

SPL INDUSTRIES LTD.

23RD ANNUAL
REPORT
2013-14



SPL INDUSTRIES LTD.

Corporate Profile

Board of Directors

1. Mr. Mukesh Aggarwal - Chairman & Managing Director
2. Mrs. Shashi Aggarwal - Director
3. Mr. Vijay Jindal - Director

CFO

Mr. Sanjay Gupta

Compliance Officer

Mr. B. B. Sharma

Bankers

State Bank Of India

Statutory Auditors

M/S Singhi Chugh & Kumar, Chartered Accountants

Share Transfer Agent

Karvy Computershares Pvt. Ltd.

Registered Office

C-2/54, 5th Floor, Rajasthali Appartment,
Pitampura, New Delhi-110034.
Tel : 011-27026840

Corporate Office

Plot No.21, Sector-6,
Faridabad (Haryana)
Pin Code -121006.

Website

www.spllimited.com

Contents

• Notice	1
• Directors' Report	3
• Management Discussion and Analysis	5
• Report on Corporate Governance	6
• Auditors' Report	9
• Balance Sheet	12
• Profit & Loss Account	13
• Cash Flow Statement	14
• Notes on Financial Statements	15



SPL INDUSTRIES LTD.

CIN : L74899DL1991PLC062744

Registered Office: C-2/54, Rajasthali Apartments, 5th Floor, Pitampura, Delhi-110034.

E-mail: administrator@spllimited.com; Website: www.spllimited.com

NOTICE

The 23rd Annual General Meeting of the members of **SPL INDUSTRIES LIMITED** will be held on Saturday, the 27th day of September, 2014 at 9.00 AM at **INDIA CORPORATE CENTRE, J-2/B-1, MOHAN COOPERATIVE, MATHURA ROAD, NEW DELHI-110044** to transact the following business-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31st, 2014 together with the reports of the Director's and Auditor's thereon.
2. To appoint a Director in place of MR. RAJESH GOYAL (DIN 03287284) , who retires by rotation , and being eligible, has offered himself for re-appointment.
3. To appoint a Director in place of MR. CHANDERJEET SINGH BHATIA (DIN 01360148) , who retires by rotation, and being eligible, has offered himself for re-appointment.
4. To appoint M/s Singhi Chugh & Kumar, (FR No. 013613N) Chartered Accountants, the retiring Auditors as Statutory Auditors of the Company for 3 (three) consecutive years from the date of 23rd Annual General Meeting and to fix their remuneration. .

SPECIAL BUSINESS:

- 5 To modify the terms of appointment by way of fixing the remuneration being paid to Executive Director and in this regard to consider and if though fit, to pass with or without modification(s), the following Resolution as a special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded for the payment of monthly remuneration of Rs.1.75 Lacs to MR. MUKESH KUMAR AGGARWAL (DIN 00231651), Managing Director of the company from April 1,2014."

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors
For SPL INDUSTRIES LIMITED

Place : New Delhi
Date : 10th August, 2014

(MUKESH AGGARWAL)
Managing Director

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 17th day of September, 2014 to Saturday, the 27th day of September, 2014 (both days inclusive).
3. The relevant Explanatory Statement pursuant to Clause 49 of the Listing Agreement read with Section 173(2) of the Companies Act, 1956 is enclosed.
4. All documents referred to in the accompanying Notice are open for inspection at the Registered office of the company on all working days except Saturday between 11.00 AM to 1.00PM up to the date of the Annual General Meeting
5. Voting through electronic means:

In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with Rules 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the notice) and clause 35B of the Listing Agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on August 22nd, 2014 being the record date for the purpose of Rule 20(3)(vii) of the Rules) fixed for determining voting rights of the members, entitled to participate in the voting process through e-voting platform provided by Karvy Computershare Pvt. Ltd.



The instruction for e-voting are as under:

A For members who receive notice of annual general meeting through e- mail:

- 1 Use the following URL for e-voting <https://evoting.karvy.com>
- 2 Enter the login credentials i.e. User ID and Password mentioned in your email. Your Folio No/DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
- 3 After entering the details appropriately, click on "LOGIN"
- 4 You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 5 You need to login again with the new credentials.
- 6 On successful login, the system will prompt you to select the EVENT i.e SPL INDUSTRIES LTD.
- 7 On the voting page, the number of shares(which represent the number of votes) as held by the member as on the Cut Off date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution, then enter all shares and click "FOR/AGAINST" as the case may be or partially in "for and partially in "against: but the total number of votes taken together should not exceed your total shareholding as on the record date. You may also choose the option" ABSTAIN" and shares held will not be counted under either head.
- 8 Members may alternatively cast their votes using the Ballot Form

B For members who receive the notice of annual general meeting in physical form:

- 1 Members holding shares either in demat or phycial mode who are in receipt of Notice in physical form, may cast their votes using the Ballot Form provided at the venue of the meeting.
- 2 The e-voting period and Portal will remain open for voting from Wednesday, September 21st, 2014 (9.00AM) till Tuesday, September 23rd, 2014 (6.30PM)
- 3 The Company has appointed Mr. Deepak Somaiya Practing Company Secretary (FCS5845) having address F-7 A Defence Enclave, Goyla Tajpur Road, Near Goyla Khurd, New Delhi - 110071 as the Scrutiniser to e-voting process including voting through Ballot Form received from the members in a fair and transparent manner.
- 4 The Scrutiniser shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period un block the votes in the presence of at least 2 (two) witness and make a Scrutiniser's report of the votes cast in favour or against, if any, forthwith to the chairman of the company.
- 5 Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 23rd AGM held on 27th day of September, 2014. The chairman shall declare the results of the voting on the resolutions set out in the notice in or after the AGM. The results declared along with Scrutiniser's report shall be placed on the company's website as well as on the website of Karvy within 2(two) days of passing of the resolutions.

By order of the Board of Directors
For SPL INDUSTRIES LIMITED

Place : New Delhi
Date: 10th August, 2014

(MUKESH AGGARWAL)
Managing Director

STATEMENT ANNEXED TO THE NOTICE IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No.5

Mr. Mukesh Kumar Aggarwal, Managing Director of the company has been devoting his entire time for the cause of the company and deserves remuneration. Because of his efforts, the performance of the company is increasing day by day. Therefore, your directors request you to pass the Resolution No.5. Mr. Mukesh Kumar Agarwal is concerned interested in passing of this regulation.



SPL INDUSTRIES LTD.

DIRECTORS' REPORT

To the Members of SPL Industries Limited

The Directors of your Company have pleasure in presenting the 23rd Annual Report on the business and operations of the Company and the Audited Financial Accounts for the year ended 31st March, 2014.

Operations

The financial results of the company for the year ending 31st March, 2014 are given below:

(Figures in Rupees)

	2013-14	2012-13
Profit/(Loss) before Exceptional & Extraordinary Items.	29,372,810	(151,553,052)
Exceptional items/Extraordinary item	-	(67,102,544)
Prior period expenses	1,039,022	(2,374,201)
Profit/(Loss) Before Tax	30,411,832	(221,029,797)
Tax expenses/Adjustments		
Current Tax	(27,010)	(27,036)
Earlier years Tax	(3,016,892)	(2,183,619)
Deferred Tax	-	-
Profit/ (Loss) for the period	27,367,930	(223,240,452)
Earning Per Equity Share		
Basic	0.94	(7.70)
Diluted	0.94	(7.70)

Dividend

In view of insufficient profits, the Board of Directors of your company has expressed its inability to recommend any dividend.

Fixed Deposits

During the year under review, your company has not accepted any fixed deposits from the general public.

Statutory Disclosures

The Statement of employees read with Companies (Particulars of Employees) Rules, is not annexed as there are none of the Employees drawing salary exceeding the present limits as provided under the said Act .

The Statement containing the necessary information as required and read with Rules of Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules , relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed hereto and forms an integral part of this report.

Pursuant to Clause 49 of the Listing Agreement and Management Discussion and Analysis are annexed hereto and form an integral part of this report.

