

## DIRECTORS' REPORT

To the Members of SPL Industries Limited

The Directors of your Company have pleasure in presenting the 15th Annual Report on the business and operations of the Company and the Audited Financial Accounts for the year ended 31st March, 2006.

### Operations

Your Directors, while welcoming the new shareholders, convey their thanks to all those, who have supported the company's first offer of Equity Shares to the Public, which has been a grand success. The financial results of the company for the year ending 31st March, 2006 are given below:

(Figures in thousand)

	2005-2006	2004-2005
Profit Before Tax & Adjustment	191085	152176
Less: Provision for Taxation		
Current Income Tax	24000	22000
Deferred Income Tax	12050	11100
Fringe benefit Tax	2760	-
Income Tax paid for earlier years	27	-
Wealth Tax	135	80
Profit After Tax	152113	118996
Add: Profit brought forward from previous year	627841	608845
Less: Bonus Shares issued	-	100000
Balance Carried to Balance Sheet	779954	627841

### Overall Performance

During the year under report, your company has exported 11.81 million pcs of Garments as against 6.17 million pcs. of Garments during the previous year. The sales turnover at Rs.2,607,305,956/- is increased by 48.75 % against the previous year figures of Rs.1,752,770,912/- The Net Profit (profit after interest, depreciation and taxes etc) has shown an increase of 27.83 % in comparison to the previous year.

### Growth and Future Plans

The removal of quota has brought significant opportunities of growth for the Indian Garment Manufacturers and Exporters. The industry is now geared up for taking advantage of the post WTO regime. The scope for capacity expansion plans have increased along with increase in global enquires/orders. Your directors are of the opinion that your company is well positioned to maintain and enhance its position in the Apparel Industry and its customer base will continue to grow further.

### Dividend

To conserve the resources of the company, the Board of Directors of your company has decided not to recommend any dividend to its stakeholders.

### Fixed Deposits

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

### Consolidated Financial Statements

As required by Accounting Standard 21, the audited Consolidated Financial Statements of the Company are annexed and form an integral part of the report.

### Statutory Disclosures

As required under Section 212 of the Companies Act, 1956, the Statement and Annual Accounts of Subsidiary Company along with the report of the Board of Directors and respective Auditors Reports are annexed and forms an integral part of this report.

The Statement of employees required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 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 under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules 1988, 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, a report on Corporate Governance and Management Discussion and Analysis are annexed hereto and form an integral part of this report.

### Director's Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956 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 Mehra Goel & Co, Chartered Accountants, the statutory auditors of the company, will retire at the conclusion of this meeting and being eligible offer themselves for re appointment. The Audit Committee and the Board of Directors recommend the re- appointment of M/s Mehra Goel & Co., as the statutory auditors of the company for the year 2006-2007.

#### Auditors Report

Auditors Report to the shareholders of the company does not contain any qualification.

#### Directors

During the year under review Mr.Naresh Aggarwal and Mr.Suresh Aggarwal have resigned from the Board of Directors due to their pre-occupation and Mr.Ram Babu Bansal, have resigned due to health reasons. Accordingly the Board of Directors of the company has co -opted the three new directors viz Dr. Sham Sunder Bansal, Mr. Rakesh Aggarwal and Mr. Ram Niwas Jain as non executive independent Directors on the Board of the company.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr.Y.Hari Shankar, Mr.Kailash B Goel, Mr. Mukesh Aggarwal, retires by rotation and are eligible for re-appointment and your Board of Directors recommends you to pass the relevant resolutions.

#### Acknowledgement.

Your Directors wish to place on record the overwhelming responses received from the stakeholders of the company during its IPO and wish to thank them.

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.

Your Directors wish to thank the financial institutions, banks, business associates and suppliers for the consistent support received from them.

New Delhi  
04.08.2006

H.R.GUPTA  
CHAIRMAN & M.D

#### ANNEXURE TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors report for the year ended 31st March, 2006.

#### 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

#### FORM - A

##### a) Power and Fuel

Consumption	2005-2006	2004-2005
Electricity		
Purchase units(Nos)	10065112	9566310
Total Cost (Rs)	42318762	40454231
Rate per Unit (Rs)	4.21	4.23

##### b) Own Generation-D.G.set

Generated units (Nos)	3880540	2121222
Diesel Cost (Rs)	35739770	15370880
Diesel Cost per unit (Rs)	9.21	7.29

#### 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:

Particulars	Amount in Rs.	
	2005-2006	2004-2005
Earnings in Foreign Currencies FOB value of Exports	2,240,304,702	1,390,584,668
Expenditure in Foreign Currency	346,531,608	209,057,682



# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## OVERALL VIEW

The business efforts during the year were directed towards the improvement in the Knitting, Dyeing, Processing, Embroidery, Cutting, Finishing and Stitching Divisions of the company, so that turnover and the production capacities of the different divisions be increased.

1. During the year under review out of the proceed of the public issue, the company has utilized Rs.4296 Lacs for meeting capital expenditure and share issue expenses as per the objects of the IPO.
2. The Company has to invest a sum of Rs.517 Lacs towards the setting of Yarn Dyeing Plant, but the Management has formed the opinion that this investment is not remunerative and decided to diversify for the expansion of existing capacity of knitted dyed fabric and knitted garments for which permission of the shareholders have been sought elsewhere in this report.
3. All the investment made above are as per the objects as detailed in the Prospectus to the IPO and the investments are made for expansion, up gradation / Installing state of art machineries at the plants located at Faridabad.

## 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

1. The overall HR efforts were directed towards upgrading technical skill levels and teamwork and increase manpower productivity.
2. The system of annual appraisals, key performance areas and job description continue to be implemented.

## 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.

## FUTURE PLANS & OUT LOOK

At SPL, we have expanded manufacturing capacity of knitted fabrics from 5000 MT PA to 8000 MT. Garments from 90 lac pieces to PA to 132 lac pieces. The company has also added new capacity of 12 Lac pieces PA in Home textiles.

Looking at the huge demand, change in tradition, confidence of our Clients, acceptability of our products of new designs and the increasing trend of our clientele towards the knitted garments in US market the company is further expanding its garment capacity to 15-16 lac pieces PA immediately.

The company has also plans to enter into the domestic market. To make and market the most trusted apparel brand in the textile industry, company's USP is to provide its customers with best of quality, colors and innovative products at the most competitive prices.

The company will surely benefit its shareholders in the years to come.

## 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 - 2005-2006

### Company' philosophy on code of governance

SPL's business objective and that of its management and employees is to manufacture and market the company products in such a way that can create wealth and values that can be sustained over the long term for the customer, shareholders, employees and business associates and the national economy.

### BOARD OF DIRECTORS Composition of Board

The total number of Directors on Board of the Company as on 31st March, 2006 is ten and has a optimum combination of five Executive Non Independent Directors and Five Non Executive Independent Directors with considerable expertise and experience. Non of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees.

### Attendance of Directors at the Board Meetings & AGM and number of companies in which the directors 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	Number of Board Meetings Held	Number of Board Meetings Attended	No of other Companies in which a Director	No of other Committees in which a Member	No of other Board/ Committees in which a Chairperson
Mr.H.R.Gupta	Executive/non independent	24	24	3	01	Na
Mr.Vijay Jindal	Executive/non independent	24	24	n.a.	n.a.	Na
Mr.Praveen Garg	Executive/non independent	24	23	n.a.	01	Na
Mr.Pankaj Garg	Executive/non independent	24	23	n.a.	n.a.	Na
Mr. Mukesh Aggarwal	Executive/non independent	24	22	3	01	Na
Mr. Rakesh Aggarwal	Non-Executive/ independent	24	08	2	n.a.	01
Mr. Ram Niwas Jain	Non-Executive/ independent	24	09	2	01	Na
Dr. S.S.Bansal	Non-Executive/ independent	24	08	1	n.a.	Na
Mr. Y.Harishankar	Non-Executive/ independent	24	23	n.a.	01	01
Mr..Kailash B.Goel	Non-Executive/ independent	24	20	5	01	Na

### Date and number of Board Meetings held

The Board met twenty four times during the year on 8.04.2005, 4/05/2005, 21.05.2005, 03.06.2005, 18.07.05,05.08.2005,31.08.2005,12.09.2005,26.09.2005,11.10.2005,27.10.2005,11.11.2005,8.12.2005,31.12.2005,06.01.2006,9.01.2006,13.01.2006,14.01.2006,27.01.2006,30.01.2006,15.02.2006,06.03.2006,11.03.2006 and 24.03.2006.

