

Mehra Goel & Co.
Chartered Accountants

AUDITORS' REPORT

**To the Shareholders' of
SPL INDUSTRIES LIMITED**

We have audited the attached Balance Sheet of SPL INDUSTRIES LIMITED as on 31st March, 2008 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, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;



f) In our opinion, and to the best of our information and according to the explanations given to us, 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, 2008;

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

R.K. MEHRA
PARTNER
M. No.: 6102

Place: New Delhi
Dated: June 30, 2008



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 2008 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.
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- 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.
- 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:-
- a) The company has, in addition to the loan granted during previous year(s), further granted loan during the year to party aggregating to Rs. 5.92 Lacs and maximum amount outstanding of the total loans at any time during the year was Rs. 339.51 Lacs and year end balance is Rs. 69.75 Lacs.
- 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.
- 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.
- The loans given by the company are repayable on demand and therefore the question of overdue amount does not arise.



- 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.
- vi) In respect of transactions covered under section 301 of the Companies Act, 1956:-
- 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.
- 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.
- vii) To the best of our knowledge, the company has not accepted any deposits covered under section 58A and 58AA or any other relevant provision of the Companies Act, 1956.
- 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, except delay in certain cases, and non-deposit of advance Income Tax 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, except non-payment of advance Income Tax as required by Income Tax Act, 1961, 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 31.03.2008 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: -

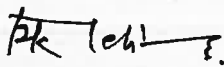
Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which amount related	Forum where dispute is pending
1	2	3	4	5
Income Tax Act, 1961	Disallowance	Rs. 39.38 Lacs	F/Y 2004-2005	Commissioner (Appeals)
Haryana Sale Tax Act & Central Sale Tax	Additional demand against sale of DEP B License	Rs. 73.98 * Lacs Rs. 17.85 * Lacs	F/Y 2000-2001 F/Y 1999-2000	Tribunal Tribunal

* These include Rs. 20 Lacs paid under protest.



- 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) To the best of our knowledge and according to information and explanation given to us, the company has not raised and money by public issue during the year.
- 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: June 30, 2008



SPL Industries Ltd.

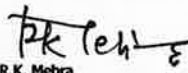
Balance Sheet As on 31st March, 2008



	SCHEDULE No.	(Figures in Rupees)	
		AS AT 31.03.2008	AS AT 31.03.2007
I Sources of Funds			
(1) SHAREHOLDERS' FUND			
(a) Share Capital	1	290,000,040	290,000,040
(b) Reserves & Surplus	2	1,352,671,556	1,324,529,742
(2) Loan Funds			
Secured	3	983,437,057	942,913,565
(3) Deferred Tax Liability			
		79,151,767	75,756,500
Total		2,705,260,420	2,633,199,847
II Application Of Funds			
(1) Fixed/Intangible Assets			
(a) Gross Block	4	1,369,983,126	1,309,168,290
(b) Less : Depreciation		616,350,037	535,222,511
(c) Net Block		753,633,089	773,945,779
(2) Capital Work In Progress			
	5	28,405,974	40,360,962
(3) Investment			
	6	96,036,345	93,784,306
(4) Current Assets, Loans And Advances			
(a) Inventories	7	1,382,634,185	1,201,016,007
(b) Sundry Debtors	8	446,449,106	439,243,035
(c) Cash & Bank Balances	9	42,761,020	98,441,515
(d) Loans & Advances	10	659,335,597	553,198,945
		2,531,179,907	2,291,899,502
Less : Current Liabilities And Provisions			
(a) Current Liabilities	11	612,320,323	451,586,573
(b) Provisions		91,674,572	115,204,129
		703,994,895	566,790,702
Net Current Assets		1,827,185,012	1,725,108,800
Total		2,705,260,420	2,633,199,847

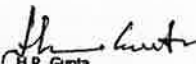
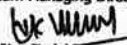
Significant Accounting Policies 16
Notes To Accounts 17

Auditors' Report
As Per Our Report Attached

For Mehra Goel & Co.
Chartered Accountants


R.K. Mehra
(Partner)
M.No. 6102
Place : New Delhi
Date : June 30th 2008


Pushpak Bansal
(Chief Financial Officer)

B.B. Sharma -
(Company Secretary)


H.R. Gupta
(Chairman Cum Managing Director)

Vijay Jindal
(Jt. Managing Director)



SPL Industries Ltd.