Director's Responsibility Statement

As required by the Companies Act, this is to confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. Such accounting policies have been selected and applied consistently and made judgments/estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. Proper and sufficient care have been taken with best of knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on going concern basis.

Auditors

M/s Singhi Chugh & Kumar, (FR No. 013613N) Chartered Accountants, the retiring Auditors as Statutory Auditors of the Company has been proposed to be appointed for a period of 3 (three) consecutive years from the date of 23rd Annual General Meeting and to fix their remuneration. .



Directors

During the year under review, Smt. Shashi Aggarwal was appointed on the Board of Directors as executive Directors now there are three executive and three non executive directors on the board of the company .No sitting fee was paid to any executive/non executive director. During the year under review, Sh. H.R.Gupta and Sh. Anil Garg has resigned due to personal reasons from the Board of Directors of the company.

The management of your company has been successful in containing its continuous losses to some extent and its efforts to revamp the financial position of the company to the track is going on.

Acknowledgement.

Your Directors wish to place on record the overwhelming response received from the investors ,financial institutions ,bankers, business associates, suppliers for the consistent support received from them during the year.

Your Directors wish to place on record their appreciation for the team spirit, dedication and commitment shown by the work force of the company during this year.

By order of the Board of Directors
For SPL INDUSTRIES LIMITED

Place : New Delhi
Date: 10th August,2014

(MUKESH AGGARWAL)
Managing Director



SPL INDUSTRIES LTD.

ANNEXURE TO DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

The Company has taken various measures and steps to conserve the energy viz:

- Optimization and economical use of various forms of energy.
- Compressors and Capacitors installed to improve power factors.
- Department wise monitoring of energy consumption.
- Installation of wind ventilators, resulting in saving of power cost etc.

(b) Additional Investments and proposals, if any being implemented for reduction in consumption of energy.

There is no such proposal as such for additional investment. The status of power and fuel consumption is given below in Form A

B. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION,

RESEARCH & DEVELOPMENT

The Company has independent R&D department for its different divisions which regularly provides suggestions for improvement so as to minimize the cost of production and improve the quality.

FOREIGN EXCHANGE EARNING AND OUTGO

Activities relating to exports, initiatives taken to increase export, development of new export markets for product services and export plans:

There have been concerted efforts to maintain export performance in Garments. The Company is also exploring markets for export of other varieties of its products. During the year under review, the details of the Foreign Exchange earnings and outgo are as under:

Amount in Rs.

Particulars	2013-2014	2012-2013
Earnings in Foreign Currencies FOB value of Exports	17,860,289.88	—
Expenditure in Foreign Currency	—	—

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INTERNAL CONTROL SYSTEM

1. The Company has in place proper and adequate internal control systems and procedures to ensure efficiency in decision making for optimal utilization and protection of resources and compliance with applicable statutory laws and regulations as also internal policies before the Audit Committee of the Board of Directors.
2. The Company's system and processes in all areas are regularly reviewed by internal Audit team and their reports are placed before the Audit Committee of the Board.
3. Management information reports are compiled every month for analysis and review of performance and to enable implementation of corrections wherever required. Quarterly reports are also discussed in the Audit Committee meetings.

HUMAN RESOURCES

In view of continuous losses in the operations, the management of the company is making efforts at all level to reduce the cost of operations keeping in view that the HR efforts were directed towards teamwork and increase in manpower productivity.

CORPORATE SOCIAL RESPONSIBILITY AND CONSERVATION OF RESOURCES

Company is conscious of its responsibility to the society at large and to its employees in each of its units. Adequate arrangements have been made for the safety in respect of air, water and noise pollution etc.

STATEMENT OF CAUTION

Representations and statements made under "Management Discussion and Analysis" is based on the projection and expectation on the basis of present market conditions. Actual results may materially differ due to several factors which could influence the company's business operations such as demand and supply conditions, prices of input, changes in Government levies and regulations, industrial relations and other economic developments in the country.

**REPORT ON CORPORATE GOVERNANCE - 2013-2014****Attendance of Directors at the Board Meetings & AGM and number of Companies in which the director is a member of the Board or its Committees as a member or chairperson thereof during the financial year.**

Name of the Director & Designation	Category	Board Meetings Held	Board Meetings Attended	No. of Companies in which a Director	No. of Committees in which a Member	No. of Board/ Committees in which a Chairperson
Mr. Mukesh Aggarwal	Chairman & Managing Director	08	08	na	01	08
Mr. Vijay Jindal	Executive Director	08	07	na	01	na
Mrs. Shashi Aggarwal	Executive Director	08	04	na	na	na
Mr. Rajesh Goyal	Non Executive Director	08	04	Na	01	na
Mr. Arun Kumar	Non Executive Director	08	04	na	01	na
Mr. Chanderjit Singh Bhatia	Non Executive/independent	08	04	02	01	na

Date and number of Board Meeting held

The Board meets eight times during the year under review.

Code of Conduct

The Code of conduct in line with the provisions of clause 49 of the Listing Agreement has been framed/ adopted by the Board and is applicable to all the members of the Board and Senior Management Executives. The Company Secretary is the Compliance Officer for the purpose of this code. The Code envisages that the Board Members and Senior Executives observe the highest standards of ethical conduct and integrity and work to the best of their ability and judgments.

Composition of the Board of Directors

The total number of Directors on Board of the Company as on 31st March, 2014 is six and has an optimum combination of three Executive Non independent Directors and three Non Executive independent Directors with considerable expertise and experience.

Disclosures

Basis of related party transactions

No transaction of a material nature has been entered into by the Company with the Directors, Senior Management personnel and their relatives that may have a potential conflict with the interest of the company except as disclosed under the related party transactions as per Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India which are set out in the annual report.

Disclosure of Accounting Treatment

The financial statements are prepared under the historical cost conventions on accrual basis in accordance with generally accepted accounting policies and applicable accounting standards and the provisions of the Companies Act, 1956.

Remuneration of Directors

Your Company has decided to pay managerial remuneration to Mr. Mukesh Kumar Aggarwal.

Management

Management Discussion & Analysis Report is annexed and forms a part of the Directors Report.

Shareholders Grievance Committee

The Shareholder's Committee consists of Mr. Charn Jit Singh, Mrs. Shashi Aggarwal and Mr. Vijay Jindal. The said committee normally meets once in a period of three months, to oversee proper redressal of grievance of the shareholders/investor's matters of transfer/transmission of shares, sub division/consolidation and issue of new/duplicate certificates. In the normal course of business, all the complaints of the investors are looked after by the Registrar and Transfer Agent of the company.

Number of Complaints received, not solved & pending transfer

All complaints received and replied to the entire satisfaction of the shareholders during the year under review. There were no pending complaints as on 31st March, 2014. There is no share transfer or any other correspondence pending for more than fifteen days as on that date.

General Body Meetings

The last three annual General Meetings of the Company were held on 28.09.2013, 29.09.2012 and 30.09.2011 at ICC, J-2/B-1, Mohan Cooperative, Mathura Road, New Delhi-44.



SPL INDUSTRIES LTD.

Details of non compliance, penalties etc imposed by Stock Exchange, SEBI etc on any matter related to capital market during the last three years.

No such penalty or structure have been imposed on the company since listing of its securities on The National Stock Exchange of India Ltd and The Bombay Stock Exchange Ltd or the Securities Exchange Board of India (SEBI) or any other statutory authority on any matter related to the Capital Market during the last three years.

Means of Communication

- | | |
|----------------------------------------------------|----------------------------------------------------------------------|
| (a) Quarterly Results | Through publication |
| (b) News papers wherein results normally published | The Business Standard/Economics Time
The Nav Bharat Times (Hindi) |

General Shareholder Information

AGM

23rd Annual General
Meeting will be held on 27th day of September, 2014 at 9.00 AM.

Venue

INDIA CORPORATE CENTRE
J-2/B-1, Extension, Mohan Cooperative, Mathura Road, New Delhi-110044.

