

**NOTICE**

To,  
The Members,

Notice is hereby given that the **25<sup>th</sup> Annual General Meeting** of the Company will be held on **Tuesday, the 24th September, 2013, at 11.30 AM, at the Registered Office i.e. Pawan Puri, Muradnagar, Distt. Ghaziabad (U.P.) - 201206** to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at **31st March, 2013**, Statement of Profit & Loss & Cash Flow Statement of the Company for the year ended **31st March, 2013** and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri V. P. Mishra, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Ordinary Resolution:  
"RESOLVED THAT, Dr. Mamta Garg, be and is hereby appointed as a Director of the Company, who is liable to retire by rotation."
5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED UNANIMOUSLY THAT, pursuant to Section 292(1)(d), Section 372A and all other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the articles of the Company, the consent be and is hereby accorded to make investments as per details given below and to make payment for the same in one or more tranches:

S. No.	Name of the Company	Nature of Instrument	No.	Amount (in Rs.)
1	Vishu Enterprises Pvt. Ltd.	5% Non Cumulative Redeemable Preference Shares of Rs.100/- each.	31250	31,25,000
2	Desire Retail Pvt. Ltd.	5% Non Cumulative Redeemable Preference Shares of Rs.100/- each.	31250	31,25,000

**RESOLVED FURTHER THAT** all actions taken by the management in this regard be and are hereby confirmed and ratified.

**RESOLVED FURTHER THAT** Mr. Mahesh Chand Mittal, Managing Director of the Company be and is hereby authorized to do all such acts, deeds and things and to sign all papers including application forms, for and on behalf of the Company."

Place: Muradnagar  
**Date : 22<sup>nd</sup> August, 2013**  
Registered Office:  
Pawan Puri, Muradnagar.  
Distt. Ghaziabad (U.P.)-201206

*By Order of the Board*  
**For Sybly Industries Limited**

Sd/-  
**Mahesh Chand Mittal**  
Managing Director



# SYBLY INDUSTRIES LIMITED

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ATTACHED HEREWITH.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts in respect of special businesses of the Notice is attached.
3. Members are requested to intimate their queries, if any, relating to the accounts at least seven days in advance of the Meeting so that the information can be made readily available and furnished at the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September, 2013 to 24th September, 2013 (both days inclusive).
5. Members/ proxy-holders are requested to produce at the entrance the attached Admission Slip duly completed and signed for admission to the meeting hall.
6. Members attending the meeting are requested to bring their copy of Annual Report.
7. The Members are requested to notify any change of address to (i) The depository participant in respect of their electronic share account and (ii) The Registrar and Share Transfer Agent, M/s. Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062 in respect of their physical shares. Members are also requested to quote ledger folio no. or DP ID & Client ID in their correspondences.
8. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
9. All documents as are mentioned either in Notice containing draft resolution(s) or in explanatory statement attached to the Notice are open for inspection at the Registered Office during the business hours up to the date of this Annual General Meeting.

### 10. Brief particulars of the Persons to be appointed / reappointed as director

Details of Directors pursuant to clause 49 of the Listing Agreement:

Particulars	Name of Directors	Name of Directors
	Mr. V.P. Mishra	Dr. Mamta Garg
Date of Birth	01.01.1952	03-03-1965
Expertise in specific areas	He has around 37 years wide experience in Textile Industry.	15 years vast experience of teaching Graduate & Post Graduate classes. Having experience of general management of Chemical Processing industries.
Qualifications	B.Sc., LL.B. & M.B.A.	M.Sc.(Chem), M.Phil., Ph.D.
Directorship in other Company	1. Viomshi Textiles Private Limited	1. SRG Propmart Pvt. Ltd. 2. Ajanta Wires Pvt. Ltd. 3. Shardein Esports Ltd.
Shareholdings in the Company as on 31.03.2013 (No. of Shares)	NIL	NIL

### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not yet registered their e-mail addresses, so far, are requested to register their e-mail addresses with Depository through their concerned Depository Participants, in respect of electronic holdings. Members who hold shares in physical form are required to kindly register their e-mail address with the company at email: [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com). The company shall use the e-mail address of the members obtained from Depositories/ Depository Participants, available with the company, to send all future members communications.