Profit & Loss Account For The Year Ended 31st March, 2008

	SCHEDULE No.	(Figures in Rupees)	
		Year Ended 31.03.2008	Year Ended 31.03.2007
Income			
Sales of Product	12	3,236,928,664	2,466,934,535
less:- Excise Duty		-	8,885,487
Net Sales		3,236,928,664	2,458,049,048
Other Income	13	87,241,863	41,039,001
		<u>3,324,170,527</u>	<u>2,499,088,049</u>
Expenditure			
Manufacturing Administrative & Other Expenses	14	3,088,909,629	2,200,351,791
Financial Charges	15	104,422,571	99,438,627
Depreciation		85,483,672	98,968,644
		<u>3,278,815,872</u>	<u>2,398,759,062</u>
Profit Before Tax		45,354,655	100,328,987
Provision For Taxation			
-Current Income Tax		9,000,000	19,100,000
-Deferred Income Tax		3,000,000	10,900,000
-Fringe benefit Tax		2,960,000	2,415,000
Income Tax Paid for Earlier Years		2,953,461	51,750
- Wealth Tax		67,000	66,703
Profit After Tax		<u>27,374,194</u>	<u>67,795,534</u>
Add/(Less) :			
Profit Brought Forward From Previous Year		813,821,315	779,954,336
Profit Available for Appropriation		<u>841,195,509</u>	<u>847,749,870</u>
APPROPRIATIONS			
Proposed Dividend		-	29,000,004
Proposed Dividend Tax		-	4,928,551
Balance Carried to Balance Sheet		841,195,509	813,821,315
		<u>841,195,509</u>	<u>847,749,870</u>
Basic/Diluted Earning Per Share (Refer Note No. 12 of schedule 17)		0.94	2.34
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
R.K. Mehra
(Partner)
M.No. 6102
Place : New Delhi
Date : June 30th 2008

Pushpak Bansal
Pushpak Bansal
(Chief Financial Officer)

B.B. Sharma
B.B. Sharma
(Company Secretary)

H.R. Gupta
H.R. Gupta
(Chairman Cum Managing Director)

Vijay Jindal
Vijay Jindal
(Jt. Managing Director)



SPL Industries Ltd.

Schedules Forming Part Of Balance Sheet

	(Figures in Rupees)	
	AS AT 31.03.2008	AS AT 31.03.2007
Schedule - 1 Share Capital		
Authorized 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 29,000,004) Equity Shares Of Rs.10/- Each Fully Paid Up	290,000,040	290,000,040
	<u>290,000,040</u>	<u>290,000,040</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		
Schedule - 2 Reserves And Surplus		
Capital Reserve		
At The Commencement and end of The Year	3,107,174	3,107,174
Share Premium Account		
At The Commencement of The Year	496,744,853	496,744,853
General Reserve		
At The Commencement and end of The Year	10,856,400	10,856,400
Add: Addition during the year (refer note 14 of schedule 17)	767,620	-
	<u>11,624,020</u>	<u>10,856,400</u>
Profit & Loss Account	841,195,509	813,821,315
	<u>1,352,671,556</u>	<u>1,324,529,742</u>
Schedule - 3 Loan Funds		
Secured		
From Banks		
—Term Loan*	10,846,367	21,766,866
—Other Term Loan**	2,894,241	5,474,492
—Working Capital Loan ***		
In Foreign Currency	406,878,022	427,405,059
In Indian Currency	497,825,427	385,200,591
Term Loan From Financial Institution****	64,993,000	102,330,000
Term Loan From Body Corporates	-	736,557
	<u>983,437,057</u>	<u>942,913,565</u>

*Secured by first charge on Land & Building and Plant & Machinery aquired under the loan (Further guaranteed by personal guarantee of CMD and Jt. Managing Directors of the Company.)

**Secured by hypothecation of specific vehicles.

*** Secured by first charge on pari passu basis between the working capital lenders on current assets, and first (exclusive) Charge over factory land & building located at Plot No. 7, Plot No. 22 and Plot No. 39, Sector 6, Faridabad. Loans are further secured by second charge on immovable properties, both present & future (save and except for mortgages and charges created in favour of IDBI FOR Term Loan). 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 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 paripassu 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.



SPL INDUSTRIES LTD.

SCHEDULE - 4 FIXED/INTANGIBLE ASSETS

(Figures in Rupees)

ASSETS	Gross Block		Depreciation		Net Block	
	AS AT 01.04.07	ADDITIONS	UP TO 01.04.07	FOR THE YEAR	AS AT 31.03.08	AS AT 31.03.07
TANGIBLE ASSETS						
LAND	107,579,420	106,030	-	-	107,685,450	107,579,420
BUILDING	150,520,746	26,155,803	29,352,241	5,720,002	149,615,306	129,166,905
PLANT & MACHINERY	976,227,837	32,329,408	475,877,931	72,727,114	458,374,903	500,349,926
VEHICLES	22,660,327	1,385,148	8,588,953	2,022,676	12,355,107	14,071,574
FURNITURE & FIXTURE	21,992,892	2,484,288	8,625,545	1,692,076	14,159,479	13,367,287
OFFICE EQUIPMENTS	20,540,215	5,018,582	11,499,376	2,941,414	11,128,007	9,080,889
INTANGIBLE ASSETS						
COMPUTER SOFTWARE	1,646,683	337,008	1,288,465	380,390	314,837	358,218
TOTAL	1,309,166,290	67,227,237	633,222,511	85,483,872	743,883,009	773,946,779
CAPITAL-WORK-IN-PROGRESS (Including advances to suppliers; unsecured considered good)						
PREVIOUS YEAR	1,205,660,407	128,435,742	450,334,840	98,969,644	782,039,053	814,306,741



SPL Industries Ltd.