Date of Book Closure

Book closure is from 17th September ,2014 to 27th September, 2014 (both days inclusive)

Listing on Stock Exchange(s)

The National Stock Exchange of India Ltd. And Bombay Stock Exchange Ltd.,

ISIN CODE NO.	INE978G01016
Script Name	SPLIL
Script Code	532651
Date of Allotment	18.07.2005

Registrar and Transfer Agent:

KARVY COMPUTERSHARES PRIVATE LIMITED
"KARVY HOUSE" 46, AVENUE 4, STREET NO.1.
BANJARA HILLS, HYDERABAD-500034
ANDHRA PRADESH (INDIA)
TEL NO. 91-40233102545,FAX NO.91-402331968
E-mail : mailmanager@karvy.com
Website: www.karvy.com

Distribution of Shareholding as on 31.03.2014.

Distribution of shareholding S. no	Category Amount	No. of cases	% of cases	Amount	% of Amount
1	1-5000	7216	79.07	11083000.00	3.82%
2	5001-10000	851	9.33	7351120.00	2.535
3	10001-20000	438	4.80	6947460.00	2.40%
4	20001-30000	189	2.07	4785170.00	1.65%
5	30001-40000	87	0.95	3148600.00	1.09%
6	40001-50000	64	0.70	3042880.00	1.05%
7	50001-100000	106	1.16	7617100.00	2.63%
8	100000 & ABOVE	175	1.92	246024710.00	84.84%
	TOTAL	9126	100.00	290000040.00	100%



SPL INDUSTRIES LIMITED (SCRIPT CODE : 532651)

Plant Locations

During the year under review dying and knitting activities were performed by the company and the locations of the plants of the Company are :

- 1 SPL Industries Ltd, Plot No.21/6, Faridabad.
- 2 SPL Industries Ltd., Plot No.22/6, Faridabad.

Address for Correspondence

Registered Office:

SPL INDUSTRIES LTD
C-2/54, 5TH FLOOR, RAJASTHALI APPARTMENTS, PITAMPURA, DELHI-110034.

Corporate Office”

Plot No.21 Sector-6
Faridabad (Haryana)

Declaration

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the period ended March 31,2014.

PLACE : NEW DELHI
Dated 10.08.2014

For **SPL INDUSTRIES LIMITED**
Company Secretary

**AUDITORS' REPORT****Report on the Financial Statements**

1. We have audited the accompanying financial statements of SPL Industries Limited, which comprise the Balance Sheet as at March 31, 2014; the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion, and to the best of information and according to the explanations given to us, the 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 Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the period ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

5. Report on other legal and regulatory requirements

- (i) As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order
- (ii) As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **Singhi Chugh & Kumar**
Chartered Accountants
Firm Registration No. 013613N

**Annexure to the Auditor's Report**

(Referred to in Paragraph 5(i) of the auditor's report of the even date for the year ended 31st march, 2014)

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and in terms of the information and explanations given to us and the books and records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As informed to us, physical verification of the fixed assets was conducted by the management during the year. As per the management no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and the going concern status of the Company is not affected due to this.
- (ii) (a) As explained to us physical verification of inventory was done on reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to information and explanations given to us, the company has maintained proper records of inventory and no material discrepancies were noticed on physical verification carried out by the management.
- (iii) As per the information and explanation given to us, the company has not granted / taken any loan, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore clause 4(iii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size and nature of its business during the year with regard to purchase of inventory and fixed assets and sale of goods and services. During the course of our audit we have not observed any major weakness in such internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, no transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
- (vi) No deposits have been accepted by the company from public. Therefore clause 4(vi) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- (vii) The company has the internal audit system that commensurate with the size and nature of the business according to the conditions stipulated under clause 4(vii) of the Companies (Auditor's Report) order, 2003.
- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- (ix) (a) According to the best of our knowledge and according to the information and explanations given to us undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, service tax have generally been regularly deposited with appropriate authorities though there has been slight delay in few cases.
- (b) According to the best of our knowledge and according to the information and explanation given to us there are no dues of sales tax/ custom duty/ wealth tax/ excise duty / cess/ service tax which have not been deposited on account of dispute, except are as follows:

S . No.	Name of the Statute	Nature of Dues	Amount (Rs. Lakhs)	Period to which amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Demand u/s 143(3)/147	467.68	AY 2005 – 06	Pending before CIT(A)
2	Income Tax Act, 1961	Penalty u/s 271(1)(c)	69.10	AY 2007 – 08	CIT (A)
3	Income Tax Act, 1961	Penalty u/s 271(1)(c)	11.44	AY 2010 – 11	CIT (A)

- (x) The accumulated losses of the Company exceed fifty percent of its net worth as at March 31, 2014 and it has cash profits & overall profits in the financial year ended on that date but has incurred cash losses in the immediately preceding financial year.
- (xi) According to information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the company is not a chit fund or a nidhi/ mutual benefit fund/ society therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



SPL INDUSTRIES LTD.

- (xv) In our opinion and according to information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xvi) The Company has not raised any term loans during the year. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanation given to us the company has not issued any debentures.
- (xx) To the best of our knowledge and according to information and explanation given to us, the company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **Singhi Chugh & Kumar**
Chartered Accountants
Firm Registration No. 013613N

Place: New Delhi
Date: 30.05.2014

Harsh Kumar
Partner
Membership No. 088123

**Balance Sheet as at 31st Mar, 2014****(All Amounts in Indian Rupees)**

Particulars	Note	As at 31st Mar, 2014		As at 31st Mar, 2013	
Equity And Liabilities					
Shareholders Funds					
Share Capital	1	29,00,00,040		29,00,00,040	
Reserves And Surplus	2	25,18,02,792	54,18,02,832	22,44,34,862	51,44,34,902
Non-Current Liabilities					
Long Term Borrowings	3	-		1,24,770	
Deferred Tax Liabilities (Net)	4	-		-	
Long-Term Provisions	5	21,55,272	21,55,272	17,09,893	18,34,663
Current Liabilities					
Short Term Borrowings	6	-		3,12,47,530	
Trade Payables	7	4,33,30,544		6,36,61,220	
Other Current Liabilities	8	4,06,95,507		9,02,17,524	
Short Term Provisions	9	25,11,392	8,65,37,444	16,89,857	18,68,16,131
Total			63,04,95,547		70,30,85,696
Assets					
Non-Current Assets					
Fixed Assets					
Tangible Assts	10A	52,01,39,347		55,90,45,574	
Intangible Assets	10B	4,84,571		-	
Long-Term Loans And Advances	11	20,43,310		18,61,211	
Other Non-Current Assets	12	-	52,26,67,228	-	56,09,06,785
Current Assets					
Inventories	13	3,42,97,608		6,33,20,481	
Trade Receivables	14	2,38,37,052		83,92,166	
Cash & Bank Balances	15	31,17,584		89,51,684	
Short-Term Loans And Advances	16	4,65,76,072		6,05,01,278	
Other Current Assets	17	-	10,78,28,317	10,13,302	14,21,78,911
Total			63,04,95,547		70,30,85,696

Significant Accounting Policies & Notes on Financial Statements 35

The notes are an integral part of these financial statements
This is the balance sheet referred to in our report of even date

for SINGHI CHUGH & KUMAR
Chartered Accountants
Firm Registration No. 013613N

For and on behalf of the Board of Directors of
SPL Industries Limited

Harsh Kumar
(Partner)
M. No.088123

Director

Managing Director

Place : New Delhi
Date : 30.05.2014

Chief Financial Officer

Company Secretary


Statement of Profit & Loss for the year ended 31st March, 2014
(All Amounts in Indian Rupees)