### 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 observes the highest standards

of ethical conduct and integrity and work to the best of their ability and judgments.

### Audit Committee

The Audit Committee was re-constituted on 14th day of January, 2006 and consists of Mr. Rakesh Aggarwal, Mr.Ram Niwas Jain and Mr.Mukesh Aggarwal, Whole time Director of the company. The Statutory Auditors, Senior GM (Accounts) and internal auditors of the company also attend such meetings. Mr. Rakesh Aggarwal who is an independent director is the Chairman of the Committee.

### Power, Role and Review of Information by Audit Committee

The role and terms of reference of the Audit Committee covers the areas mentioned under clause



49 of the Listing Agreement and section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors. These interalia includes review of the company's financial report and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible. The main role of the audit committee is to review annual and quarterly financial statements with the management before submission to the Board and to insure the adequacy of internal control system with the management and to review the company's financial risks/ management policies.

**Date and number of Audit Committee Meeting's held**  
The Audit Committee met five times during the year on 10.04.2005, 18.07.2005, 26.10.2005, 27.01.2006, 31.03.2006.

#### Attendance of Directors.

Name of Member	Designation	No of Meetings held	No of Meetings attended
Mr. Rakesh Aggarwal, Chairman of Committee	Independent non Executive Director	5	4
Mr R.N.JAIN Member of Committee	Independent non Executive Director	5	5
Mr. Mukesh Aggarwal Member of Committee	Executive non Independent Director	5	5

#### Subsidiary Companies

The Company has one unlisted Indian 100% subsidiary company namely Mode Prints Ltd. The turnover/net worth of the subsidiary company does not exceed 20% of the turnover/net worth of the holding company. The minutes and all other periodical information's of the subsidiary company is placed before the Board of Directors of the holding company.

#### Detail of Remuneration of Directors

The details of remuneration paid to the Executive Directors during the year are given below:

Name	Salary(Rs.)	Contribution to ProvidentFund/ Super,Fund	House Rent Allowance	Perquisites	Total(Rs.)
H.R.Gupta	7,80,000/-pa	nil	-	-	7,80,000/-pa
Vijay Jindal	6,00,000/-pa	nil	-	-	6,00,000/-pa
Praveen Garg	5,40,000/-pa	nil	-	-	5,40,000/-pa
Pankaj Garg	5,40,000/-pa	nil	-	-	5,40,000/-pa
Mukesh Aggarwal	5,40,000/-pa	nil	-	-	5,40,000/-pa

Executive Directors are appointed for a period of three years on the terms and conditions as approved by the shareholders from time to time and the remuneration and other perquisites are as per the provisions of the Companies Act, 1956 and Schedule XIII. The Independent and Non Executive

## 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

### Disclosures of Accounting Treatment

In the preparation of the financial statements, the Company has followed the accounting standards issued by the ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the annual report.

### Risk Management

Board of Directors was apprised of the assessment done of risk factors and the management policy for control and minimization of the same during the year. There is a system to control and assess the risk management system on continuous basis.

### Remuneration of Directors

The remuneration package of the Management/ Whole time Directors is based on their performance and the provisions of the Companies Act, 1956. There is one Remuneration Committee comprising of Mr Ram Niwas Jain, Mr. Sham Sunder Bansal and Mr.Y.Hari Shankar, which meets four times during the year.

### Remuneration Policy

The Company is continuously following a policy of attracting the high caliber talent and retaining the services of the performance oriented personnel.

Directors do not get any remuneration except sitting fee of Rs.2000/- per meeting attended by them.

### Management

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



### Shareholders Committee

The Shareholder's Committee was reconstituted on 22nd July, 2005 and at present consists of Mr. Y. Hari Shankar, Mr. H. R. Gupta and Mr. Praveen Garg. The said committee normally meets once in a period of three months to oversee proper redressal of grievance of the shareholders/investors, 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.

### Name of Director heading the Share transfer Committee

Mr. H.R.GUPTA, DIRECTOR

### Name of Compliance Officer

Mr.B.B.Sharma, Company Secretary

### Number of Complaints received, not solved & pending transfer

17 complaints were received and replied to the entire satisfaction of the shareholders during the year under review. There were no pending complaints as on 31st March, 2006. 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 27.06.2005, 28.09.2004 and 30.09.2003 at the registered office of the company at 5/66, 3rd floor, K.C.House, Padam Singh Road, Karol Bagh, New Delhi-110005. The Company has gone public by its IPO on 29th day of June, 2005 for the first time and this is the first annual general meeting of the company since then.

### 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 Capital Market during the last three years.

### Means of Communication

- (a) Quarterly results : Through publication
- (b) News papers wherein Results normally published : The Financial Express/ Economics Time  
The Nav Bharat Times (Hindi)

### General Shareholder Information

**AGM : 15TH Annual General Meeting**

**Date : 29th September, 2006**

**Time : 10 am**

**Venue : India Corporate Centre,  
J-2/B-1 Extension, Mohan Cooperative  
Mathura Road, New Delhi-44**

### Financial Year 2006-2007

Un audited results for quarter ending June 30th, 2006	July, 2006
Un audited results for quarter ending September, 30th 2006	October, 2006
Un audited results for quarter ending December 31th, 2006	January, 2007
Un audited results for quarter ending March, 31th 2007	April, 2007

### Date of Book Closure

from 19th September, 2006 to 29th September, 2006(both days inclusive)

### Listing on Stock Exchange(s)

The National Stock Exchange of India Ltd. and The Bombay Stock Exchange Ltd.

ISIN CODE NO.	: INE978G01016
SCRIPT NAME	: SPLIL
SCRIPT CODE	: 532651
DATE OF ALLOTMENT	: 18.07.2005

### Market Price Data

Month	High	Low
July, 2005	113.00	90.00
August, 2005	114.00	97.25
September, 2005	114.95	88.40
October, 2005	100.90	67.50
November, 2005	86.00	68.00
December, 2005	88.90	71.00
January, 2006	85.90	70.20
February, 2006	77.70	64.55
March, 2006	82.00	55.60

### Registrar and Transfer Agent :

KARVY COMPUTERSHARES PRIVATE LTD  
"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****Consolidated Distribution Schedule as on March 31th, 2006**

Category(Amount)	No.of Holders	% of Holding	Total Shares
1-5000	6552	88.684349%	838886
5001-10000	330	4.466703%	279555
10001-20000	160	2.165674%	251833
20001-30000	83	1.123443%	214524
30001-40000	35	0.473741%	126280
40001-50000	35	0.473741%	167174
50001-100000	57	0.771521%	434483
100001& above	136	1.840823%	26687269
Total	7388	100%	29000004

**Consolidated Shareholding Pattern(as on March 31th, 2006**

S.No	Category	No. of Cases	Total Shares	% To Equity
1	PROMOTERS	45	17665902	60.916895 %
2	BODIES CORPORATES	312	2767961	9.544692 %
3	RESIDENT INDIVIDUALS	6502	2361963	8.144699 %
4	MUTUAL FUNDS	10	2133152	7.355696 %
5	DIRECTORS	5	1834102	6.324489 %
6	FOREIGN INSTITUTIONAL INVESTORS	5	1769339	6.101168 %
7	HUF	313	234776	0.809572 %
8	CLEARING MEMBERS	130	190568	0.657131 %
9	NON RESIDENT INDIANS	65	41241	0.142210 %
10	BANKS	1	1000	0.003448 %
	Total	7388	29000004	100.00 %

**Dematerialization of Shares and liquidity**

Percentage of the Shares of the company in demat form is given below

S.No.	Description	Percentage
1	CDSL	1.76%
2	NSDL	30.65%
3	PHYSICAL	67.59%
4	TOTAL	100%

The shares of the company are listed on NSE/BSE which provides liquidity to the investors.

