</b>	22260	9121	-		31381
Unallocated Corporate Assets					<b>29486</b>					30521
Total Assets	26848	11729	-		<b>68063</b>	22260	9121	-		61902
Segment Liabilities	12506	5649	-		<b>18155</b>	9045	2513	-		11558
Unallocated Corporate Liabilities					<b>1998</b>					2086
Total Liabilities	12506	5649	-		<b>20153</b>	9045	2513	-		13644
Capital Expenditure	260	2036			<b>2296</b>	162	316			478
Depreciation	128	285			<b>413</b>	232	276			508



### Information about Secondary Business Segments

	India	Outside India	Total	India	Outside India	Total
Revenue by Geographical Market	56894	14192	71086	44790	15277	60067
Segment Assets	38577	-	38577	31381	-	31381
Capital Expenditure	2296	-	2296	478	-	478

#### Notes:

A) The Company has identified Business Segment as the Primary Segment and Geographic Segment as the Secondary Segment disclosure.

The Company's Primary segment identified as business segment based on nature of products, returns and Internal Business Reporting System as per Accounting Standard 17.

B) The Business Segments identified are Trading, Manufacturing and Discontinuing.

C) The Geographical Segment considered for disclosure are India and Rest of the World. All sales facilities are located in India. Geographical segments are based on the location of the customer who is invoiced or in relation to which the revenue is otherwise recognised.

D) Segmental assets include all operating assets used by the respective segment and principally consists of operating cash, debtors, inventories and fixed assets.

# Sicagen India Limited

## Additional Information Of Subsidiary And Associate Companies

For the financial year ended 31<sup>st</sup> March 2017

(₹ in Lakhs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>				
Sicagen India Limited	88%	42,472	101%	744
<b>Subsidiaries</b>				
<b>Indian</b>				
South India House Estates and Properties Limited	2%	920	-2%	(15)
Danish Steel Cluster Private Limited	0%	(23)	-5%	(36)
<b>Foreign Subsidiary</b>				
Wilson Cables Private Limited	9%	4,541	4%	32
Minority Interests in subsidiaries	-	191	2%	15
<b>Associates</b> (Investment as per the equity method)	-	-	-	-
<b>Joint Ventures</b> (as per proportionate consolidation/ investment as per the equity method)	NA	-	NA	-
<b>TOTAL</b>	<b>100%</b>	<b>48,101</b>	<b>100%</b>	<b>740</b>

As per our Report of even date

For and on behalf of the Board

### For CNGSN & Associates LLP

Chartered Accountants

F.R.No.004915S

**C N GANGADARAN**

Partner

M.No.11205

Place : Chennai

Date : 17<sup>th</sup> May 2017

**ASHWIN C MUTHIAH**

Chairman

**DEVIDAS MALI**

COO & Whole Time Director

**B. NARENDRAN**

Director

**D.BALAGOPAL**

Chief Financial Officer

**SUNIL DESHMUKH**

Director

**R.ACHUTHAN**

Company Secretary

## Attachment to the Financial Statement

### FORM AOC-1

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Subsidiary Companies

#### Part "A" Subsidiaries

Particulars	South India House Estates and Properties Ltd	Wilson Cables Private Ltd		Danish Steel Cluster Private Ltd
Reporting Period	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2017		31 <sup>st</sup> March 2017
Reporting Currency	₹ in Lakhs	Amount in SGD	₹ in Lakhs *	₹ in Lakhs
Capital	1000	5886216	2732	708
Reserves	920	13897149	6316	(232)
Total Assets	6728	28335426	13017	1994
Total Liabilities	6728	28335426	13017	1994
Investments (except for investment in subsidiaries)	2035	-	-	-
Turnover	33	29306893	14192	837
Profit / Loss before Exceptional & Tax	(14)	89600	43	(36)
Exceptional items	-	-	-	-
Profit/Loss Before Taxation	(14)	89600	43	(36)
Provision for Taxation	1	23092	11	
Profit / Loss after Taxation	(15)	66508	32	(36)
Proposed Dividend	-	-	-	-
% of Shareholding	100%	100%		60%

\* Translated at exchange rate prevailing as on the closing of Balance Sheet date of subsidiary.