Schedules Forming Part Of Balance Sheet

	(Figures In Rupees)	
	AS AT 31.03.2008	AS AT 31.03.2007
Schedule - 5 Capital Work In Progress		
Building	4,943,139	21,284,514
Plant & Machinery	2,095,424	1,351,373
Advance For Capital Goods (Unsecured, Considered Good)	21,367,411	17,725,075
	28,405,974	40,360,962
Schedule - 6 Investment		
(Fully Paid up - Other Than Trade)		
Long Term , Unquoted		
Elkay International P. Ltd. 6,66,500 Equity Shares of Rs. 10/- Each	6,665,000	6,665,000
Elkay Strips Ltd. 95,750 Equity Shares of Rs. 100/- Each	9,575,000	9,575,000
Sadhu Forging Ltd. 26,060 Equity Shares (Previous Year 27,500) of Rs.100/- Each	26,060,000	27,500,000
Investment In Subsidiary Company		
Mode Prints Ltd. 13,01,000 Equity Shares of Rs.10/- Each	22,227,585	22,227,585
	64,527,585	65,967,585
Current, Quoted		
Nil (Previous Year 24932.350) Units of HDFC Equity fund growth	-	3,803,545
21802.226 (Previous Year 6119.417) Units of HDFC Floating rate income fund	221,260	62,315
Nil (Previous Year 4534.942) Units of HDFC Top 200 Fund	-	500,000
Nil (Previous Year 1896.238) Units of Reliance growth fund growth plan - growth option	-	500,000
250000 (Previous Year 250000) Units of Reliance long term equity fund	2,500,000	2,500,000
Nil (Previous Year 100000) Units of SBI One India fund	-	1,000,000
100000 (Previous Year Nil) Units of UTI Infrastructure Advantage fund	1,000,000	-
23705.055 (Previous Year Nil) Units of HDFC Equity Fund Dividend	1,246,765	-
300000 (Previous Year Nil) Units of HDFC Infrastructure fund	3,000,000	-
	7,968,025	8,365,860
Less: Diminution in value of Investments	(666,965)	(320,039)
	7,301,060	8,045,821
Advance for Share Capital	24,207,700	19,770,900
	96,036,345	93,784,306
* Aggregate Market Value of Quoted Investments	8,122,728	8,045,821
Schedule - 7 Inventory		
(As Taken, Valued And Certified By The Management)		
Raw Material	165,386,037	160,774,088
Stores & Spares	3,616,778	6,021,142
Fuel & Furnace Oil	1,492,666	699,119
Work In Progress	681,779,879	605,746,753
Packing Material	4,578,253	2,577,258
Finished Goods	525,756,649	425,162,659
Scrap	23,923	34,988
	1,382,634,185	1,201,016,007



SPL Industries Ltd.

Schedules Forming Part Of Balance Sheet

	(Figures in Rupees)	
	AS AT 31.03.2008	AS AT 31.03.2007
Schedule - 8 Sundry Debtors		
(Unsecured)		
Debts Outstanding Over Six Months		
-Considered Good	117,606,555	136,764,507
-Considered Doubtful	-	2,603,747
-Less Provision for Doubtful Debts	-	(2,603,747)
Others*	328,842,551	302,478,528
	<u>446,449,106</u>	<u>439,243,035</u>
* Includes Rs.20442584/- (Previous Year Rs.19339656/-) Due from Sadhu Auto Parts PVT Ltd.(Formerly known as SPL Overseas) a firm in which a director is partner.		
Schedule - 9 Cash and Bank Balances		
Cash on Hand		
	2,235,130	1,067,092
Balance With Scheduled Banks		
-in Current Accounts	11,600,298	4,426,237
-in Fixed Deposit Accounts *	28,925,492	92,948,086
Balance With Post Office		
-Saving Account**	100	100
	<u>42,761,020</u>	<u>98,441,515</u>
*Including Interest Accrued Thereon Rs.902530/- (Previous Year Rs. 408515/-).		
**Maximum Balance During the year Rs.100/- (Previous Year Rs. 100/-).		
Schedule - 10 Loans And Advances		
(Unsecured, Considered Good)		
Advances Recoverable in Cash Or in Kind or for Value To be Received		
	292,614,859	255,031,590
Loan & Advances	24,681,458	61,182,294
Security Deposit	30,158,552	2,618,552
Export Benefit Receivable	141,835,131	139,192,001
Advance To Subsidiary Company	67,435,141	230,121
Balance With Excise Department	14,527	14,527
Central Receivable	10,517,520	10,517,520
Advance Wealth / Income Tax	92,078,409	84,412,340
	<u>659,335,597</u>	<u>553,198,945</u>
Schedule - 11 Current Liabilities And Provisions		
Current Liabilities		
Sundry Creditors		
	510,717,254	350,250,203
Bank Overdraft	31,104,046	28,382,300
Interest Accrued but not Due on Loans	460,000	-
Other Liabilities	70,039,023	72,954,070
	<u>612,320,323</u>	<u>451,586,573</u>
Provisions		
Proposed Dividend		29,000,004
Proposed Dividend Tax		4,928,551
Retirement Benefits	9,170,149	6,988,154
Provision for Wealth / Income Tax	82,504,423	74,287,423
	<u>91,674,572</u>	<u>115,204,129</u>
A		
B		
A+B	<u>703,994,895</u>	<u>566,790,702</u>



SPL Industries Ltd.