**Plant Locations**

The plants of the Company are located at :

1. SPL INDUSTRIES LIMITED, PLOT NO. 21/6, FARIDABAD.
2. SPL INDUSTRIES LIMITED, PLOT NO. 22/6, FARIDABAD.
3. SPL INDUSTRIES LIMITED, PLOT NO. 128/24, FARIDABAD.
4. SPL INDUSTRIES LIMITED, 15/1, MATHURAD ROAD, FARIDABAD.
5. SPL INDUSTRIES LIMITED, OPP. PLOT NO. 84/25, VILLAGE KHERA, FARIDABAD.
6. SPL INDUSTRIES LIMITED, PLOT NO. 7/6, FARIDABAD.

**Address for Correspondence**

**Registered Office:**

5/66, 3rd Floor, K.C.House,  
Padam Singh Road,  
Karol Bagh,  
New Delhi-110005

**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, 2006.

New Delhi  
Dated : 04.08.2006

for SPL INDUSTRIES LTD  
B.B.SHARMA  
COMPANY SECRETARY



# AUDITORS' REPORT

To the Shareholders' of

SPL INDUSTRIES LIMITED

We have audited the attached Balance Sheet of SPL INDUSTRIES LIMITED as on 31st March, 2006 and also the Profit & Loss Account and the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by the report comply with the requirements of Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors as on 31st March, 2006 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2006 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2006;
    - ii) in the case of the Profit and Loss Account, of the Profit of the company for the year ended on that date; and
    - iii) in the case of Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

**FOR MEHRA GOEL & CO.**

Chartered Accountants

**R.K. MEHRA**

PARTNER

M. No.: 6102

Place: New Delhi

Dated: July 31st, 2006



## ANNEXURE

(Referred to in paragraph 1 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) In our opinion the fixed assets covering significant value have been physically verified by the Management during the year at reasonable intervals and having regard to the size of the company and the nature of its assets and on the basis of the information and explanations given by the Management, no material discrepancies have been noticed on such verification.
- c) No substantial part of fixed assets has been disposed off during the year.
- ii) a) As per information & explanation given to us, the inventory of the Company in its possession has been physically verified by the Management at reasonable intervals. Stocks in the possession and custody of the third parties and stocks in transit as on 31st March 2006 have been verified by the Management with regard to confirmation or statement of account or correspondence of the third parties or subsequent receipt of goods.
- b) The procedure of physical verification of inventory of the Company followed by the Management is reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on such physical verification as compared to book records.
- iii) As per information & explanation given to us, the company has not taken any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. xi)
- iv) As per information & explanation given to us, the company has not granted any secured loan to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. In respect of unsecured loans granted by the company to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. xii)
- a) The company has further granted loans during the year to two parties aggregating to Rs. 7.70 lacs and maximum amount outstanding at any time during the year and year end balance is Rs. 472 Lacs. xiii)
- b) In our opinion and according to the information and explanations given to us, the rate of interest and other conditions are not, prima facie, prejudicial to the interest of the company. xiv)
- c) As per information and explanation given to us, the interest and principle of the loans granted by the company are repayable on demand and there is no repayment schedule. xv)
- d) The loans given by the company are repayable on demand and therefore the question of overdue amount does not arise. xvi)
- v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our Audit, no major weakness has been noticed in the internal controls. xvii)
- vi) In respect of transactions covered under section 301 of the Companies Act, 1956:- xix)
- a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained u/s 301 of the Companies Act, 1956, have been so entered. xx)
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register have been made at prices which are reasonable having regard to the prevailing market prices at the relevant times. xxii)
- vii) To the best of our knowledge, the company has not accepted any deposits covered under section 58A and 58AA of the Companies Act, 1956. xxiii)
- viii) To the best of our knowledge and explanations given to us, the Company has an internal audit system commensurate with its size and the nature of its business.
- ix) To the best of our knowledge, the Central Government has not prescribed the maintenance of any cost records under Section 209 (1) (d) of the Companies Act, 1956, for the product manufactured by the company.
- x) a) To the best of our knowledge and according to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including Provident Fund.

Investors Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, service tax and any other statutory dues applicable to it with the appropriate authorities.

- b) According to information and explanations given to us there were no arrears of outstanding Income Tax, Wealth Tax, Sale Tax, Service Tax, Cess, Custom Duty, Excise Duty and any other statutory dues as at 31.03.2006 for a period of more than six months from the date they became payable.
- c) To the best of our knowledge and according to information and explanation given to us there are no dues of sales tax / custom duty / wealth tax / excise duty / cess / service tax/ income tax which have not been deposited on account of any dispute except in the following cases: -

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which amount related	Forum where dispute is pending
1	2	3	4	5
Income Tax Act, 1961	Disallowance/ Recalculation U/S 80IB, 80HHC, MAT	Rs. 275.89 Lacs	F/Y 2001-2002	Commissioner) (Appeals
Haryana Sale Tax Act & Central Sale Tax	Additional demand against sale of DEPB License	Rs. 73.98 Lacs Rs. 17.85 Lacs	F/Y 2000-2001 F/Y 2001-2002	Tribunal Tribunal

- xi) The Company has no brought forward losses and has not incurred any cash losses during the financial year covered by our Audit and the immediate preceding financial year.
- xii) In our opinion, the company has not defaulted in repayment of dues to Financial Institutions or Banks.
- xiii) On the basis of verification of accounts and records maintained by the Company and to the best of our knowledge & belief, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiv) The Company is not a chit fund or nidhi / mutual benefit fund / society. Therefore the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- xv) To the best of our knowledge and according to information given to us, the Company is not dealing or trading in shares, securities and debentures.
- xvi) To the best of our knowledge and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from Banks/ Financial Institutions.
- xvii) To the best of our knowledge and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
- xviii) According to the Cash Flow Statement and other records examined by us and information & explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investments.
- xix) According to the information & explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xx) According to the information & explanations given to us the Company has not issued any debenture during the year.
- xxi) The management has disclosed end use of money raised by public issue ( Refer note 12 of schedule 17) and the same is verified by us
- xxii) Based upon the audit procedure performed and information and explanation given by the management we report that no fraud on or by the Company has been noticed or reported during the year.

**FOR MEHRA GOEL & CO.**

Chartered Accountants

**R.K. MEHRA**

PARTNER

M. No.: 6102

Place: New Delhi

Dated: July 31st, 2006

## Balance Sheet As At 31st March, 2006

(Figures in Rupees)

	SCHEDULE No.	AS AT 31.03.2006	AS AT 31.03.2005
<b>I Sources of Funds</b>			
<b>(1) SHAREHOLDERS' FUND</b>			
(a) Share Capital	1	290,000,040	200,000,040
(b) Reserves & Surplus	2	1,290,662,763	638,805,066
<b>(2) Loan Funds</b>	3		
Secured		815,391,368	749,931,370
<b>(3) Deferred Tax Liability</b>		64,856,500	52,806,500
<b>Total</b>		<u>2,460,910,671</u>	<u>1,641,542,976</u>
<b>II Application Of Funds</b>			
<b>(1) Fixed/Intangible Assets</b>	4		
(a) Gross Block		1,205,666,407	918,987,495
(b) Less : Depreciation		<u>450,434,940</u>	<u>384,359,258</u>
(c) Net Block		755,231,467	534,628,237
<b>(2) Capital Work In Progress</b>	5	53,066,351	10,047,117
<b>(3) Investment</b>	6	65,967,585	65,967,585
<b>(4) Current Assets, Loans And Advances</b>			
(a) Inventories	7	1,002,382,863	750,195,182
(b) Sundry Debtors	8	361,687,842	259,417,348
(c) Cash & Bank Balances	9	149,823,173	50,582,760
(d) Loans & Advances	10	476,483,204	305,563,246
		<u>1,990,377,082</u>	<u>1,365,758,536</u>
<b>Less : Current Liabilities And Provisions</b>	11		
(a) Current Liabilities		343,001,015	302,140,997
(b) Provisions		<u>60,730,799</u>	<u>32,717,502</u>
		403,731,814	334,858,499
<b>Net Current Assets</b>		1,586,645,268	1,030,900,037
<b>Total</b>		<u>2,460,910,671</u>	<u>1,641,542,976</u>
Significant Accounting Policies	16		
Notes To Accounts	17		
Auditors' Report			
As Per Our Report Attached			