Particulars	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
<u>INCOME</u>			
Revenue From Operations	18	45,52,69,135	39,63,01,358
Other Income	19	52,45,168	4,13,46,462
Total Revenue (A)		46,05,14,303	43,76,47,820
<u>EXPENSES</u>			
Cost Of Material Consumed	20	14,88,05,790	12,76,31,633
Changes In Inventories Of Finished Goods, Work In Progress & Stock In Trade	21	9,91,829	1,32,58,204
Employee Benefits Expenses	22	5,52,67,384	5,12,45,454
Finance Costs	23	12,36,945	5,24,33,367
Depreciation And Amortization Expense	24	3,42,13,429	4,35,88,438
Other Expenses	25	19,06,26,117	30,10,43,776
Total Expenses (B)		43,11,41,494	58,92,00,872
Profit/(Loss) before Exceptional & Extraordinary Items		2,93,72,810	(15,15,53,052)
Exceptional Items/ Extraordinary Items	26	-	(6,71,02,544)
Prior Period Items	27	10,39,022	(23,74,201)
Profit/(Loss) Before Tax		3,04,11,832	(22,10,29,797)
Tax Expense/Adjustments	28		
Current Tax		(27,010)	(27,036)
Earlier Years Tax		(30,16,892)	(21,83,619)
Deferred Tax		-	-
Profit/ (Loss) For The Period		2,73,67,930	(22,32,40,452)
Earnings/(Loss) per equity share:	29		
Basic		0.94	(7.70)
Diluted		0.94	(7.70)

Significant Accounting Policies & Notes on Financial Statements

The notes are an integral part of these financial statements

This is the Statement of Profit and Loss referred to in our report of even date.

for **SINGHI CHUGH & KUMAR**
Chartered Accountants
Firm Registration No. 013613N

For and on behalf of the Board of Directors of
SPL Industries Limited

Harsh Kumar
(Partner)
M. No.088123

Director

Managing Director

Place : New Delhi
Date : 30.05.2014

Chief Financial Officer

Company Secretary

**Cash Flow Statement for the year ended 31st March, 2014**

Particulars	(All Amounts in Indian Rupees)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Cash Flows from Operating Activities		
Profit/(Loss) before Tax	3,04,11,832	(22,10,29,797)
Adjustments for:		
Net Gain On Sale Of Non - Current Assets	-	(2,28,45,326)
Depreciation and amortisation expenses	3,42,13,429	4,35,88,438
Finance Cost	8,47,561	5,24,24,953
Loss on sale of assets	86,99,474	14,79,383
Tangible Assets Written off	-	53,52,215
Reversal of Depreciation	-	(44,32,191)
Interest Income	(1,68,860)	(67,541)
Changes in Working capital		
Inventory	2,90,22,873	2,88,95,314
Short Term Loan & Advances	1,39,25,206	10,22,06,600
Other Current Asset	10,13,302	7,94,21,774
Other Current Liabilities	(4,95,22,016)	(3,71,37,667)
Other Non-Current Assets	-	5,97,629
Trade Receivables	(1,54,44,886)	9,31,86,659
Trade Payables	(2,03,30,676)	(7,06,21,891)
Long Term Loans & Advances	(1,82,099)	14,47,468
Provisions	12,66,914	8,04,916
Cash generated from / used in operations	3,37,52,053	5,32,70,936
Taxes Paid	(30,43,902)	(22,10,655)
Net Cash Generated by Operating Activities	3,07,08,151	5,10,60,281
Cash Flows from Investing Activity:		
Interest Income	1,68,860	67,541
Change In fixed Asset	(44,91,250)	60,96,31,810
Sale of Investment	-	-
Net Cash Provided by / (used) in Investing Activity	(43,22,390)	60,96,99,351
Cash Flows from Financing Activity		
Short Term Borrowings	(3,12,47,530)	(59,64,56,332)
Secured Loan	(1,24,770)	(1,18,69,227)
Interest & Other Borrowing Cost	(8,47,561)	(5,24,24,858)
Net Cash Used in Financing Activity	(3,22,19,861)	(66,07,50,417)
Net Increase/(Decrease) In Cash And Cash Equivalent	(58,34,100)	9,215
Cash And Cash Equivalent At The Beginning Of The Period	89,51,684	89,42,469
Cash And Cash Equivalent At The End Of The Period	31,17,584	89,51,684

Significant Accounting Policies & Notes on Financial Statements

35

Notes

- The above cash flow statement has been prepared under the indirect method set out in AS-3 notified under Section 211(3C) of the Companies Act, 1956
- Figures in brackets indicate cash outflows
- The notes to the Financial Statements are an integral part of the Cash Flow Statement.

This is the Cash Flow Statement referred to in our report of even date

for SINGHI CHUGH & KUMAR**Chartered Accountants**

Firm Registration No. 013613N

For and on behalf of the Board of Directors of**SPL Industries Limited****Harsh Kumar**

(Partner)

M. No.088123

Director

Managing Director

Place : New Delhi

Date : 30.05.2014

Chief Financial Officer

Company Secretary



SPL INDUSTRIES LTD.

Notes on Financial Statements for the year ended 31st March, 2014

Previous Year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

(Figures in Indian Rupees)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
1 SHARE CAPITAL		
1.1 Authorized Share Capital:		
3,00,00,000(31 March 2013: 3,00,00,000) equity shares of Rs.10/-each	30,00,00,000	30,00,00,000
Issued, Subscribed & Fully Paid Up Shares:		
2,90,00,004 (31 March 2013: 2,90,00,004) equity shares of Rs.10/- each	29,00,00,040	29,00,00,040
Total Issued, Subscribed & Fully Paid Up Share Capital	29,00,00,040	29,00,00,040
1.2 Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:		
	As at 31st Mar, 2014	As at 31st March, 2013
Equity Shares at the Beginning of the year	2,90,00,004	2,90,00,004
Add: Shares issued during the year	-	-
Less: Shares cancelled on buy back of Equity Shares	-	-
Equity Shares at the end of the period	2,90,00,004	2,90,00,004
1.3 Terms/rights attached to equity shares		
The company has only one class of equity shares having a Par Value of Rs. 10/- per share. Each holder of Equity Shares in entitled to one vote per share. There is no dividend proposed by the Board of Directors.		
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.		
1.4 Detail of Shareholders holding more than 5% Shares in the company		
Name of Shareholders	As at 31st Mar, 2014 No. of Shares	As at 31st Mar, 2013 No. of Shares
	% holding	% holding
Narender Kumar Aggarwal	54,55,602	46,36,802
Mukesh Kumar Aggarwal	51,03,525	37,96,447
Nishant Aggarwal	14,89,380	-
Hari Ram Gupta	-	25,42,655
Sadhusons India Pvt. Ltd.	-	18,65,721
2 Reserve & Surplus:		
2.1 Capital Reserve		
At The Beginning of The Accounting Period	31,07,174	31,07,174
Additions During The Year	-	-
At The End of The Accounting Period	31,07,174	31,07,174
2.2 Securities Premium Account		
At The Beginning of The Accounting Period	49,67,44,853	49,67,44,853
Additions During The Year	-	-
At The End of The Accounting Period	49,67,44,853	49,67,44,853
2.3 Revaluation Reserve		
At The Beginning of The Accounting Period	26,73,56,001	68,32,49,896
Additions During The Year*	-	-
Less: Transferred to Statement of Profit & Loss	(12,90,947)	(41,58,93,895)
At The End of The Accounting Period	26,60,65,054	26,73,56,001
2.3.1 Amount Transferred to/from Revaluation Reserve		
Amount transferred from Revaluation Reserve to Statement of Profit and Loss on account of depreciation on revalued Block of Building	(12,90,947)	(12,19,819)
Amount transferred from Revaluation Reserve to Statement of Profit and Loss on account of sale of Land	-	(41,75,22,780)
Amount transferred to Revaluation Reserve from Statement of Profit and Loss on account of sale of Building	-	28,48,704
Total	(12,90,947)	(41,58,93,895)

**Notes on Financial Statements for the year ended 31st March, 2014**

(Figures in Indian Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
2.4 General Reserve		
At The Beginning of The Accounting Period	-	-
Additions During The Year	-	-
At The End of The Accounting Period	-	-
2.5 Surplus / (Deficit) in the Statement of Profit & Loss		
As per last years financials	(54,27,73,166)	(73,54,26,609)
Add: Profit / (loss) for the year	2,73,67,930	(22,32,40,452)
Transferred to/from Revaluation Reserves	12,90,947	41,58,93,895
Net Surplus / (Deficit) in the Statement of Profit & Loss	(51,41,14,290)	(54,27,73,166)
Total reserves and surplus	25,18,02,792	22,44,34,862

* Fixed Assets of the company were revalued as on 31st March, 2012 except for Car (vehicles), furniture & fixture and other equipments whose total net carrying amount before revaluation of fixed assets is less than 5% of the total net carrying amount of total fixed assets. The effect of revaluation of fixed assets have been taken by restating the Net Book Value by adding there in the net increase on account of revaluation.