Place: Muradnagar  
**Date : 22<sup>nd</sup> August, 2013**  
 Registered Office:  
 Pawan Puri, Muradnagar.  
 Distt. Ghaziabad (U.P.)-201206

*By Order of the Board*  
**For Sybly Industries Limited**

Sd/-  
**Mahesh Chand Mittal**  
 Managing Director



## SYBLY INDUSTRIES LIMITED

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 4 OF THE ACCOMPANYING NOTICE IS AS UNDER:

#### **ITEM NO. 4**

Dr. Mamta Garg appointed as an Additional Director w.e.f. 06.08.2013 by the Board of Directors, pursuant to provisions of Section 260 of the Companies Act, 1956. She is holding office up to the date of ensuing Annual General Meeting and being eligible, she is proposed to be appointed as a Director of the Company. The Company has received a notice from one of its member signifying his intention to propose the appointment of Dr. Mamta Garg as the Director of the Company liable to retire by rotation, pursuant to Section 257 of the Companies Act, 1956 alongwith a sum Rs. 500/- as security deposit.

Your Directors recommend the resolution for approval of the Shareholders.

None of the director is interested or concerned in the resolution except Dr. Mamta Garg herself.

#### **ITEM NO. 5**

According to the provisions of Section 372A of the Companies Act, 1956, prior approval of the Company by way of a Special Resolution is required, if the Company proposes to make investments, loans, guarantees exceeding 60% of paid up share capital and free reserves or 100% of free reserves whichever is higher.

The management of the Company feels that providing for such loans, guarantee or making investments is a common corporate practice to support the functioning and working of the other Associate Companies. Therefore, your Company has made/would require to make investments in these companies as mentioned in the resolution to support its working.

As making of the above mentioned Investments attracts the provisions of Section 372A, hence the approval of the shareholders is required for the same and therefore, the requirement of passing the above resolution as a special resolution is necessary. Your Board has already approved the making of investments.

None of the Directors are interested in the resolution.

Your directors recommend passing of this resolution.

Place: Muradnagar

**Date : 22<sup>nd</sup> August, 2013**

Registered Office:

Pawan Puri, Muradnagar.

Distt. Ghaziabad (U.P.)-201206

*By Order of the Board*  
For **Sybly Industries Limited**

Sd/-

**Mahesh Chand Mittal**  
Managing Director

**DIRECTORS' REPORT**

To,  
The Members,  
Sybly Industries Limited

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report along with the Audited Statement of Accounts of the company for the financial year ended 31<sup>st</sup> March, 2013.

<b>FINANCIAL HIGHLIGHTS :</b>	<b>Current Year (Rs.in Lacs)</b>	<b>Previous Year (Rs.in Lacs)</b>
Sales & Receipt from Operations	10749.20	7725.37
Other Income	70.31	325.76
Operating Profit before Interest & Depreciation	500.76	365.47
Less : Interest	203.48	234.27
Gross Profit/(Loss)	297.28	131.20
Less : Depreciation	291.91	292.49
Net Profit for the Year	5.37	(161.29)
Less : Provision for Current Tax	1.02	-
Provision for Deferred Tax	3.58	(50.27)
Profit /(Loss) after Tax	0.77	(111.02)
Add : Balance Brought Forward	(512.69)	(395.85)
	(511.92)	(506.87)
Less : Appropriation	0.18	5.82
Balance Carried Over to Balance Sheet	(512.10)	(512.69)

**DIVIDEND**

Your directors have not proposed any dividend for the year under review.

**PERFORMANCE**

During the period under review the sales and turnover of the Company has increased from Rs. 7725.37 Lacs to Rs. 10749.20 Lacs. The net profit of the Company has also increased from Rs. (111.02) Lacs to Rs. 0.77 Lacs due to various factors. Your directors hope for better results in the coming financial year also.

**MATERIAL CHANGES**

No material change has occurred since the date of the Balance Sheet and the date of this report, which has any adverse effect on the working of the Company.

**FUTURE OUTLOOK**

After deep slowdown industrial growth is on increasing trend. The demand for Company's products is also increasing. As per available indicators the current year may bring material changes towards upward trend. Your management is hopeful for better performance.

**PUBLIC DEPOSITS**

Your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956, and the rules made thereunder.

**SUBSIDIARY COMPANY**

M/s Sybly International FZE, Sharjah (UAE) is the wholly owned subsidiary of the company.