**For Mehra Goel & Co.  
Chartered Accountants**

R.K. Mehra  
(Partner)  
M.No. 6102

Place : New Delhi  
Date : July 31st, 2006

Pushpak Bansal  
(Chief Financial Officer)

B.B. Sharma  
(Company Secretary)

H.R. Gupta  
(Chairman & Managing Director)

Vijay Jindal  
(Joint Managing Director)

# Profit & Loss Account For The Year Ended 31st March, 2006

(Figures in Rupees)

	SCHEDULE No.	Year Ended 31.03.2006	Year Ended 31.03.2005
<b>Income</b>			
Sales of Product	12	2,607,305,956	1,752,770,912
less:- Excise Duty		58,700,053	52,839,427
Net Sales		2,548,605,903	1,699,931,485
Other Income	13	14,991,031	11,314,307
		<u>2,563,596,934</u>	<u>1,711,245,792</u>
<b>Expenditure</b>			
Manufacturing Administrative & Other Expenses	14	2,213,622,367	1,419,161,629
Financial Charges	15	82,093,129	71,910,870
Depreciation	4	76,795,997	67,997,520
		<u>2,372,511,494</u>	<u>1,559,070,019</u>
<b>Profit Before Tax</b>		191,085,440	152,175,773
<b>Provision For Taxation</b>			
--Current Income Tax		24,000,000	22,000,000
--Deferred Income Tax		12,050,000	11,100,000
--Fringe benefit Tax		2,760,000	-
Income Tax Paid for Earlier Years		26,876	-
-- Wealth Tax		135,720	79,450
<b>Profit After Tax</b>		152,112,844	118,996,323
<b>Add/(Less) :</b>			
Profit Brought Forward From Previous Year		627,841,492	608,845,189
Less: Bonus Share Issued		-	100,000,020
Balance Carried To Balance Sheet		<u>779,954,336</u>	<u>627,841,492</u>
Basic/Diluted Earning Per Share (Refer Note No. 14)		5.78	5.95
Nominal Value of Equity Share		10	10
Significant Accounting Policies	16		
Notes To Accounts	17		
Auditors' Report As Per Our Report Attached			

**For Mehra Goel & Co.  
Chartered Accountants**

R.K. Mehra  
(Partner)  
M.No. 6102

Place : New Delhi  
Date : July 31st, 2006

Pushpak Bansal  
(Chief Financial Officer)

B.B. Sharma  
(Company Secretary)

H.R. Gupta  
(Chairman & Managing Director)

Vijay Jindal  
(Joint Managing Director)



## Schedules Forming Part Of Balance Sheet

(Figures in Rupees)

	AS AT 31.03.2006	AS AT 31.03.2005
<b>Schedule - 1 Share Capital</b>		
Authorised		
30,000,000 Equity Shares Of Rs. 10/- Each	300,000,000	300,000,000
Issued Subscribed and Paid Up*		
29,000,004 (Previous year 20,000,004)		
Equity Shares Of Rs.10/-		
Each Fully Paid Up	290,000,040	200,000,040
	<u>290,000,040</u>	<u>200,000,040</u>
*Above includes 2 equity shares allotted as fully paid up shares without payment being received in cash on amalgamation of SPL Machines Ltd. with the company and 10,000,002 issued as Bonus share by Capitalization of accumulated balance in Profit & Loss Account.		
<b>Schedule - 2 Reserves And Surplus</b>		
<b>Capital Reserve</b>		
At The Commencement and end of The Year	107,174	107,174
Add:- capital subsidy during the year	3,000,000	-
	<u>3,107,174</u>	<u>107,174</u>
<b>Security Premium Account</b>		
Received During the Year	540,000,000	-
Less:- Public Issue Expenses	43,255,147	-
	<u>496,744,853</u>	<u>-</u>
<b>General Reserve</b>		
At The Commencement and end of The Year	10,856,400	10,856,400
Profit & Loss Account	779,954,336	627,841,492
	<u>1,290,662,763</u>	<u>638,697,892</u>
<b>Schedule - 3 Loan Funds</b>		
<b>Secured</b>		
From Banks		
---Term Loan*	32,925,383	43,929,383
---Other Term Loan**	5,963,107	2,070,903
---Working Capital Loan ***		
In Foreign Currency	332,590,524	322,699,168
In Indian Currency	297,548,809	258,386,160
Term Loan From Financial Institution****	143,000,000	117,000,000
Term Loan From Body Corporates*****	3,363,545	5,845,756
	<u>815,391,368</u>	<u>749,931,370</u>

\*Secured by first charge on Land & Building and Plant & Machinery acquired under the loan and first (exclusive) charge over factory land & building located at Plot No. 7, Plot No. 22 and Plot No. 39, Sector 6, Faridabad and second pari passu charge on existing fixed assets of the company located at Plot No. 7, 21, 22, 39 in Sector 6, 15/1, Mathura Road and Plot No. 128, Sector 24, Faridabad. Further guaranteed by personal guarantee of CMD and Jt. Managing Directors of the Company.

\*\*Secured by hypothecation of specific vehicles.

\*\*\*Rs. Nil (previous Year Rs. 1031.88) secured by document of purchase demand promissary Note of Rs. Nil (previous Year Rs. 1310 Lacs), specified ECGC Policy. Rs. 6301.39 Lacs (Previous Year 4778.97. Secured by first pari passu charge on current assets, first (exclusive) Charge over factory land & building located at Plot No. 7, Plot No. 22 and Plot No. 39, Sector 6, Faridabad and second pari passu charge on existing fixed assets of the company located at Plot No. 7, 21, 22, 39 in Sector 6, 15/1, Mathura Road and Plot No. 128, Sector 24, Faridabad. All the loans are further guaranteed by personal guarantee of CMD and Jt. Managing Directors of the Company.

\*\*\*\*Secured by first mortgage and charge on all the company's immovable and movable assets, both present and future, (save and except book debts), subject to the charge created / to be created in favour of the company's bankers on current assets for securing borrowings for working capital requirements and charges created for specific equipments in favour of banks/IDBI, ranking pari passu with the charges created and /or to be created in favour of existing term lenders. The loan is further secured by personal guarantee of CMD and Jt. Managing Directors of the Company. Rs. 430/- Lacs (Previous Year Rs.610 Lacs) is further secured by deposit of lease deeds in respect of properties situated at 15/1, Mathura Road, Faridabad.

\*\*\*\*\*Secured by first exclusive charge on Plant & Machinery acquired under the loan. The loan is further secured by Personal Guarantee of CMD & Jt. Managing Director.

## SCHEDULE - 4 FIXED/INTANGIBLE ASSETS

ASSETS	Gross Block				Depreciation			Net Block		
	AS AT 01.04.05	ADDITIONS	SALE/ TRANSFER	AS AT 31.03.06	UP TO 01.04.05	FOR THE YEAR	Written Back On Sale	Up TO 31.03.06	AS AT 31.03.06	AS AT 31.03.05
LAND	83,156,287	0	-	83,156,287	-	-	-	-	83,156,287	83,156,287
BUILDING *	110,266,363	31,615,836	-	141,882,219	20,663,263	3,841,336	-	24,504,599	117,377,620	89,603,120
PLANT & MACHINERY	681,674,291	257,088,866	18,407,815	920,355,342	340,920,615	65,183,294	9,507,792	396,596,117	523,759,225	340,753,676
VEHICLES	17,641,784	7,451,638	2,754,691	22,338,731	7,110,837	1,862,662	1,212,523	7,760,976	14,577,755	10,530,947
FURNITURE & FIXTURE	8,697,476	5,334,836	-	14,032,312	4,567,993	598,151	-	5,166,144	8,866,168	4,129,483
OFFICE EQUIPMENTS	12,944,599	2,728,319	-	15,672,918	6,801,507	1,673,899	-	8,475,406	7,197,512	6,143,092
ASSETS BELOW 5000	3,671,775	3,176,573	-	6,848,348	3,671,775	3,176,573	-	6,848,348	-	-
<b>INTANGIBLE ASSETS</b>										
COMPUTER SOFTWARE	934,900	445,350	-	1,380,250	623,268	460,083	-	1,083,351	296,899	311,632
<b>TOTAL</b>	<b>918,987,495</b>	<b>307,841,418</b>	<b>21,162,506</b>	<b>1,205,666,407</b>	<b>384,359,258</b>	<b>76,795,997</b>	<b>10,720,315</b>	<b>450,434,940</b>	<b>755,231,467</b>	<b>534,628,237</b>
PREVIOUS YEAR	877,320,297	63,064,328	21,397,130	918,987,495	327,047,215	67,997,520	10,685,477	384,359,258	534,628,237	

\* Cost of Building and accumulated depreciation includes Rs. 15.54 Lacs (previous Year Rs. 15.54 Lacs) on account of leasehold improvements, depreciation on the same has been amortised over the original period of lease.