3 Long Term Borrowings**3.1 Secured Term Loans From Banks**

	Current	Non Current	Current	Non Current
IDBI Term Loan*	-	-	1,16,68,635	-
Car Loan from Bank**	1,26,051	-	2,00,592	1,24,770
Total	1,26,051	-	1,18,69,227	1,24,770

* Rs. 21,21,579/- are secured by first charge in respect of the immovable property situated at Plot No. 21, Sector 6, Faridabad, (Haryana) together with all building and structures there on including plant & machinery. The loan is a Standard Asset as per IRAC norms and carries interest rate at BPLR minus 150 bps. The loan is further secured by personal guarantee of Shri H.R. Gupta and Shri Vijay Jindal. The balance loan is repayable as on 31032014 is NIL.

** Rs.1,26,051/- (Car Loan from ICICI bank) is secured against the hypothecation of vehicle (Honda City) carrying interest rate of 12.5% per annum. The loan is repayable in 36 installments of 19,169/- each starting from 15th November, 2011 till 15th October, 2014.

4 Deferred Tax Liabilities (Net)*

Deferred Tax Liabilities	73,66,132	5,97,25,204
Deferred Tax Assets	(73,66,132)	(5,97,25,204)
	-	-

*Refer Note No. 28.1

5 Long-Term Provisions:

Provisions For Employee Benefits*		
- Compensated Absences	-	-
- Gratuity	21,55,272	17,09,893
	21,55,272	17,09,893

* Refer Note No 22 for AS-15 Disclosure


Notes on Financial Statements for the year ended 31st March, 2014

(Figures in Indian Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
6 Unsecured Short -term Borrowing		
Other Loans & Advances	-	3,12,47,530
	-	3,12,47,530
7 Trade Payables		
Sundry Creditors*	4,33,30,544	6,36,61,220
	4,33,30,544	6,36,61,220
*There is no amount payable to any concern covered under Micro, Small and Medium Enterprises Development Act, 2006		
8 Other Current Liabilities		
Current Maturity of Long Term Debt	1,26,051	1,18,69,227
Interest accrued but not due	-	1,46,179
Expenses Payable	54,29,955	53,55,588
Employee Benefit Payable	57,90,149	40,62,126
Statutory Dues Payables*	12,03,510	9,19,441
Advance received from customers	2,77,39,798	6,74,29,589
Other Loans & Advances**	4,06,045	4,35,375
	4,06,95,507	9,02,17,524
* Statutory Dues Payables includes dues to ESI, PF, Sales Tax, TDS / TCS and Labour Welfare Fund etc.		
** Includes security deposit from parties		
9 Short-Term Provisions		
Provisions For Employee Benefits*		
- Compensated Absences	19,22,374	12,85,283
- Gratuity	5,62,008	3,78,637
Provision for wealth Tax	27,010	25,937
	25,11,392	16,89,857

* Refer Note No 22 for AS-15 Disclosure



Notes on Financial Statements for the year ended 31st March, 2014

Note- 10 FIXED ASSETS

(Figures in Indian Rupees)

ASSETS	ASAT 01.04.13	ADDITIONS	Gross Block			UP TO 31.03.2013	Adjustment	Depreciation FOR THE YEAR	Written Back on Sale/ Adjustment	Up To 31.03.2014	Net Block	
			Sale	Write off	Revalua- tion Reserve Written Off on account of Sale	AS AT 31.03.14					ASAT 31.03.2014	ASAT 31.03.2013
10A- Tangible Assets												
Land	28,55,17,400	-	-	-	-	28,55,17,400	-	-	-	-	28,55,17,400	28,55,17,400
Building	15,03,49,974	-	-	-	-	15,03,49,974	-	50,21,689	-	5,78,77,104	9,24,72,870	9,74,94,559
Plant & Machinery	73,19,22,496	67,65,040	8,07,89,631	-	-	65,78,97,905	-	2,36,19,591	6,77,27,097	52,72,67,567	13,06,30,338	16,05,47,424
Vehicles	1,50,39,859	44,927	1,10,50,670	-	-	40,34,116	-	4,69,324	1,09,84,316	22,36,998	17,97,118	22,87,869
Furniture & Fixture	2,41,46,164	33,909	-	-	-	2,41,80,073	-	13,31,434	-	1,69,73,357	72,06,716	85,04,241
Office Equipments	3,05,11,296	15,76,284	-	-	-	3,20,87,580	-	37,55,461	-	2,95,72,675	25,14,905	46,94,082
TOTAL	1,23,74,87,189	84,20,160	9,18,40,301	9,18,40,301	-	1,15,40,67,048	-	3,41,97,499	7,87,11,413	63,39,27,701	52,01,39,347	55,90,45,574
PREVIOUS YEAR	2,02,09,78,586	21,97,637	37,10,86,087	37,10,86,087	41,46,02,948	82,91,58,684	44,32,191	4,35,88,438	18,98,73,315	67,84,41,615	55,90,45,574	
10B-Intangible Assets												
Computer Software	17,25,601	5,00,501	-	-	-	22,26,102	-	15,930	-	17,41,531	4,84,571	-
TOTAL	17,25,601	5,00,501	-	-	-	22,26,102	-	15,930	-	17,41,531	4,84,571	-
PREVIOUS YEAR	17,25,601	-	-	-	-	17,01,205		24,396	-	17,25,601	-	

* INR 96,97,118 has been written back to the depreciation account on account of excess depreciation charged on vehicles in the previous years.



SPL INDUSTRIES LTD.

Notes on Financial Statements for the year ended 31st March, 2014

(Figures in Indian Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
11 Long-Term Loans And Advances (Unsecured, considered good)		
Security deposits	20,43,310	18,61,211
	20,43,310	18,61,211
12 Other Non-Current Assets		
Fixed Deposit (Margin Money against bank guarantee)	-	-
	-	-
13 Inventories: (As Taken, Valued & Certified By The Management)		
Raw Materials	2,34,21,488	5,10,75,656
Work In Process	33,92,899	47,12,267
Finished Goods	30,74,339	27,46,800
Stores, Spares & Loose Tools	38,16,995	37,52,373
Fuel & Oil	5,91,887	10,33,385
	3,42,97,608	6,33,20,481
14 Trade Receivables: (Unsecured, considered good unless otherwise stated)		
Outstanding for a period exceeding 6 months from the date they are due for payment	29,26,323	21,67,321
Others	2,09,10,729	62,24,845
Less: Allowance for doubtful debts	-	-
	2,38,37,052	83,92,166
15 Cash & Bank Balances :		
Balance With Banks -		
In Fixed Deposits		
Fixed Deposit (Held As Securities against Bank Guarantees and LC)		
Maturity period less than 12 months*	8,34,073	7,76,448
On Current Accounts	15,98,757	45,27,237
Cheques in Hand	-	35,00,000
Cash On Hand	6,84,754	1,47,999
	31,17,584	89,51,684
* Balance relates to Guarantee given to Haryana State Pollution Control Board		
16 Short Term Loans & Advances: (Unsecured Considered Good Unless Other Wise Stated)		
Prepaid Expenses	3,23,730	2,06,403
Staff Advances	1,66,496	2,31,820
Receivable From Revenue Authorities*	6,33,42,046	5,83,37,204
	2,00,00,000	4,33,42,046
Advance to suppliers	27,43,800	17,25,851
	4,65,76,072	6,05,01,278
*Includes amount recoverable from Income Tax Authorities shown as net of provision of INR 40,883,511 (Previous Year - Rs. 16,366,619) which has been considered in the financials owing to the various demands by the Income Tax Department which are confirmed as liability.		
*Receivable from various statutory departments including CBEC and Income Tax Authorities.		
17 Other Current Assets:		
Other Receivable	-	10,13,302
	-	10,13,302