Schedules Forming Part Of Profit & Loss Account

	(Figures in Rupees)	
	Year Ended 31.03.2008	Year Ended 31.03.2007
Schedule - 12 Sales		
Sale Export	2,759,321,285	2,162,776,186
Sale Domestic	104,125,939	40,404,933
Processing Charges	98,312,599	112,906,722
Export Incentives	275,168,841	150,846,694
	<u>3,236,928,664</u>	<u>2,466,934,535</u>
Schedule - 13 Other Income		
Interest*	7,762,919	14,162,078
Exchange Fluctuation (Net)	75,191,890	24,119,739
Profit on Sale of fixed Assets	-	1,944
Profit on Sale of non-trade current investment	1,212,228	-
Dividend from non-trade current investment	131,661	114,927
Other Income	2,943,165	2,640,313
	<u>87,241,863</u>	<u>41,039,001</u>

*Tax Deducted at Source Rs.1641548/- (Previous Year Rs. 3150960/-).



SPL Industries Ltd.

Schedules Forming Part Of Profit & Loss Account

	(Figures in Rupees)	
	Year Ended 31.03.2008	Year Ended 31.03.2007
Schedule - 14 Manufacturing, Administrative And Other Expenses		
Raw Material Consumed	1,727,340,857	1,269,555,577
Store Consumed	31,778,614	31,927,774
Salary & Wages	303,019,594	229,506,801
Directors' Remuneration	3,520,000	3,300,000
Welfare Expenses	9,168,037	8,413,626
Contribution To P.F. and Other Funds	32,464,089	24,732,815
Power & Fuel	173,010,799	149,931,853
Job Work Charges	541,411,143	354,755,205
Provision of Excise Duty on Closing Stock (Net)	-	(129,209)
Repair & Maintenance		
-Plant & Machinery	29,339,523	27,684,142
-Building	1,724,461	4,112,016
-Others	3,822,819	4,408,887
Advertisement & Publicity	755,625	1,062,147
Travelling & Conveyance	23,035,864	20,770,039
Printing & Stationery	6,936,917	6,218,100
Postage Telegram and Telephone	15,909,714	13,665,186
Insurance	6,917,260	6,542,222
Auditors Remuneration		
--Audit Fees	786,520	786,520
--Tax Audit Fees	112,360	112,360
--Other Services	2,850	-
--Income Tax Matters	-	297,000
Legal & Professional Charges	3,008,337	2,017,619
Rent	4,838,400	3,142,900
Rates & Taxes	2,981,191	2,219,197
Vehicle Running & Maintenance	4,220,941	3,392,144
Sales Promotion	3,527,735	3,099,629
Selling Expenses	266,852,944	237,721,735
Miscellaneous Expenditure	66,739,524	47,561,049
Diminution in value of current investment	346,927	320,038
Loss On Sale Of Current Non-Trade Investment	-	1,764
Loss On Sale Of Fixed Assets	1,952,635	8,615,598
Provision for doubtful debts	-	2,055,029
Bad Debts Written Off	2603747	9,913,695
Less: Provision for doubtful debts written back	-2603747	(9,913,695)
A	3,265,525,680	2,467,799,763
Add/(Less) : Decrease/(Increase) in Stock		
Opening Stock		
--Finished Goods	425,162,659	178,254,349
--Work In Progress	605,746,753	585,201,504
--Scrap	34,988	40,575
B	1,030,944,400	763,496,428
Closing Stock		
--Finished Goods	525,756,649	425,162,659
--Work In Progress	681,779,879	605,746,753
--Scrap	23,923	34,988
C	1,207,560,451	1,030,944,400
D (B-C)	(176,616,051)	(267,447,972)
A+D	3,088,909,629	2,200,351,791



SPL Industries Ltd.

Schedules Forming Part Of Profit & Loss Account

Schedule - 15 Financial Charges

Interest
--Term Loans
--Others
Bank & Financial Charges

(Figures in Rupees)	
Year Ended 31.03.2008	Year Ended 31.03.2007
6,114,935	9,077,480
72,340,819	69,207,050
25,966,817	21,154,097
<u>104,422,571</u>	<u>99,438,627</u>



SPL INDUSTRIES LIMITED

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 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 (upto 31st March, 2007) 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 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.

4. IMPAIRMENT 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 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. Depreciation on incremental cost arising on account of translation of foreign currency liabilities (capitalised upto 31st March, 2007) 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.

8. SALES

Sales are net of sales tax.