## Schedules Forming Part Of Balance Sheet

(Figures in Rupees)

	AS AT 31.03.2006	AS AT 31.03.2005
<b>Schedule - 5 Capital Work In Progress</b>		
Building	22,534,706	9,641,067
Plant & Machinery	66,464	406,050
Advance For Capital Goods (Unsecured, Considered Good)	30,465,181	
	<u>53,066,351</u>	<u>10,047,117</u>
<b>Schedule - 6 Investment (Long Term - Other Than Trade ) Unquoted, Fully Paid up</b>		
<b>Elkay International P. Ltd.</b>	6,665,000	6,665,000
-6,66,500 Equity Shares of Rs. 10/- Each		
<b>Elkay Strips Ltd.</b>	9,575,000	9,575,000
-95,750 Equity Shares of Rs. 100/- Each		
<b>Sadhu Forging Ltd.</b>	27,500,000	27,500,000
-27,500 Equity Shares of Rs.100/- Each		
<b>Investment in Subsidiary Company Unquoted, Fully Paid up</b>		
<b>Mode Prints Ltd.</b>	22,227,585	22,227,585
- 13,01,000 Equity Shares of Rs.10/- Each		
	<u>65,967,585</u>	<u>65,967,585</u>
<b>Schedule - 7 Inventory (As Taken, Valued And Certified By The Management)</b>		
Raw Material	228,201,001	151,616,094
Stores & Spares	5,557,257	2,117,050
Fuel & Furnace Oil	891,467	847,180
Work in Progress	585,201,504	464,208,924
Packing Material	3,840,145	1,339,770
Finished Goods	178,254,349	130,022,691
Goods in Transit	396,565	43,473
Scrap	40,575	-
	<u>1,002,382,863</u>	<u>750,195,182</u>
<b>Schedule - 8 Sundry Debtors (Unsecured)</b>		
Debts Outstanding Over Six Months		
--Considered Good	93,927,329	76,014,944
--Considered Doubtful	10,462,414	1,300,998
--Less Provision for Doubtful Debts	(10,462,414)	(1,300,998)
Others*	267,760,513	183,402,404
	<u>361,687,842</u>	<u>259,417,348</u>

\* Includes Rs.18222994/- (Previous Year Rs.29894618/-) Due from SPL Overseas a firm in which a director is partner.



## Schedules Forming Part Of Balance Sheet

(Figures in Rupees)

	AS AT 31.03.2006	AS AT 31.03.2005
<b>Schedule - 9 Cash and Bank Balances</b>		
Cash in Hand	1,171,512	1,575,738
<b>Balance With Scheduled Banks</b>		
--in Current Accounts	9,005,802	7,247,577
--in Fixed Deposit Accounts *	139,645,759	41,759,345
<b>Balance With Post Office</b>		
--Saving Account**	100	100
	<u>149,823,173</u>	<u>50,582,760</u>
*Including Interest Accrued Thereon Rs.131529/- (Previous Year Rs. 309985/-).		
**Maximum Balance During the year Rs.100/- (Previous Year Rs. 100/-).		
<b>Schedule - 10 Loans And Advances</b>		
(Unsecured, Considered Good)		
Advances Recoverable in Cash Or in Kind or for Value To be Received	222,620,822	153,281,854
Loan & Advances	48,773,850	44,544,484
Security Deposit	8,828,052	2,516,552
Export Benefit Receivable	115,197,492	74,521,745
Advance To Subsidiary Company	685,181	1,052,561
Balance With Excise Department	13,365	17,251
Centvat Receivable	9,671,144	14,436,888
Advance Wealth / Income Tax	70,693,298	15,191,911
	<u>476,483,204</u>	<u>305,563,246</u>
<b>Schedule - 11 Current Liabilities And Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors	292,322,769	267,526,178
Book Overdraft	3,000,466	-
Interest Accrued but not Due on Loans	-	6,387
Other Liabilities	47,677,780	34,608,432
A	<u>343,001,015</u>	<u>302,140,997</u>
<b>Provisions</b>		
Retirement Benefits	5,745,629	4,438,352
Provision for Wealth / Income Tax	54,985,170	28,279,150
B	<u>60,730,799</u>	<u>32,717,502</u>
A+B	<u>403,731,814</u>	<u>334,858,499</u>



## Schedules Forming Part Of Profit & Loss Account

(Figures in Rupees)

	Year Ended 31.03.2006	Year Ended 31.03.2005
<b>Schedule - 12 Sales</b>		
Sales including Excise Duty		
--Export	2,379,679,237	1,462,924,792
--Domestic	32,008,735	48,638,934
Processing Charges	93,180,949	117,166,980
Export Incentives	105,164,259	119,507,319
Exchange Fluctuation (Net)	(2,727,224)	4,532,887
	<u>2,607,305,956</u>	<u>1,752,770,912</u>
<b>Schedule - 13 Other Income</b>		
Interest*	10,551,700	5,231,342
Profit on Sale of fixed Assets	45,073	2,817,559
Other Income	4,394,258	3,265,406
	<u>14,991,031</u>	<u>11,314,307</u>

\*Tax Deducted at Source Rs.1386925/-  
(Previous Year Rs. 10,93,874/-).

## Schedules Forming Part Of Profit & Loss Account

(Figures in Rupees)

### Schedule - 14 Manufacturing, Administrative

#### And Other Expenses

Raw Material Consumed	1,423,657,236	971,895,249
Store Consumed	19,459,197	17,408,324
Salary & Wages	186,843,092	156,993,420
Welfare Expenses	5,352,431	4,471,710
Contribution To P.F. and Other Funds	21,698,827	15,696,004
Power & Fuel	133,450,388	97,630,081
Job Work Charges	263,656,473	203,950,243
Provision of Excise Duty on Closing Stock (Net)	(1,026,116)	(334,748)

#### Repair & Maintenance

--Plant & Machinery	20,270,989	15,341,040
--Building	2,603,487	1,869,470
--Others	3,778,052	2,224,966
Advertisement & Publicity	150,762	70,617
Travelling & Conveyance	15,589,945	12,753,922
Printing & Stationery	6,000,574	4,256,021
Postage Telegram and Telephone	13,464,603	10,777,690
Insurance	4,977,217	4,579,865

#### Auditors Remuneration

--Audit Fees	785,680	700,000
--Tax Audit Fees	112,240	100,000
--Other Services	81,600	106,100
Legal & Professional Charges	1,857,086	2,005,143
Rent	1,408,344	1,252,650
Rates & Taxes	4,249,581	4,036,435
Quota Expenses	-	43,239,948
Vehicle Running & Maintenance	2,834,664	2,372,353
Sales Promotion	5,090,211	3,460,306
Selling Expenses	184,924,153	110,633,568
Miscellaneous Expenditure	46,206,413	51,125,437
Loss On Sale Of Fixed Assets (Net)	4,897,565	3,653,289
Provision for doubtful debts	916,1416	-
Bad Debts Written Off	1,151,070	-

A

2,382,887,180 1,742,269,103

#### Add/(Less) : Decrease/(Increase) in Stock

##### Opening Stock

--Finished Goods	130,022,691	39,546,886
--Work In Progress	464,208,924	231,556,645
--Scrap	-	20,610

B

594,231,615 271,124,141

##### Closing Stock

--Finished Goods	178,254,349	130,022,691
--Work In Progress	585,201,504	464,208,924
--Scrap	40,575	-

C

763,496,428 594,231,615

D (B-C)

(169,264,813) (323,107,474)

A+D

2,213,622,367 1,419,161,629

### Schedule - 15 Financial Charges

#### Interest

--Term Loans	14,043,573	11,722,689
--Others	49,238,745	37,266,470
Bank & Financial Charges	18,810,811	22,921,711
	82,093,129	71,910,870



## **SCHEDULE- 16. SIGNIFICANT ACCOUNTING POLICIES**

### **1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial statements are prepared under the historical cost convention on accrual basis in accordance with generally accepted accounting principles and applicable accounting standards issued by the institute of Chartered Accountants of India and the provision of Companies Act, 1956.