As per provisions of Section 212, the Statement of Accounts of the wholly owned subsidiary companies is attached with the Balance Sheet of the Company.

**AUDITOR'S REPORT**

There is no adverse qualification in the Auditor's Report.

**AUDITORS**

M/s. V. S. Gupta & Company, Chartered Accountants, Meerut, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the limits prescribed u/s 224(1B) of the Companies Act, 1956. Accordingly, M/s. V. S. Gupta & Company, Chartered Accountants, are required to be reappointed as Statutory Auditors of the Company at the ensuing Annual General Meeting. Their appointment has also been recommended by the Audit Committee.

**DIRECTORS**

Mr. V. P. Mishra will retire at the ensuing Annual General Meeting of the Company and being eligible, offer himself for reappointment. Your directors recommend his reappointment.



# SYBLY INDUSTRIES LIMITED

Dr. Mamta Garg was appointed as an additional director w.e.f. 06.08.2013 by the Board and your directors recommend her appointment as a regular director of the Company.

Mr. S.P. Mittal resigned from the Board w.e.f. 31.08.2013. Board would like to place on record its appreciation for the valuable services rendered by him during his period as director of the company.

## **DIRECTOR'S RESPONSIBILITY STATEMENT**

The Board of Directors of your Company state:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and 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;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) that the directors had prepared the annual accounts on a going concern basis.

## **AUDIT COMMITTEE**

The Audit Committee has met and reviewed the financial statements for the financial year ended 31.03.2013 and has not given any adverse observations. It has also recommended the re-appointment of M/s. V. S. Gupta & Co., Chartered Accountants as statutory auditors of the Company. Mr. M. C. Mittal, Mr. Lallan Tripathi and Mr. Virendra Pratap Mishra are the members of the audit committee. Mr. Virendra Pratap Mishra is the Chairman.

## **COST AUDITOR'S APPOINTMENT**

The Department of Company Affairs has, vide its letter No.52/761/CAB-2000 dated 10.08.2000, ordered to get the cost accounts of the Company audited. Your directors have appointed M/s. M.K.Singhal & Co., Cost Accountants as the Cost Auditors of the Company for the financial year 2013-2014.

## **CORPORATE GOVERNANCE**

As per clause 49 of the Listing Agreement with Stock Exchange, Management Discussion & Analysis Report and Corporate Governance Report is annexed & form part of the Directors' Report.

## **PARTICULARS OF EMPLOYEES**

There was no employee receiving remuneration during the year in excess of limits prescribed u/s 217 (2) (a) of the Companies Act, 1956, and the relevant rules made there under.

## **CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The prescribed details as required u/s 217(1)(e) of the Companies Act 1956 read with Companies (Disclosures of Particulars in the Report of Board of directors) Rules 1988, are set out as per Form 'A' & Form 'B' annexed herewith.

## **EMPLOYEES RELATIONS**

The industrial relations continued to be cordial and harmonious. Your directors wish to place on record the appreciation for the devoted services rendered by the Workers, Staff and executives of the Company at all levels and other employees who have contributed to the efficient and successful management of the Company.

## **LISTING**

The Equity Shares are listed at Bombay Stock Exchange Ltd. Your Company is regular in paying listing fee to BSE.

## **ACKNOWLEDGEMENT**

Your directors take this opportunity to offer their sincere thanks to various departments of the Central and State Governments, Financial Institutions, Banks and Investors for their unstinted support, assistance and valuable guidance.

Place: Muradnagar  
Date : 22<sup>nd</sup> August, 2013  
Registered Office:  
Pawan Puri, Muradnagar.  
Distt. Ghaziabad (U.P.)-201206