9. PROCESSING CHARGES

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

10. PURCHASE OF RAW MATERIALS:

Cost of Purchase less VAT 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.

11. BORROWING COST:

Borrowing Cost that is 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.

12. DIVIDEND INCOME:

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

13. CLAIMS:

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

14. 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 profit and loss account.

15. INCOME TAX

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.

In accordance with the Accounting standard 22 - 'Accounting for Taxes on income', 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.

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.



16. EMPLOYEE'S BENEFITS

- I. Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which related service is rendered.
- II. The company has defined contribution plan for post retirements benefits, namely, Employee Provident Fund Scheme administered through provident fund commissioner and the company's contribution are charged to revenue every year.
- III. Company's contribution to state plans namely Employees State Insurance Fund is charged to revenue every year.
- IV. The company has defined benefit plans namely Leave encashment / Compensated absence and Gratuity, the liability for which is determined on the basis of an Actuarial valuation at the end of the year. Gratuity Trust is administered through Life Insurance Corporation of India.
- V. Termination benefits are recognized as an expense immediately.
- VI. Gain or Loss arising out of actuarial evaluation is recognized immediately in the profit and loss account as income or expense.

17. 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.

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

19. PUBLIC ISSUE EXPENSE

Public issue expenses have been deducted from share premium account.

20. FINANCIAL DERIVATIVE AND HEDGING TRANSACTION

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



SCHEDULE- 17 NOTES TO ACCOUNTS**1. CONTINGENT LIABILITIES**

		(Rs. In Lacs)	
		As At 31.03.2008	As At 31.03.2007
(i)	Bank Guarantee for A.E.P.C. and Custom Duty	28.75	28.75
(ii)	Bills Discounted	2570.35	1145.89
(iii)	Outstanding Letter of Credit (Net of Margin money of Rs.112.63 Lacs (P.Y. 117.83 Lacs))	948.26	1459.15
(iv)	Income Tax Act 1956 (disallowance 80HHC, MAT)	39.38	275.89
(v)	Disputed Liability towards Provident Fund and E.S.I (Net of paid under protest)	21.41	21.41
(vi)	Disputed Liability towards Sales Tax (Net of paid under protest)	71.83	71.83
(vii)	Estimated amount of Contract remaining to be executed (Net of Advance)	55.14	946.76
(viii)	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 31.03.2008 is Rs. 649.93 Lacs. (As at 31.03.2007 is Rs. 1023.30 Lacs)

3(a). Remuneration Paid to Directors (Including Managing Director)

	As At 31.03.2008	As At 31.03.2007
Salary & Allowances	35.20	33.00

Note: Provisions for contribution to employee retirement / post retirement and other employee benefits which are based on actuarial valuations done on an overall company basis, are excluded from above.

3(b). The company has been advised that the computation of the net profit for the purpose of remuneration to directors under section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to the Directors. Only fixed monthly remuneration has been paid to the Directors as per Schedule XIII of the Companies Act, 1956.

4. The Company has given securities of Rs 2.75 Crores (Previous year Nil) and invested Rs 95.75 Lacs (Previous year 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.

5. Interest income includes Rs. 24.33 Lacs (Previous Year Rs. 38.76 Lacs) on loans to body corporate, Rs. 52.47 Lacs (Previous Year Rs. 101.01 Lacs) on fixed deposit with bank.



6. Exchange fluctuation (net) includes Rs. 651.84 Lacs (Previous Year Rs. 140.05 lacs) Gain, which is arisen on cancellation of forward exchange contracts.

7. Misc. Expenses includes Rs. 106.65 Lacs (Previous Year Rs. 51.35 Lacs) for running and maintenance of a foreign office.

8. In some cases, the company has received intimation from micro & small enterprises under "The micro, small and medium Enterprises Development Act 2006". The amount remaining unpaid as at 31st march 2008 was Rs. NIL (P.Y. Rs. 7.63 Lacs) No payments beyond the appointed date were noticed. No interest was paid or payable under the act.

9. Segment Information:

a) Primary Segment Reporting by Business Segment:

Primary business segment of the company is sale of cotton knitted 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:

		(Rs. in Lacs)	
		Current Year	Previous Year
(i)	Sales to Overseas Market	27593.21	21627.76
(ii)	Sales to Domestic Market	1041.26	404.05
		28634.47	22031.81

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.



10. Related Party Information:

(I) Relationships:

(a) Subsidiary Companies:

- (i) Mode Prints Ltd.

(b) Associates:

- (i) Elkay Strips Ltd.

(c) Key Management Personnel (KMP):

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

(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
(viii) Swati Aggarwal
(ix) Shashi

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

- (i) Sadhu Forging Ltd.
(ii) Elkay Teletinks Ltd.
(iii) Sadhu Auto Parts Pvt. Ltd (Formerly known as SPL Overseas)
(iv) Elkay International Ltd.