### **2. FIXED ASSETS**

Fixed assets are stated at cost net of Modvat/cenvat/VAT wherever availed, less accumulated depreciation. Cost of fixed assets comprises purchase price, duties, levies, borrowing cost, exchange fluctuations and any directly attributable cost of bringing the assets to its working condition for the intended use.

Advance paid towards the acquisition of fixed assets and the cost of assets not ready to put to use before the year end, are disclosed under capital work in progress.

### **3. 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 charges to revenue in the year of incurrance. 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 amotised over a period of three years

### **4. IMPARIMENT OF ASSETS**

Carrying amount of cash generating units / assets is reviewed for impairment. Impairment, if any, is recognized where the carrying amount exceeds the recoverable amount being the higher of net realizable price and value in use.

### **5. DEPRECIATION**

Depreciation on all plant and machinery, building at Sarai(Faridabd )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-data basis for assets purchased / sold during the year. Individual assets costing Rs. 5000/- or less are depreciated in full, in the year of purchase. Depreciation on incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets is provided as aforesaid over the residual life of the respective assets.

### **6. INVESTMENTS**

Investments are classified into current and long-term investments. Current investments are stated at lower of cost or market value. Long-term investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of management.

### **7. INVENTORY VALUATION**

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net realisable value. The cost is determined by using First In First Out (FIFO) method. Finished goods & work in progress includes costs of conversion & other costs incurred in bringing the inventories to their present location & condition.

Excise duty on closing stock of manufactured goods, wherever applicable, is accounted for on the basis of payment made in respect of goods cleared as also provision made for goods lying in the factory and included in the value of such stocks.

### **8. SALES**

Sales are inclusive of excise duty and net of sales tax, whenever applicable.

### **9. PROCESSING CHARGES**

Processing charges are net of returns, trade discount and rebates.

### **10. PURCHASE OF RAW MATERIALS:**

Cost of Purchase less modvat/cenvat credits, wherever availed, constitutes purchase price and includes duties, freight inward and other cost directly attributable to such purchase in the year in which they are accounted, whether the expenditure is immediate or deferred.





Public issue expenses have been deducted from security premium account.

## 20. PUBLIC ISSUE EXPENSE

gent liabilities are not recognized but are disclosed in notes. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are classified as possible obligations. 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.

## 19. PROVISION AND CONTINGENT LIABILITIES

No dividend has been proposed to declare by the Board.

## 18. PROPOSED DIVIDEND

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

## 17. MODVAT/CENVAT/VAT

end of the year on the basis of last salary drawn, in the absence of actuarial valuation. Contribution to defined contribution schemes such as provident fund and family pension funds are charged to revenue. For gratuity, the company has opted the scheme managed by Life Insurance Corporation of India (LIC). Amount paid / payable to the LIC towards gratuity liability is charged to revenue. For the employees not covered by the said scheme, the gratuity liability is provided for in the accounts on the basis of last salary drawn. Provision for earned leave is made for the value of unutilized leave due to employee as at the end of the year on the basis of last salary drawn, in the absence of actuarial valuation.

## 16. RETIREMENT BENEFITS

Deferred tax assets arising from temporary timing difference are recognized to the extent there is virtual certainty that the assets can be realized in future. In accordance with the Accounting standard 22-Accounting for Taxes on income, issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book & tax profit is accounted for using the tax rates and the tax laws that have been enacted or substantially enacted as of the balance sheet date.

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.

## 15. INCOME TAX

Exchange differences arising on liabilities incurred or on repayment of borrowings in foreign currency for acquisition of fixed assets are adjusted in the carrying cost except borrowing utilized for acquisition of assets within India on or after 1st April 2004 in which case these are recognized in the profit & loss A/c account except in cases where these relate to the acquisition of fixed assets.

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 profit and loss account except in cases where these relate to the acquisition of fixed assets.

## 14. FOREIGN CURRENCY TRANSACTIONS

Claim receivables are accounted for depending on the certainty of receipt & Claims payable are accounted for at the time of acceptance.

## 13. CLAIMS:

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

## 12. DIVIDEND INCOME:

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalized as part of 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 revenue.

## 11. BORROWING COST:

## SCHEDULE- 17 NOTES TO ACCOUNTS

### 1. CONTINGENT LIABILITIES

	As At 31.03.2006 (Rs. In Lacs)	As At 31.03.2005 (Rs. In Lacs)
(a) Bank Guarantee for A.E.P.C. and Custom Duty	46.09	145.87
(b) Bills Discounted	2423.96	1146.27
(c) Outstanding Letter of Credit (Net of Margin of Rs. 131.21 Lacs (PY. 414.73 Lacs))	895.94	1542.05
(d) Disputed Liability towards Provident Fund and E.S.I (Net of paid under protest)	21.41	431.14
(e) Disputed Liability towards Sales Tax (Net of paid under protest)	71.82	91.82
(f) Estimated amount of Contract remaining to be executed (Net of Advance)	309.23	39.30
(g) Surety given to Sales Tax Department for third party	1.00	1.00

2. In case of default in repayment of principal amount of the term loans taken from IDBI or interest thereon IDBI has a right to convert at par at its option 100% of the defaulted amount into fully paid up equity shares of the company. The balance of aforesaid loans as at 31.03.2006 is Rs.1430.00 Lacs. (As at 31.03.2005 Rs. 1170.00 Lacs)

### 3. Directors Remuneration

	Current Year (Rs in Lacs)	Previous Year (Rs in Lacs)
Salary	30.00	10.25
HRA	--	0.34
Perquisites	--	0.40
	<u>30.00</u>	<u>10.99</u>
Director's Sitting Fees	0.18	--

Note: Above does not includes payment made to gratuity fund managed by the Life Insurance Corporation of India and provision made for leave encashment as the contribution provision made for the directors is not separately identifiable.

4. Computation of Net Profit in accordance with section 198/349 of the Companies Act, 1956 has not been given as no commission is payable to Managing/Whole Time Directors.
5. The Company has invested Rs. 95.75 Lacs in the equity share capital of Elkay Strips Ltd., which has incurred losses as a result of which the net worth of aforesaid company has been depleted. As investment is held as long term investment and considering the assets base of investee company, the management is of the opinion that the diminution in value of equity shares is of temporary in nature and accordingly no provision is considered necessary for the same.
6. Interest income includes Rs. 35,18,057/- (Previous Year Rs.42,90,695/-) on loans to body corporates, Rs. 66,19,454/- (Previous Year Rs.9,15,942/-) on fixed deposit with bank.
7. Exchange fluctuation (net) includes Rs. (53.11) Lacs (Previous Year Rs. 83.69), which is arisen on cancellation of forward exchange contracts.
8. Misc. Expenses includes Rs. 54.30 Lacs (Previous Year Rs. 205.16 Lacs gain) for running and maintenance of a foreign office.
9. Sundry creditors includes Rs. 471088.73 (Previous year-Rs.129020/-) due to small scale and ancillary undertakings to the extent such parties have been identified from available information, which have been relied upon by the auditors. The Company has normally made payments to SSI units in due time and also being no claim from the parties, interest, if any, on overdue payment is unascertainable and thus not provided for. The names of SSI units to whom company owes any sum, which is outstanding for more than 30 days as at the balance sheet date, are ASB Industries pvt. Ltd., Jain labels Pvt. Ltd., Asthatec Services P. Ltd. and K.C. Enterprises.