Notes on Financial Statements for the year ended 31st March, 2014

(Figures in Indian Rupees)

Particulars	As At 31st Mar, 2014	As At 31st Mar, 2013
18 Revenue From Operations		
Income		
Sale Of Products	44,82,83,696	38,22,77,195
Other Operating Revenues	69,85,440	1,40,24,163
	45,52,69,135	39,63,01,358
Less: Excise Duty	-	-
Net Revenue From Operations	45,52,69,135	39,63,01,358
18.1 Sale Of Products		
Garments		
Export	1,78,60,290	-
Domestic	8,48,764	46,60,014
Fabric	7,37,65,886	3,78,47,747
Yarn	-	-
Processing Charges*	35,58,08,756	33,97,69,434
	44,82,83,696	38,22,77,195
* Processing charges include processing of textiles which includes consumption of raw material.		
18.2 Other Operating Revenues		
Duty Drawback	13,11,087	-
DGFT Focus (Export Incentive)	-	-
SHIS Licence	-	81,80,449
Scrap & Wastage	56,74,353	58,43,714
	69,85,440	1,40,24,163
19 Other Income:		
Interest Income	1,68,860	67,541
Net Gain On Sale Of Non - Current Assets	-	2,28,45,326
Other Non-Operating Income	1,08,675	20,74,701
Net Gain/Loss on Foreign Currency Transaction & Translation	692	84632
Liability Written Back	40,04,184	1,51,65,077
Claims & Discounts Others	9,62,757	11,09,185
	52,45,168	4,13,46,462
19.1 Interest Income		
Interest From Fixed Deposits	1,68,860	57,530
Interest Others	-	10,011
	1,68,860	67,541
19.2 Net Gain On Sale Of Non - Current Assets		
Fixed Assets (Tangible Assets)*	-	2,28,45,326
	-	2,28,45,326
19.3 Other Non-Operating Income		
Rent	-	20,65,909
Others	1,08,675	8,792
	1,08,675	20,74,701



SPL INDUSTRIES LTD.

Notes on Financial Statements for the year ended 31st March, 2014

(Figures in Indian Rupees)

Particulars	As At 31st Mar, 2014	As At 31st Mar, 2013
20 Cost of Materials Consumed:		
Opening Stock	5,10,75,656	6,60,09,388
Add :- Purchases Raw-Materials And Packing Materials	12,11,51,622	11,26,97,901
	17,22,27,277	17,87,07,289
Less: Closing Balance Of Stock	2,34,21,488	5,10,75,656
Consumption Of Materials	14,88,05,790	12,76,31,633
20.1 Cost Of Materials Consumed % of consumption		
Imported	1% 11,10,987	2% 20,89,510
Indigenous	99% 14,76,94,803	98% 12,55,42,123
	14,88,05,790	12,76,31,633
20.2 Purchase Of Raw Material		
Accessories		
Imported	11,10,987	-
Indigenous	11,07,842	-
Dyes & Chemical		
Imported	-	18,63,580
Indigenous	10,62,55,118	10,87,03,621
Fabric	86,85,002	-
Oil & Lubricants	5,39,990	5,16,603
Packing Material	34,52,684	15,52,037
Yarn	-	62,060
	12,11,51,622	11,26,97,901
20.3 Opening Stock Of Raw Material		
Dyes & Chemical	51,00,317	72,22,812
Fabric	4,59,75,339	5,87,86,576
	5,10,75,656	6,60,09,388
20.4 Closing Stock Of Raw Material		
Dyes & Chemical	70,36,092	51,00,317
Fabric	1,62,02,275	4,59,75,339
Accessories	1,83,121	-
	2,34,21,488	5,10,75,656
21 Changes In Inventories		
Finished Goods		
At The Beginning Of The Accounting Period	27,46,800	1,76,52,570
At The End Of The Accounting Period	30,74,339	27,46,800
	(3,27,539)	1,49,05,770
Work-In-Progress		
At The Beginning Of The Accounting Period	47,12,267	30,64,701
At The End Of The Accounting Period	33,92,899	47,12,267
	13,19,368	(16,47,566)
Total	9,91,829	1,32,58,204
22 Employee Benefits Expense		
Salary, Wages and Bonus	4,82,75,619	4,46,93,799
Contribution To PF & Other Funds	51,01,948	46,60,016
Gratuity	6,28,750	7,43,071
Staff Welfare	12,61,067	11,48,568
	5,52,67,384	5,12,45,454


Notes on Financial Statements for the year ended 31st March, 2014

(Figures in Indian Rupees)

Particulars	As At 31st Mar, 2014	As At 31st Mar, 2013
-------------	-------------------------	-------------------------

As per Accounting Standard 15 "Employee Benefits", the disclosure as defined in the Accounting Standard are given below:

Provision for leave encashment is recognised on the basis of gross pay per day of an employee multiplied with the accumulated leaves as on the reporting date. No employee has accumulated leaves exceeding 30 days. The same will pay in future. Further there is no long term leave provision for compensated absences as on March 31, 2014.

Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Employer's Contribution to Provident Fund	33,99,083	30,28,977
Employer's Contribution to ESI	16,07,995	15,40,619
Employer's contribution to Welfare Fund	94,870	90,420
Total	51,01,948	46,60,016

Defined Benefit Plan

The employee's gratuity fund scheme managed by a Trust (LIC of India and SBI) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Project Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

1. Reconciliation of Opening and Closing balance of Defined Benefit Obligation

Particulars	Current Year	Previous Year
	Employees Gratuity Fund	Employees Gratuity Fund
Present Value Obligation (Opening Balance)	30,21,922	35,42,154
Interest Cost	2,41,754	3,04,625
Past Service Cost	-	-
Current Service Cost	4,47,782	4,38,129
Benefit Paid (Out of own Funds+ Plan Assets)	(5,67,883)	(13,67,877)
Actuarial Gain / Loss on obligation	(13,407)	1,04,891
Present Value Obligation (Closing Balance)	31,30,168	30,21,922

2. Reconciliation of Opening and Closing balance of Fair Value of Plan Assets

Particulars	Current Year	Previous Year
Fair Value of Plan & Assets (Opening Balance)	9,33,392	20,33,832
Expected Return on Plan Assets	76,299	1,66,280
Contributions	-	-
Benefits Paid (Out of Plan)	(5,67,883)	(12,05,014)
Actuarial Gain/ Loss on obligation	(28,920)	(61,706)
Fair Value of Plan & Assets (Closing Balance)	4,12,888	9,33,392

3. Reconciliation of Fair Value of Assets and Obligation

Particulars	Current Year	Previous Year
	Employees Gratuity Fund	Employees Gratuity Fund
Present Value Obligation (Closing Balance)	31,30,168	30,21,922
Fair Value of Plan Assets (Closing Balance)	4,12,888	9,33,392
Funded Status	27,17,280	20,88,530
Present Value of Un-funded Obligation (Closing Balance)	-	-
Un-funded Actuarial (Gain/Loss)	-	-
Un-funded Net Assets/Liabilities recognised in Balance sheet	27,17,280	20,88,530



SPL INDUSTRIES LTD.