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



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 Yr.	Current Year	Previous Yr.	Current Year	Previous Yr.	Current Year	Previous Yr.	Current Year	Previous Yr.	Current Year	Previous Yr.
Rent Paid	6.00	6.00	6.00	12.00	-	-	-	-	36.00	12.00	48.00	30.00
Land CLU charges paid by Company on their behalf	676.69	0.10	1.39	0.67	-	-	-	-	10.97	16.63	689.05	17.40
Remuneration	-	-	-	-	35.20	33.00	23.61	17.08	-	-	58.81	50.08
Interest Received	-	-	NIL	26.53	-	-	-	-	7.66	5.92	7.66	32.45
Loan & advance Given	-	-	-	-	-	-	-	-	5.92	4.60	5.92	4.60
Sale/Job work	-	-	-	-	-	-	-	-	3.47	-	3.47	-
Purchase/Job work	-	-	-	5.95	-	-	-	-	25.62	22.0	25.62	27.95
Purchase of Fixed Assets	-	-	-	156.05	-	-	-	-	1.65	11.67	1.65	167.72
Security paid	-	-	275.00	-	-	-	-	-	-	-	275.00	-
Outstanding	-	-	-	-	-	-	-	-	-	-	-	-
Receivable	674.35	2.30	278.43	-	-	-	-	-	204.43	193.40	1157.01	195.70
Payable	-	-	-	-	-	1.79	0.63	1.08	24.54	7.91	25.17	10.78
Loan & Advances Given	-	-	-	275.68	-	-	-	-	69.75	63.83	69.75	339.51



11. Deferred Tax

(Rs. In Lacs)

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

	AS at 31.03.2008	AS at 31.03.2007
(1) Deferred liability on account of:		
Timing difference between book & tax depreciation	733.01	811.20
	<u>733.01</u>	<u>811.20</u>
(2) Deferred Assets on account of:		
Disallowance under section 43B	58.51	41.57
Provision for Doubtful Debts	--	8.85
Others	--	3.21
	<u>58.51</u>	<u>53.63</u>
Net Deferred Tax Liability	<u>791.52</u>	<u>757.57</u>

12. Calculation of Earning Per Share**a) Weighted Average number of Equity Shares**

Number of equity share at the commencement of the year (Nos.)	2,90,00,004	2,90,00,004
b) Net profit available for Equity Share holders	2,73,74,194	6,77,95,534
c) Basic & Diluted earning per share (b/a) (Rs.)	0.94	2.34

13. Investments purchased (including Dividend Reinvestment) and sold during the year.

(Rs. In Lacs)

S.No	Particulars	Units (Nos.)	Cost
1	HDFC Equity fund growth	61981.3080	33.68
2	HDFC Floating rate income fund	827757.8010	84.18
3	HDFC Prudence Fund	18847.0170	25.00
4	HDFC Top 200	34534.3620	15.00
5	SBI Infrastructure Fund	250000.0000	25.00

14. In compliance with the accounting standards 15 (revised 2005) "Employee Benefits" The company has got the employee benefits evaluated from actuarial valuer. As per valuation report the company has upto 31.3.07 an excess provision of Rs. 7.68 Lacs (net of deferred tax liability of Rs. 3.95 Lacs) for leave encashment / compensated absence and gratuity which has been adjusted in general reserve as on April, 2007.



The Company has calculated the various benefits provided to employees as under:

A. Provident Fund

During the year the Company has recognized Rs. 320.70 Lacs in the Profit and Loss account.

B. State Plans

Employer's contribution to Employee State Insurance.
Employer's contribution to Welfare Fund.

During the year the Company has recognised Rs. 126.42 Lacs in the Profit and Loss accounts.

C. Defined Benefit Plans

- a) Leave Encashment/ Compensated Absence
b) Contribution to Gratuity Funds - Employee's Gratuity Fund.

In accordance with Accounting Standard 15 (revised 2005), the actuarial valuation carried out in respect of the aforesaid defined benefit plans is based on the following assumption.

i) Actuarial Assumptions	(Rs. In Lacs)	
	Leave Encashment /Compensated Absence	Employee Gratuity Fund
Discount Rate (per annum)	8%	8%
Rate of increase in compensation levels	6%	6%
Rate of return on plan assets.	-	8.65%
Expected Average remaining working lives of employees (years)	28 Years	27 Years

ii) Change in the obligation during the year ended 31 st March, 2008	(Rs. In Lacs)	
	Leave Encashment /Compensated Absence	Employee Gratuity Fund
Present value obligation as at 31 st March, 2007	61.43	62.39
Impact of Transition provision of AS-15	(12.03)	00.40
Interest cost	03.95	05.02
Past Service cost	NIL	NIL
Current service cost	24.18	22.82
Curtailment cost	NIL	NIL
Settlement cost	NIL	NIL
Benefits Paid	16.82	03.79
Actuarial (gain)/ loss on Obligations	04.01	(03.29)
Present value obligation as at 31 st March, 2008	64.72	83.55

iii) Change in fair value plan Assets	Employee Gratuity Fund	
	Fair value of Plan Assets as at 31 st March, 2007	37.65
Expected return on Plan Assets	03.26	