## 10. Segment Information:

### a) Primary Segment Reporting by Business Segment:

Primary business segment of the company is sale of cotton garments and made ups i.e. T-Shirts, Cotton Sweater, Bed Sheets etc, which in the context of Accounting Standard 17 on "Segment Reporting" issued by ICAI is considered the only business segment.

### b) Secondary Segment Reporting (By Geographical Segments):

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

	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
(i) Sales to Overseas Market	23796.79	14629.25
(ii) Sales to Domestic Market	320.09	486.39

The Company has common fixed assets for producing goods for overseas markets and domestic markets. Hence, separate figures for fixed assets/additions to fixed assets etc. cannot be furnished.

## 11. Related Party Information:

### (i) Relationships:

#### (a) Subsidiary Companies:

- (i) Mode Prints Ltd.

#### (c) Key Management Personnel (KMP):

- (i) H.R. Gupta
- (ii) Vijay Jindal
- (iii) Praveen Garg
- (iv) Pankaj Garg
- (v) Mukesh Aggarwal

#### (b) Associates:

- (i) Elkay Strips Ltd.

#### (d) Relatives of Key management personnel):

- (i) Punita Jindal
- (ii) Nikita Garg
- (iii) Avni Jindal
- (iv) Richa Jindal
- (v) Ram Billas Aggarwal
- (vi) Kiran Aggarwal
- (vii) Suditi Garg

#### e) Enterprises over which key management personnel (KMP) or relative having significant influence:

- (i) Sadhu Forging Ltd.
- (ii) Elkay Telelinks Ltd.
- (iii) SPL Overseas
- (iv) Elkay International Ltd.

Note: Related party relationship is as identified by the company and relied upon by the auditors.



(ii) Transactions Carried out with related parties referred in (i) above, in ordinary course of business:

Rs. In Lacs

PARTICULARS	Subsidiary Companies		Associates		Key Management Personnel		Relatives of key Management Personnel		Enterprises over which KMP & their relatives have significant influence		Grand total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Rent Paid	6.00	6.00	5.94	5.09	-	-	-	-	0.64	-	12.58	11.09
Payment made by Company on behalf of them	0.96	2.34	-	11.81	-	-	-	-	-	173.46	0.96	187.61
Payment received by Company on behalf of them	-	-	-	-	-	-	-	-	-	2.20	-	2.20
Remuneration	-	-	-	-	30.00	10.99	8.82	8.52	-	-	38.82	19.51
Interest Received	-	-	30.98	30.19	-	-	-	-	4.20	11.63	35.18	41.82
Interest Paid	-	-	-	-	-	-	-	-	-	10.36	-	10.36
Loan & advance Given	-	-	4.20	7.50	-	-	-	-	3.50	136.93	7.70	144.43
Loan Taken	-	-	-	-	-	-	-	-	-	234.00	-	234.00
Security received back	-	-	-	-	-	-	-	-	-	-	-	-
Sale/Jobwork	-	-	-	-	-	-	-	-	8.93	210.74	8.93	210.74
Sale of Investment	-	-	-	-	-	11.08	-	20.11	-	-	-	31.19
Purchase/Job work	-	-	-	0.72	-	-	-	-	36.29	44.61	36.29	45.33
Purchase of Fixed Assets	-	-	-	-	-	-	-	-	198.58	-	198.58	-
<b>Outstanding</b>												
Receivable	-	-	-	-	-	-	-	-	182.23	298.95	182.23	298.95
Payable	-	-	-	-	-	-	0.51	0.65	15.08	-	15.59	0.65
Loan & Advances Given	6.85	10.53	412.77	392.97	-	-	-	-	59.23	52.25	478.85	460.97
Loan Taken (Including Interest Payable)	-	-	-	-	-	-	-	-	-	-	-	-

12. i) The Company has issued and allotted 90,00,000 Equity Shares of Rs. 10/- at a premium of rs. 60/- per share. Consequently:

- Share Capital increased by Rs. 900 Lacs
- Security premium Account Rs. 5400 Lacs

(ii) Share issue expenses Rs. 433 Lacs has been deducted from security premium account.

(iii) Out of Rs. 6300 Lacs raised through IPO Rs. 4296 Lacs have been utilized for meeting capital expenditure and share issue expenses as per the object of IPO.

(iv) As per the object of IPO the company has to invest RS. 517 Lacs towards setting of Yarn Dyeing Plant but management has formed an opinion that this investment is not remunerative and decided to diversify for the expansion of existing capacity of knitted Dyed Fabric and Knitted Garments instead of yarn Dyeing plant. Balance funds are temporarily invested with Banks as FDRs.



### 13. Deferred Tax

(Rs. In Lacs)

Deferred tax liability at the year end  
comprise of the followings:

	AS at 31.03.2006	AS at 31.03.2005
<b>(1) Deferred liability on account of:</b>		
Timing difference between book & tax depreciation	723.89	553.94
	<b>723.89</b>	<b>553.94</b>
<b>(2) Deferred Assets on account of:</b>		
Disallowance under section 43B	41.17	17.35
Provision for Doubtful Debts	30.84	00.00
Others	02.02	08.52
	<b>75.33</b>	<b>25.87</b>
<b>Net Deferred Tax Liability</b>	<b>648.56</b>	<b>528.07</b>

### 14. Calculation of Earning Per Share

#### a) Weighted Average number of Equity Shares

Number of equity share at the commencement of the year(Nos.)	2,00,00,004	1,00,00,002
Add: Bouns share issued during the year (Nos.)		1,00,00,002
Add: Public Issue during the year (90,00,000 Shares) (90,00,000 X 257 / 365)	63,36,986	
Weighted Average Number of Equity Shares used as denomination (Nos.)	<u>2,63,36,986</u>	<u>2,00,00,004</u>
b) Net profit available for Equity Share holders	15,21,12,844	11,89,96,323
c) Basic & Diluted earning per share (b/a) (Rs.)	5.78	5.95

15. Personal accounts are subject to confirmation of respective parties.

16. Previous year figures have been regrouped/ rearranged, wherever considered necessary.

**18 Additional information under part-II of Schedule VI to the Companies Act, 1956 . (As Certified by the management).**

(a) Licensed Capacity	N.A	
	Current Period	Previous year
(b) Installed Capacity		
(As certified by the management)		
Knitted Fabric	7000 MT	4600 MT
Processing and Dyeing of Fabric	8000 MT	5000 MT
Garments	132 Lakh Pcs	97 Lakh Pcs
(c) Particulars of production		
Dyed Knitted Fabric*	5247.645 MT	3392.712 MT
Processing and Dyeing	1133.077 MT	1765.331 MT
Garments	11770222 Pcs	6148959 Pcs
* Includes 339.032 MT (Previous Year 141.192 MT) Fabric purchased.		

**(d) Particulars of Finished Goods**

	Current Period		Previous Year	
	Qty	Value (Rs.)	Qty	Value (Rs.)
<b>I Opening Stock</b>				
Dyed Knitted Fabric	272.334 MT	114207742	54.494 MT	19036133
Processing and Dyeing	10.694 MT	754134	3.681 MT	172623
Garments	52745 Pcs	15048272	71637 Pcs	20338130
Others		12543		-
		<u>130022691</u>		<u>39546886</u>
<b>II Closing Stock</b>				
Dyed Knitted Fabric	398.287 MT	169317178	272.334 MT	114207742
Processing and Dyeing	15.408 MT	1,011,714	10.694 MT	754,134
Garments	11965 Pcs	3296105	52745 Pcs	15048272
Others		4629352		12,543
		<u>178254349</u>		<u>130022691</u>
<b>(e) Particulars of Turnover</b>				
Dyed Knitted Fabric	5121.692 MT*	19403565	3174.873 MT*	17816583
Processing and Dyeing	1128.363 MT	93180949	1758.318 MT	117166980
Garments	11811002 Pcs**	2310009034	6167851 Pcs**	1468444917
Other		82,275,373		25,302,226
		<u>2504868921</u>		<u>1628730706</u>

\* Includes 4976.618 MT ( Previous Year 3056.599MT) for Captive consumption for Garments & Nil MT(Previous Year 17.270) for Home Furnishing.