Notes on Financial Statements for the year ended 31st March, 2014

4. Expenses recognised during the year

Particulars	Current Year	Previous Year
	Employees Gratuity Fund	Employees Gratuity Fund
Current Service Cost	4,47,782	4,38,129
Past Service Cost	-	-
Interest Cost	2,41,754	3,04,625
Expected Return on Plan Assets	(76,299)	(1,66,280)
Cutailment Cost	-	-
Settlement Cost	-	-
Net Actuarial Gain/Loss recognised during the year	15,513	1,66,597
Total Expenses Recognised in Statement of Profit & Loss	6,28,750	7,43,071

5. Actuarial Assumption

Actuarial Assumptions	Current Year	Previous Year
	Employees Gratuity Fund	Employees Gratuity Fund
Discount Rate Per Annum	9.00%	8.00%
Rate of Increase in Compensation Levels	6.00%	6.00%
Rate of Return on Plan Assets		
(i) For Asset with LIC	6.75%	8.00%
(ii) For Asset with SBI Life Insurance	9.00%	9.00%
Expected Average Remaining Working lives of employees (Years)	20.89 Yrs	21.49 Yrs

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

6. The Enterprise best estimates of contribution during the next year is Rs. 6,47,404/- as per actuarial certificate.

(Figures in Rupees)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
23 Finance Cost		
Interest Expense	7,51,773	5,23,34,668
Penal Interest	3,914	8,414
Bank Charges	95,788	90,285
Export Fluctuation	3,85,470	-
	12,36,945	5,24,33,367
24 Depreciation And Amortization Expense		
Depreciation on Tangible Assets	3,42,13,429	4,35,88,438
	3,42,13,429	4,35,88,438
25 Other Expenses		
Manufacturing Expense	13,64,82,917	13,72,28,415
Establishment Expenses	3,89,41,147	1,44,96,571
Selling & Distribution Expenses	61,24,859	25,47,097
Amount Written Off	3,77,720	14,52,92,310
Loss On Sale Of Fixed Asset	86,99,474	14,79,383
	19,06,26,117	30,10,43,776


Notes on Financial Statements for the year ended 31st March, 2014

(Figures in Indian Rupees)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
25.1 Manufacturing Expense :		
Consumption Of Stores And Spare Parts	23,66,901	62,69,413
Power & Fuel	10,13,96,632	10,31,00,697
Freight Inward	5,51,158	4,60,970
ETP Expense	16,98,738	11,75,653
Repair To Machinery		
Boiler	31,86,636	36,32,111
Electric	18,92,870	9,54,208
Generator	77,496	3,24,553
Machinery	1,14,44,255	1,46,49,748
Job Charges	1,29,74,841	59,66,026
Lab Expenses	5,42,958	1,67,291
Loading & Unloading Charges	3,50,432	5,27,743
	13,64,82,917	13,72,28,413
25.1.1 Consumption Of Stores And Spare Parts		
Opening Stock	37,52,373	45,80,550
Purchase during the Year	24,31,523	54,41,236
Closing Stock	38,16,995	37,52,373
Consumption during the year	23,66,901	62,69,413
25.1.2 Consumption Of Power & Fuel		
Opening Stock	10,33,385	9,08,585
Purchase during the Year	10,09,55,134	10,32,25,497
Closing Stock	5,91,887	10,33,385
Consumption during the year	10,13,96,632	10,31,00,697
25.2 Establishment Expenses		
Advertisement	88,179	65,583
Payment to Auditors	8,46,632	6,17,980
Donation	24,600	22,000
Rent	24,000	-
General Expenses	10,70,812	8,32,927
Rates & Taxes	17,45,152	25,76,870
General Repairs	78,27,605	33,04,514
House Keeping Expenses	23,79,249	18,11,384
Insurance	2,14,596	4,97,508
Printing & Stationery	10,35,399	6,84,133
Professional Charges	7,97,712	16,99,247
Provision Against Recovery	2,00,00,000	-
Security Service Charges	20,89,116	17,44,439
Telephone Expenses	7,98,095	6,39,987
	3,89,41,147	1,44,96,571
25.2.1 Payment to Auditors		
Statutory Audit Fee	5,61,800	5,61,800
Tax Audit Fee	56,180	56,180
Tax Matter & Certification	2,28,652	-
	8,46,632	6,17,980


Notes on Financial Statements for the year ended 31st March, 2014

(Figures in Rupees)

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
25.3 Selling & Distribution Expenses				
Business Promotion		9,09,170		1,90,400
Clearing & Forwarding		-		-
Commission		-		-
Freight		38,96,971		20,87,506
Sampling & Testing Charges		13,18,718		2,69,191
		61,24,859		25,47,097
25.4 Amount Written Off				
Tangible Assets Written off		-		53,52,215
Balances written off		3,77,720		57,71,179
Claims & Discounts Export		-		-
Bad Debts		-		13,41,68,916
		3,77,720		14,52,92,310
25.5 Value of Imports On CIF basis in respect of:				
Raw Material and Stock in Trade	-	-	-	-
Stores, Chemicals and packing Materials	17,07,076	100%	54,88,814	100%
Capital goods	-	-	-	-
	17,07,076	100%	54,88,814	100%
26 Exceptional Items/ Extraordinary Items				
Depreciation		-		(44,32,191)
Derivative Loss *				13,55,80,000
Interest Waiver				(6,40,45,265)
		-		6,71,02,544
*Amount of derivative losses paid to State Bank of India relating to previous year as per the settlement with bank alongwith waiver of interest				
27 Prior Period Expenses				
Prior period incomes		13,96,781		-
Prior period expenses		(3,57,759)		(23,74,201)
		10,39,022		(23,74,201)
28 Tax Expenses				
Tax Paid For Earlier Years		30,16,892		21,83,619
Current Tax - Wealth Tax		27,010		27,036
Deferred Tax		-		-
		30,43,902		22,10,655

28.1 Deferred Tax Expense/Income:

Deferred tax liability at the year end comprise of the followings:	AS at 31.03.2014		AS at 31.03.2013	
Deferred liability on account of:				
Depreciation	73,66,132	73,66,132	4,59,53,859	4,59,53,859
Deferred Assets on account of:				
Disallowance under section 43B	12,51,040		12,78,481	
Disallowance against provision	-		-	
Loss under Income Tax Act	37,09,41,517		37,09,41,517	
	37,21,92,557	73,66,132	37,22,19,998	4,59,53,859
Net Deferred Tax Asset/Liability		-		-

28.2 Deferred Tax Assets recognized to the extent of Deferred Tax Liability for the year ending 31st March 2014.

28.3 As the company has substantial losses and value of the business has reduced substantially. Also there is huge fixed cost relating to depreciation. In view of facts stated above and keeping in view the financial position of the company the Deferred Tax Assets in respect of carry forward losses has been recognized only to the extent of Deferred Tax Liability.

**Notes on Financial Statements for the year ended 31st March, 2014**

(Figures in Indian Rupees)

Particulars	As at 31st March, 2014	As at 31st March, 2013
29 Earnings/(Loss) per equity share		
Loss after Tax	2,73,67,930	(22,32,40,452)
Number of shares	2,90,00,004	2,90,00,004
Basic Earning/(Loss) Per Share	0.94	(7.70)
Diluted Earning/(Loss) Per Share	0.94	(7.70)
30 Earnings In Foreign Exchange		
FOB value of exports	1,78,60,290	-
	1,78,60,290	-

31 Related Party Disclosure

The names of related parties of the company as required to be disclosed under Accounting Standard 18 are as follows:

Key Management Personnel (KMP)

Sh. H R Gupta resigned on 12.09.2013
 Sh. Vijay Jindal
 Sh. Mukesh Aggarwal
 Smt. Shashi Aggarwal appointed on 12.09.2013
 Sh. Anil Garg resigned on 12.09.2013

During the current and previous year, there are no transactions with the related parties

32 Segment Reporting

As per Accounting Standard AS 17 on "Segment Reporting" segment information is as follow:-

Primary Segment Reporting (Business Segment):

Primary business segments of the company is sale of cotton knitted garments and made ups and Processing Charges, which in the context of Accounting Standard 17 on "Segment Reporting" as notified in Companies (Accounting Standard) Rules , 2006 . But the manufacturing relating to cotton knitted garments and processing charges is common therefore the expenditure relating to these two activities can only be bifurcated on estimated basis. Sale relating to sale of knitted garments and processing charges is shown separately.