1 Singapore Dollar = ₹46.4158 (Closing rate for Balance Sheet)

1 Singapore Dollar = ₹48.4269 (Average rate for Profit & Loss Account)

#### Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Company

##### Part "B": Associates

Name of the Associate	EDAC Automation Limited
Latest Audited Balancesheet Date	31 <sup>st</sup> March 2017
Shares held by the company on the year end	449970
Amount of Investment (₹ In Lakhs)	45
Extent of Holding (%)	49.99%
Significant Influence	Nil
Reason for Not Consolidation	No Significant Influence
Networth Attributable to Shareholding (₹ in Lakhs)	4.01
Profit/(Loss) for the year (₹ in Lakhs)	11.29
i. Considered in Consolidation	-
ii. Not Considered in Consolidation (₹ in Lakhs)	11.29

For and on behalf of the Board

**ASHWIN C MUTHIAH**  
Chairman

**B. NARENDRAN**  
Director

**SUNIL DESHMUKH**  
Director

Place : Chennai  
Date : 17<sup>th</sup> May 2017

**DEVIDAS MALI**  
COO & Whole Time Director

**D.BALAGOPAL**  
Chief Financial Officer

**R.ACHUTHAN**  
Company Secretary

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## Sicagen India Limited



Registered Office: 4th Floor, SPIC House, No.88, Mount Road, Guindy, Chennai - 600032  
(CIN: L74900TN2004PLC053467)

### PROXY FORM FORM NO. MGT - 11

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID : \_\_\_\_\_

Folio No./ DP ID & Client ID : \_\_\_\_\_

I/We being the Member(s) of \_\_\_\_\_ equity shares of ₹10 each of Sicagen India Limited hereby appoint:

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **13<sup>th</sup> Annual General Meeting** of the Company, to be held on **Thursday, the 27<sup>th</sup> July 2017 at 10.00 a.m. at Rajah Annamalai Mandram, Esplanade, Chennai-600108** and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

#### Resolution No:

1. Adoption of the audited Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and auditors thereon.
2. Declaration of equity dividend for the financial year 2016-17.
3. Re-appointment of Mr. Sunil Deshmukh as a Director, who is liable to retire by rotation and, being eligible, offers himself for re-appointment.
4. Appointment of M/s.SRSV & Associates, Chartered Accountants, Chennai as new Statutory Auditors of the Company.
5. Appointment of Ms.Rita Chandrasekar, as a Director and Independent Director of the Company.
6. Appointment of Mr.Shridhar Gogte, as a Director of the Company.
7. Appointment of Mr.Shridhar Gogte, as a Whole Time Director of the Company.
8. Ratification for appointment of Cost Auditor and fixing of remuneration for the financial year 2017-18.

Signed: this \_\_\_\_\_ day of \_\_\_\_\_, 2017

Signature of Member(s): \_\_\_\_\_

Affix Re.1  
Revenue Stamp  
& Sign across  
the Stamp

Signature of the Proxy holder(s): \_\_\_\_\_

Note: The Proxy form must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting; otherwise it will be treated as invalid. The Proxy should be a member of the Company.

**Note: In line with good corporate governance and in compliance with the Secretarial Standard, no gift articles would be given to the shareholders for attending the Annual General Meeting.**

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**Sicagen India Limited**

Registered Office: 4<sup>th</sup> Floor, SPIC House, No.88, Mount Road, Guindy, Chennai - 600032  
(CIN: L74900TN2004PLC053467)

**ATTENDANCE SLIP**

Name & Address of the Shareholder	Folio No:
	DP ID :
	Client ID:
	No. of shares held:

I hereby certify that I am a member / proxy appointed by the member\* of the Company and record my presence at the **13<sup>th</sup> Annual General Meeting** of the Company, at **Rajah Annamalai Mandram, Esplanade, Chennai-600108, on Thursday, the 27<sup>th</sup> July 2017 at 10.00 a.m.**

Name of the Member(s) / Proxy*	Signature of the Member(s) / Proxy*

\* Strike out whichever is not applicable.

Note: Please fill up this attendance slip and hand over at the entrance of the meeting hall.

**Note: In line with good corporate governance and in compliance with the Secretarial Standard, no gift articles would be given to the shareholders for attending the Annual General Meeting.**

## REGISTERED BOOK POST / COURIER

To:



*If undelivered, please return to:*

**Sicagen India Limited**

4<sup>th</sup> Floor, SPIC House,  
No.88, Mount Road, Guindy,  
Chennai - 600032