Contributions	18.23
Benefits Paid	(03.33)
Actuarial gain/ (loss) on Obligations	00.76
Fair value of Plan Assets as at 31 st March, 2008	56.57

(Rs. In Lacs)		
iv) Reconciliation of Present value of Defined Benefit obligation and Fair value of Assets	Leave Encashment /Compensated Absence	Employee Gratuity Fund
Present value obligation as at 31 st March, 2008	64.73	83.55
Fair value of Plan Assets as at 31 st March, 2008	-	56.57
Funded Status	64.73	26.98
Present value of un-funded obligation as at 31 st March, 2008	-	-
Un-funded Actuarial (gains)/ losses	-	-
Un-funded Net Asset/ (Liability) recognised in Balance Sheet.	64.73	26.98
v) Expenses recognised in Profit and Loss Account	Leave Encashment /Compensated Absence	Employee Gratuity Fund
Current service cost	24.18	22.82
Past Service cost	-	-
Interest cost	03.95	05.02
Expected return on Plan Assets	-	(03.26)
Curtailment cost	-	-
Settlement cost	-	-
Net Actuarial (gain)/ loss recognised during the year	04.01	(04.05)
Total Expense recognised in Profit and Loss Account	32.14	20.53

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-B of Schedule VI to the Companies Act, 1956. (As certified by the management).

(a) Licensed Capacity	N/A	N/A		
(b) Installed Capacity (As certified by the management)	Current Period	Previous year		
Knitted Fabric	7000 MT	7000 MT		
Processing and Dyeing of Fabric	8000 MT	8000 MT		
Garments	200 Lakh Pcs	132 Lakh Pcs		
(c) Particulars of production				
Dyed Knitted Fabric*	6223.345 MT	5508.621 MT		
Processing and Dyeing	1439.321 MT	1627.836 MT		
Garments	19,227,164 Pcs	13108152 Pcs		
* Includes 1371.156 MT (Previous Year 394.888 MT) Fabric purchased.				
(d) Particulars of Finished Goods	Current Period	Previous Year		
I Opening Stock	Qty	Value (Rs.)	Qty	Value (Rs.)
Dyed Knitted Fabric	291.209 MT	116619894	398.287 MT	168317178
Processing and Dyeing	6.783 MT	517764	15.408 MT	1011714
Garments	1055330 Pcs	304603414	11986 Pcs	3296105
Others	-	3,421,587	-	4629352
		<u>425162659</u>		<u>178254348</u>
II Closing Stock				
Dyed Knitted Fabric	472.478 MT	203244776	291.209 MT	116619894
Processing and Dyeing	23.718 MT	1,616,885	6.783 MT	517,764
Garments	1142388 Pcs	315341128	1055330 Pcs	304603414
Others	-	558090	-	3,421,587
		<u>825796649</u>		<u>425162659</u>
(e) Particulars of Turnover				
Dyed Knitted Fabric	6042.061 MT*	73328836.5	5615.699 MT*	28717228
Processing and Dyeing	1424.386 MT	96312586.94	1634.450 MT	112906722
Garments	18148895 Pcs**	2583716138	12884787 Pcs**	2088894468
Other	-	193,849,878	-	75,488,422
		<u>2946269251</u>		<u>2316887841</u>
* Includes 5581.832 MT (Previous Year 5425.617 MT) for Captive consumption for Garments & Nil MT (Previous Year Nil) for Home Furnishing.				
** Includes: Sample Sale: 4004 Pcs. (Previous Year 7223 Pcs.).				
(f) Raw Material Consumed	Current Period	Previous Year		
Colour and Chemical	7338.785 MT	143743671.7	6101.655 MT	136648195
Yarn	5978.864 MT	824482305.9	5898.932 MT	700810833
Fabric Knitted	1798.828 MT	516158753.3	684.277 MT	158865438
Others	-	242955125.9	-	183891911
		<u>1727340857</u>		<u>128855577</u>
* Includes accessories sold Rs. Nil (previous year Rs. Nil).				



(c) Value of Imported Indigenous Raw material and Stores Consumed

	Percentage	Value (Rs.)	Percentage	Value (Rs.)
Raw Material				
Imported	14.90	257347526.9	12.91	152517547
Indigenous	85.10	146889330	87.99	1117038639
	<u>100</u>	<u>1727340857</u>	<u>100</u>	<u>128955577</u>
Stores and Spares				
Imported	37.86	11776380.5	62.03	19804349
Indigenous	62.14	20002313	37.97	12123425
	<u>100</u>	<u>31778613.5</u>	<u>100</u>	<u>31927774</u>

(d) CIF Value Of Import

	Current Period Value (Rs)	Previous Year Value (Rs)
Raw material	235,179,335	137,333,765
Capital Goods	4,583,667	15,145,566
Stores and spares	8,586,320	14,982,239
	<u>248,359,322</u>	<u>167,461,569</u>