Secondary Segment Reporting (Geographical Segments):

The Following is the distribution of the company's consolidated sales by geographical segment, regardless of where the goods were produced:

Particulars	Current Year	Previous Year
Sales to Overseas Market	1,78,60,290	-
Sales to Domestic Market	8,48,764	46,60,014
Processing Charges	35,58,08,756	33,97,69,434
	37,45,17,810	34,44,29,448
Export debtors	93,46,024	-
Domestic debtors	1,44,91,028	83,92,166
	2,38,37,052	83,92,166

33 Contingent Liability and Commitments

Particulars	As at 31.03.2014	As at 31.03.2013
1.Bills Discounted		-
2.Disputed tax liability *	7,77,49,273	8,52,81,903
3.Surety given to Sales Tax Department for third party		-
4. Debt not acknowledge as liability	-	14,64,353
Total	7,77,49,273	4,74,25,042

* Disputed tax liability includes INR 6.28 crores raised by department relating to AY 2005-06 u/s 147/143(3) of the Income Tax Act on the basis of CAG query which subsequently dropped by CAG but matter still pending before First Appellate Authority

34 The previous year figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.

Note 35 Significant Accounting Policies & Notes on Financial Statements**1 General Information**

The company was incorporated on December 6, 1991 in India. The company is a garment manufacturing company and majorly deals in exports however during the year, value of exports are INR 17,860,290 and further company has domestic sales and processing income during the year.

Notes on Financial Statements for the year ended 31st March, 2014**2 Summary of Significant Accounting Policies****2.1 Basis Of Preparation Of Financial Statements**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the notified accounting standard by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. Accounting policies not specifically referred to otherwise are consistent and are in consonance with generally accepted accounting principles.

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 the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the 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.

2.2 Use Of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles in India requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosures relating to contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and action, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.3 Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. Revaluation effect is taken by restating the net book value by adding therein the net increase on account of revaluation. All costs, including finance costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed asset are capitalised.

2.4 Intangible Assets

In accordance with the Accounting Standards (AS) 26 relating to intangible assets, all costs incurred on technical know-how / license fee relating to production process are charged to revenue in the year of incurrence. Costs incurred on technical know-how / license fee relating to process design / plants / facilities are capitalized at the time of capitalization of the said plant / facility and amortized on pro-rata basis over a period of five years. Computer software is capitalized on the date of installation and is amortized over a period of three years.

2.5 Depreciation

Depreciation on all plant and machinery is provided on the Written Down value method at the rate and in the manner prescribed in schedule XIV to the Companies Act 1956. Depreciation on other fixed assets is provided on straight Line Method at the rate and in the manner prescribed in schedule XIV to the Companies Act 1956. Depreciation is charged on pro-rata basis for assets purchased / sold during the year. Individual assets costing Rs. 5000/- or less are depreciated in full, in the year of purchase.

2.6 Impairment Of Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

2.7 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost or fair value.

Long-term investments are carried at cost. Provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

2.8 Inventory

Inventories are valued at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overhead incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spares, packing material, trading and other products are determined on First in First out (FIFO) method. Scrap is valued at net realizable value.

2.9 Revenue Recognition

- i) Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are net of trade discounts, rebates and sales taxes, etc.
- ii) Processing Charges are recognised at the time of dispatch of goods to the customers and are net of trade discounts, rebates and sales taxes, etc.
- iii) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- iv) Income from duty drawback and Import licences under focus product scheme are recognised on accrual basis on acceptance of claim by the Government Authority.
- v) Dividend Income is recognised when right to receive is established.

**Notes on Financial Statements for the year ended 31st March, 2014**

vi) Claim receivables are accounted for depending on the certainty of receipt and claims payable are accounted for at the time of acceptance."

2.10 Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.

2.11 Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies outstanding at the year-end are translated at exchange rate applicable as of that date. Non-Monetary items denominated in foreign currency are valued at the exchange rate prevailing on the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

2.12 Current And Deferred Tax

Tax expense comprises of current tax and deferred tax. Current tax is determined in accordance with relevant tax rates and tax laws. Provision for current income tax is made after taking credit for allowances and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the company accepts the said liabilities.

"Deferred tax is recognised for all timing differences arising between taxable income and accounting income based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on carry forward of unabsorbed depreciation and tax losses are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

As the company has substantial losses and value of the business has reduced substantially. There is huge fixed cost relating to depreciation. In view of facts stated above and keeping in view the financial position of the company, the Deferred Tax Assets in respect of carry forward losses has been recognized only to the extent of Deferred Tax Liability."

2.13 Employee'S Benefits

- i. Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which related service is rendered.
- ii. Eligible employees of the company are entitled to receive benefits under the Provident Fund scheme administered through provident fund commissioner and the company's contribution are charged to Statement of Profit and Loss.
- iii. Company's contribution to state plans namely Employees State Insurance Fund is charged to Statement of Profit and Loss every year.
- iv. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made by an independent actuary at the Balance Sheet date using projected unit credit method. The Gratuity Scheme is administered through LIC under its Group Gratuity Scheme. Contributions are paid to LIC in accordance with the demands received.
- v. Termination benefits are recognized as an expense immediately.
- vi. Gain or Loss arising out of actuarial evaluation is recognized immediately in the Statement of Profit and Loss as income or expense.

2.14 Value Added Tax (VAT)

VAT claimed on capital assets is credited to assets/capital work in progress account. VAT on purchase of raw materials and other materials are deducted from the cost of such materials.

2.15 Provision And Contingent Liabilities

Show cause notices issued by various government authorities are not considered as obligation. When the demand notice are raised against such show cause notice and are disputed by the company then these are classified as possible obligations.

"Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made."

2.16 Financial Derivative And Hedging Transaction

In respect of the Financial derivative contracts the premium / interest paid and profit / loss on settlement is charged to Statement of Profit & Loss. The contracts entered into are marked to market at year end and the resultant profit / loss is charged to Statement of Profit & Loss.

2.17 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



SPL INDUSTRIES LTD.

Regd. C-2/54, 5th Floor, Rajasthali Appartment, Pitampura, New Delhi-110034.

ATTENDANCE SLIP

Folio No.	
DP ID	
Account ID / Client ID	
No. of Shares	

I hereby record my presence at the **23RD ANNUAL GENERAL MEETING** of the Company held on **Saturday, the 27th day of September, 2014 at 9.00 AM** at INDIA CORPORATE CENTRE, J-2/B-1, MOHAN COOPERATIVE, MATHURA ROAD, NEW DELHI-110044

Signature of the attending Member / Proxy	
-------------------------------------------	--

- Note :** 1) A Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.
- 2) A Shareholder/Proxy holder wishing to attend the meeting should bring his copy of the Annual Report for reference at the meeting.



SPL INDUSTRIES LTD.

Regd. C-2/54, 5th Floor, Rajasthali Appartment, Pitampura, New Delhi-110034.

PROXY

I/We of
In the district of being a Member //Members of the above named Company,
hereby appoint..... of
in the district of or failing him/her
of in the district of

as my / our Proxy to attend and vote for me/us and on my/our behalf at **23RD ANNUAL GENERAL MEETING** of the Company held on **Saturday, the 27th day of September, 2014 at 9.00 AM** at INDIA CORPORATE CENTRE, J-2/B-1, MOHAN COOPERATIVE, MATHURA ROAD, NEW DELHI-110044, and at any adjournment thereof.

Signed this day of 2014.

Folio No.	
DP ID	
Account ID / Client ID	
No. of Shares	

Signature _____

Affix
Re. 1.00
Revenue
Stamp

- Note:** 1) The Proxy must be returned so as to reach the Regd. Office: Regd. C-2/54, 5th Floor, Rajasthali Appartment, Pitampura, New Delhi-110034, not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.
- 2) A Proxy need not to be Member of the Company.



U.S.P.

To



SPL INDUSTRIES LTD.

Regd. Office:

C-2/54, 5th Floor, Rajasthali Apartment, Pitampura, New Delhi-110034.

Tel: 011-27026840