*By Order of the Board*  
For **Sybly Industries Limited**

Sd/-  
**Mahesh Chand Mittal**  
Managing Director

Sd/-  
**Nishant Mittal**  
Whole Time Director



# SYBLY INDUSTRIES LIMITED

## ANNEXURE TO DIRECTOR'S REPORT

### FORM - A

#### DISCLOSURE OF PARTICULARS IN RESPECT TO CONSERVATION OF ENERGY :

A. POWER & FUEL CONSERVATION	CURRENT YEAR	PREVIOUS YEAR
<b>1. ELECTRICITY:</b>		
(A) <b>Purchased :</b>		
Units	4205420	3787936
Total Amount (Rs.)	25517572	20159279
<b>Average Rate Per Unit</b>	<b>6.07</b>	<b>5.32</b>
(B) <b>Own Generation :</b>		
Through Diesel Generator:		
Units	412555	332677
Units Per Ltr. of Diesel/Oil	3.75	3.77
Cost Per Unit	10.73	9.80
<b>2. FIRE WOOD/DRY BAGGAS, KHOI, RICE HUSK :</b>		
Quantity (M.T.)	-	-
Total Cost (RS.)	-	-
Rate Per M.T.	-	-
<b>Consumption Per Unit of Production :</b>		
Production (M.T.)	1746156	1603.582
Electricity & Generator (Unit/Kg.)	2.64	2.57
Compressor Furnace Oil (Ltr.)	Nil	Nil
Coal & Fire Wood/Dry Baggas, Khoi, Rice Husk (Kg.)	Nil	Nil

### FORM - B

#### DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION :

<b>1. Research &amp; Development</b>		
(i) Specific area in which R & D carried out by the Company	Nil	Nil
(ii) Benefits desired as a result of the above R & D	Nil	Nil
(iii) Future plan of action	Nil	Nil
(iv) Expenditure of R & D :		
(A) Capital	Nil	Nil
(B) Recurring	Nil	Nil
(C) Total	Nil	Nil
(D) Total R & D Expenditure	Nil	Nil
<b>2. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :</b>		
(A) Efforts in brief, made towards technology absorption, adoption and innovation	Nil	Nil
(B) Benefits desired as a result of the above efforts e.g. product improvement, Cost Reduction, Product Development, Import Substitution etc.	Nil	Nil
<b>3. PARTICULARS OF IMPORTED TECHNOLOGY IN THE LAST 5 YEARS</b>	Nil	Nil
<b>4. FOREIGN EXCHANGE EARNING AND OUTGO</b>	<b>Rs. In Lacs</b>	<b>Rs. In Lacs</b>
(a) Expenditure in Foreign Currency	Nil	Nil
(b) Earning in Foreign Exchange:		
Interest Income	Nil	Nil

Place: Muradnagar  
**Date : 22<sup>nd</sup> August, 2013**  
Registered Office:  
Pawan Puri, Muradnagar.  
Distt. Ghaziabad (U.P.)-201206

*By Order of the Board*  
For **Sybly Industries Limited**

Sd/-  
**Mahesh Chand Mittal**  
Managing Director

**Management's Discussion and Analysis****Industrial Scenario****Indian Textile Industry - An Engine for growth and one of largest employment creators in Indian Economy**

Textile Industry contributes 14% to Indian industrial production, 4% to the GDP and around 17% to the total export earnings and is the largest foreign exchange earning sector in the country.

The industry provides direct employment to over 35 million people and is the second largest provider of employment after agriculture.

The Textile Ministry has recommended continuation of the Technology Upgradation Funds Scheme (TUFS) over the 12th Five Year Plan (2012-13 to 2017-18), with increases allocations of Rs. 158.9 billion as against Rs. 154 billion in the 11th Five Year Plan.

A Rs. 5 billion pilot scheme has also been announced in the 12th Five Year Plan for the use of geo-textiles in the North East India.

Government has allowed 100% Foreign Direct Investment (FDI) in Textiles under the automatic route.

As per the 12th Five Year Plan, the Integrated Skill Development Scheme aims to train over 26,75,000 people within the next 5 years.

The Government of India has announced a package of US\$ 604.56 million to waive of overdue loans in the handloom sector. This is expected to benefit at least 3,00,000 handloom weavers of the industry and 15,000 cooperative societies.

The Indian Government has given approval to 40 new Textile Parks to be set up to execute over a period of 36 months.

*Source: CRISIL & Indian Textile Industry*

**Strengths**

Indian Textile Industry is an Independent & Self-Reliant industry.

Abundant Raw Material availability that helps industry to control costs and reduces the lead-time across the operation.

Availability of Low Cost and Skilled Manpower provides competitive advantage to industry.

Availability of large varieties of fiber and has a fast growing synthetic fiber industry.

Industry has large and diversified segments that provide wide variety of products.