(e) Expenditure in Foreign Currency

	Current Period Value (Rs)	Previous Year Value (Rs)
Traveling	4,883,938	5,091,395
Others	56,643,756	45,767,441
	<u>61,527,694</u>	<u>50,858,836</u>

(f) Earnings in Foreign Currencies
FOB Value of Exports

2,703,554,296 2,685,715,671

SPL INDUSTRIES LTD

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)

B.B. Sharma
(Company Secretary)

H.R. Gupta
(Chairman Cum Managing Director)

Vijay Jindal
(Jl. Managing Director)

PLACE : NEW DELHI
DATE : June 30th 2008



SPL Industries Ltd.
CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE PERIOD
ENDED 31ST MARCH, 2008

	Year ended 31.03.2008 (Rs. In Lacs)	Year ended 31.03.2007 (Rs. In Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after Tax and before/prior period/extra ordinary items	273.74	677.96
Adjustment for :		
Depreciation/Amortisation	854.84	989.69
Provision for retirement benefit	21.82	12.42
Interest and financial charges	1,044.23	994.39
(Profit)/ Loss on Sale of Fixed Assets (Net)	19.53	86.14
Provision for tax/Tax for Earlier years	179.80	325.34
Bad Debts/provision for doubtful debts	-	20.55
Dividend Received on non trade current investment	(1.32)	(1.15)
Profit on Sale of non-trade current investment	(12.12)	-
Diminution in value of non trade current investments	3.47	3.20
Loss on sale of non trade current investment	-	0.02
Interest Income on Loan to Body Corporates	(24.33)	(38.76)
Interest Income on Loan other to Body Corporates	(53.29)	-
general reserve due to transitional provision	7.68	-
Exchange Fluctuation	(619.53)	(121.38)
Operating Profit Before Working Capital Change	1,694.52	2,948.42
Adjustment for :		
(Increase)/Decrease in Trade and Other Receivable	(1,521.11)	(1,370.20)
(Increase)/Decrease in Inventories	(1,816.18)	(1,986.33)
Increase/(Decrease) in Trade Payable	1,601.71	1,085.85
Increase in DTL due to transitional provision	3.95	-
Cash Generated from operations	(37.11)	677.74
Direct Taxes Paid	(144.30)	(160.50)
Cash Flow before prior period & Extraordinary items	(181.41)	517.24
Prior Period Items	-	-
Net Cash (Used in) From Operating Activities	(181.41)	517.24
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets(Including capital work in progress) & Intangible Assets	(558.72)	(1,157.50)
Sale/Damage of Fixed Assets	7.03	21.39
Interest Income on Loan to Body Corporates	24.33	38.76
Interest Income on Loan other to Body Corporates	53.29	-
Purchase of Investment	(86.30)	(488.37)
Sale of Investment	72.44	206.98
Dividend Received on non trade current investment	1.32	1.15
(Increase)/Decrease in Loan to Body Corporates	365.01	(124.08)
Net Cash (Used in) /from investing activities	(121.60)	(1,501.47)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital including Share Premium	-	-
Dividend paid	(339.29)	-
Repayment of Long Term Borrowings	(515.74)	(550.87)
Proceed from Long Term Borrowings	-	1.43
Short term borrowing (Net)	989.03	1,874.20
Interest Paid	(1,039.63)	(994.39)
Exchange Fluctuation	651.84	140.05
Net Cash (Used in)/from Financing Activities	(253.79)	470.42
Net increase(decrease) in Cash and Cash equivalents (A+B+C)	(556.80)	(513.81)
Cash and Cash equivalents at beginning of the Year	984.41	1,498.23
Cash and Cash equivalents at beginning of the Year	-	-
Cash and Cash equivalents at beginning of the Year	984.41	1,498.23
Cash and Cash equivalents at the end of the Period/Year	427.61	984.42

NOTES

1. 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. Mehta
(Partner)

M.No. 8102
Place : New Delhi
Date : June 30th 2008



(Signature)
Prakash Bansal
Chief Financial Officer

(Signature)
B.B. Sharma
(Company Secretary)

H.R. Gupta
(Chairman & Managing Director)

Vijay Jindal
(Jt. Managing Director)

V Registration Details

Registration No. State Code

Balance Sheet Date

VI Capital Raised During The Year (Amount in Rs. Thousands)

Public Issue Rights Issue

Bonus Issue Private Placement

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

Total Liabilities Total Assets

Sources Of Funds

Paid Up Capital Reserve & Surplus Deferred Tax Liability

Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets (Including C. WIP) Investments

Net Current Assets Misc. Expenditure

IV Performance Of Company (Amount in Rs. Thousands)

Turn Over Total Expenditure

Profit/Loss Before Tax Profit/Loss After Tax

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

Earning Per Share (Rs.)

Dividend Rate %

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

Place: New Delhi
Dated: June 30th, 2008


Pushpák Bansal
(Chief Financial Officer)


B.B. Sharma
(Company Secretary)


H.R. Gupta
(Chairman & Managing Director)


Vijay Jindal
(Joint Managing Director)