\*\* Includes Sample Sale 3965 Pcs. (Previous Year 3672 Pcs.)

**(f) Raw Material Consumed**

	Current Period		Previous Year	
	Qty	Value (Rs.)	Qty	Value (Rs.)
Colour and Chemical	6123.150 MT	181526001	5368.425 MT	183560001
Yarn	5263.718 MT	904180082	3453.490 MT	607360786
Fabric Knitted	619.602 MT	183559092	195.695 MT	42378266
* Others		154392061		138596196
		<u>1423657236</u>		<u>971895249</u>

\* Includes accessories sold Rs. Nil ( previous year Rs. 223360/-)



**(g) Value of Imported /Indigenous Raw material and Stores Consumed**

	Percentage	Value (Rs.)	Percentage	Value (Rs.)
<b>Raw Material</b>				
Imported	12.59	179303570	18.23	77221849
Indigenous	87.41	1244353666	81.77	794673400
	<u>100</u>	<u>1423657236</u>	<u>100</u>	<u>971895249</u>
<b>Stores and Spares</b>				
Imported	47.98	9336837	23.35	4064241
Indigenous	52.02	10122360	76.65	13344083
	<u>100</u>	<u>19459197</u>	<u>100</u>	<u>17408324</u>

**(h) CIF Value Of Import**

	Current Period Value (Rs)	Previous Year Value (Rs)
Raw material	155,971,323	149,767,466
Capital Goods	164,288,585	18,597,522
Stores and spares	767,745	3,464,142
	<u>321,027,653</u>	<u>171,829,130</u>

**(i) Expenditure in Foreign Currency**

	Current Period Value (Rs)	Previous Year Value (Rs)
Travelling	2,866,721	1,744,909
Others	22,637,234	35,483,643
	<u>25,503,955</u>	<u>37,228,552</u>

**(j) Earnings in Foreign Currencies**

<b>FOB Value of Exports</b>	2,240,304,702	13,990,584,668
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Auditors' Report  
As per our report attached

**FOR MEHRA GOEL & CO.****Chartered Accountants**

R.K. MEHRA  
(Partner)  
M.No. 6102

Pushpak Bansal  
(Chief Financial Officer)

H.R. Gupta  
(Chairman & Managing Director)

B.B. Sharma  
(Company Secretary)

Vijay Jindal  
(Joint Managing Director)

PLACE : NEW DELHI  
DATE : July 31st, 2006

## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE PERIOD ENDED 31ST MARCH, 2006

	Year ended 31.03.2006 (Rs. In Lacs)	Year ended 31.03.2005 (Rs. In Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit after Tax and before/prior period/extra ordinary items	1,521.13	1,189.96
<b>Adjustment for :</b>		
Depreciation/Amortisation	767.96	679.98
Expenses amortised	-	-
Provision for retirement benefit	13.07	8.87
Interest and financial charges	820.93	719.11
(Profit)/ Loss on Sale of Fixed Assets (Net)	48.52	8.36
Provision for tax/Tax for Earlier years	389.73	331.79
Bad Debts/provision for doubtful debts	103.12	-
Interest Income on Loan to Body Corporates	(35.18)	(43.16)
Exchange Fluctuation	32.96	(25.10)
Operating Profit Before Working Capital Change	<b>3,662.24</b>	<b>2,869.81</b>
<b>Adjustment for :</b>		
(Increase)/Decrease in Trade and Other Receivable	(2,270.69)	(1,401.71)
(Increase)/Decrease in Inventories	(2,521.87)	(3,932.40)
Increase/(Decrease) in Trade Payable	408.66	1,063.72
Cash Generated from operations	(721.66)	(1,400.58)
Direct Taxes Paid	(557.18)	(39.59)
Cash Flow before prior period & Extraordinary items	(1,278.84)	(1,440.17)
Prior Period Items	-	-
Net Cash (Used in) From Operating Activities	<b>(1,278.84)</b>	<b>(1,440.17)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets(Including capital work in progress) & Intangible Assets	(3,508.61)	(361.68)
Sale/Damage of Fixed Assets	55.90	98.76
Interest Income on Loan to Body Corporates	35.18	43.16
Sale of Investment	-	156.50
(Increase)/Decrease in Loan to Body Corporates	(42.29)	379.39
Net Cash (Used in) /from investing activities	<b>(3,459.82)</b>	<b>316.13</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Share Capital Including Share Premium	5,867.45	-
Capital Subsidy Received	30.00	-
Repayment of Long Term Borrowings	(401.88)	(369.72)
Proceed from Long Term Borrowings	565.94	588.73
Short-term borrowing (Net)	477.69	1,943.10
Interest Paid	(821.00)	(722.36)
Exchange Fluctuation	12.86	11.09
Share Issue Expenses	-	-
Net Cash (Used in)/from Financing Activities	<b>5,731.06</b>	<b>1,450.84</b>
Net increase(decrease) in Cash and Cash equivalents (A+B+C)	<b>992.40</b>	<b>326.80</b>
Cash and Cash equivalents at beginning of the Year	505.83	179.03
Add: Cash and cash equivalents received on amalgamation	-	-
	<b>505.83</b>	<b>179.03</b>
Cash and Cash equivalents at the end of the Period/Year	1,498.23	505.83

### NOTES

- Cash flow statement has been prepared following the "indirect method" as set out in the Accounting Standard -3 on Cash flow statement issued by the ICAI.

Auditors' Report  
As Per Our Report Attached

**For Mehra Goel & Co.**  
**Chartered Accountants**

**R.K. Mehra**  
(Partner)  
M.No. 6102

Place : New Delhi  
Date : July, 31st, 2006

Pushpak Bansal  
(Chief Financial Officer)

B.B. Sharma  
(Company Secretary)

H.R. Gupta  
(Chairman & Managing Director)

Vijay Jindal  
(Joint Managing Director)

# Balance Sheet Abstract & Company's General Business Profile

## I Registration Details

Registration No.      State Code    
 Balance Sheet Date

## II Capital Raised During The Period (Amount in Rs. Thousands)

Public Issue <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Rights Issue <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

## III Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousands)

Total Liabilities <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="1"/>	Total Assets <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="6"/> <input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="1"/>
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### Sources Of Funds

Paid Up Capital <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Reserve & Surplus <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="3"/>	Deffered Tax Liability <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="7"/>
Secured Loans <input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="1"/>	Unsecured Loans <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	

### Application of Funds

Net Fixed Assets (Including C. WIP) <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="8"/>	Investments <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="6"/> <input type="text" value="8"/>
Net Current Assets <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="6"/> <input type="text" value="6"/> <input type="text" value="4"/> <input type="text" value="5"/>	Misc. Expenditure <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

## IV Performance Of Company (Amount in Rs. Thousands)

Turn Over <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="7"/>	Total Expenditure <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="2"/>
Profit/Loss Before Tax <input type="text" value="+"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="5"/>	Profit/Loss After Tax <input type="text" value="+"/> <input type="text" value="-"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="3"/>

(Please tick appropriate box + for profit, -for loss)

Earning Per Share(Rs.) Basic/Diluted <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="."/> <input type="text" value="7"/> <input type="text" value="8"/>	Dividend Rate % <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
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## V Generic Names of Three Principal Products/Services of Company (As Per Monetary Terms)

Item Code No.     To

(ITC Code No.)

Product Description

Item Code No.

(ITC Code No.)

Product Description

Pushpak Bansal  
(Chief Financial Officer)

H.R. Gupta  
(Chairman & Managing Director)

Place : New Delhi  
Dated: July 31st, 2006

B.B.Sharma  
(Company secretary)

Vijay Jindal  
(Joint Managing Director)