The Company's own quality control department equipped with latest computerised machines and personnel also adds to the strength of the Company.

The Company owns land measuring 25909 sq. yards at Muradnagar, District Ghaziabad, Uttar Pradesh, India, which is also sufficient to meet future expansion plans of the Company.

**Weakness**

Indian Textile Industry is highly Fragmented Industry.

Industry is highly dependent on Cotton.

Lack of Technological Development that affect the productivity and other activities in whole value chain.

Infrastructural Bottlenecks and Efficiency such as, Transaction Time at Ports and transportation Time.

Unfavorable labor Laws.

Lack of Trade Membership, which restrict to tap other potential market.

Lacking to generate Economies of Scale.

Lower Productivity in various segments.

**Opportunities**

A number of initiatives have been announced to support the handloom and powerloom industries.

A number of e-marketing platforms have been developed to simplify marketing issue.

Greater Investment and FDI opportunities are available.

Bangladesh is planning to set up two Special Economic Zones (SEZ) for attracting Indian Companies.

Large, Potential Domestic and International Market.

Product development and Diversification to cater global needs.

Elimination of Quota Restriction leads to greater Market Development.

Market is gradually shifting towards Branded Readymade Garment.

**Threats**

With a steep rise in raw material costs, imposition of an excise duty on branded garments and economic slowdown impacted both export and domestic demand for apparels.

Polyester manufacturers struggled to pass on high raw material costs due to sluggish demand and declining cotton prices.

Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world.

Threat for Traditional Market for Powerloom and Handloom Products and forcing them for product diversification.

Geographical Disadvantages relating to Export & Import of goods.

To make balance between price and quality in order to compete with cheaper imports.

**Financial Outlook**

The Company wishes to capture the growth in Textiles & plans to grow by investing mainly in blended Textiles & to intend to be a leader in the segment.



**Business Segment:****Segment-wise Performance**

During the year 2012-13 Company's major activity remained confined to Manufacturing of Polyester Yarn and trading in cloth.

**Company Outlook**

It is the endeavor of the Company to improve its performance by adopting new techniques of production, improve product acceptability and cutting/reducing costs wherever possible. Your Company has already initiated steps in this regard.

**Risks**

Although the yarn market is very competitive in respect of its margins, still there is plenty of demand for polyester yarn all over India as well as in abroad. There is a normal risk of competition as in other businesses.

**Internal Control System**

The Company has developed an internal control system and procedures to ensure efficient conduct of business and security of its assets. Management Information System has been developed through which production performance and financial dealings are monitored by management on regular basis.

**Human Resources**

The Company believes that the workers are the backbone of the Company. It is providing an opportunity to all the employees to utilise their full potential and grow in the Organization. There was no strike or labour unrest during the last financial year. As on 31.03.2013 the total numbers of employees were 105.

**Risk Management**

The assets of the Company are adequately insured and Board reviews the same from time to time.

**ANNEXURE - II**  
**Report on Corporate Governance**

**1. Company's Philosophy on Corporate Governance**

Your company has always endeavored for bringing excellence in all spheres of its working be it production and quality control, customer satisfaction, shareholders servicing, Relationship with workers, etc. The basic Corporate Governance norms have been adopted at the Board, Management and Operational levels. These norms are reviewed and reaffirmed on an ongoing basis.

**2. Board of Directors**

The present strength of the Board of Directors of the Company is four Directors which comprise of two Executive Director and two non-executive independent Directors. The Composition of the Board is in conformity with the Listing Agreement. No Director is a member of more than 10 committees or acts as Chairman of more than 5 committees across all companies in which he is a Director.

Name	Category	Designation	No. of Meetings Held	No. of Meetings Attendance Other Companies	No. of Membership In Boards of	Attended each Director At last AGM
Mr. M. C. Mittal	Promoter & Executive Director	Managing Director	8	8	1	Yes
Mr. S. P. Mittal	Promoter & Executive Director	Whole Time Director	8	8	2	Yes
Mr. Nishant Mittal	Promoter & Executive Director	Whole Time Director	8	5	1	Yes
Mr. V. P. Mishra	Non-Executive Independent Director	Director	8	8	-	Yes
Mr.Lallan Tripathi	Non-Executive Independent Director	Director	8	7	-	Yes

\*\* Number of directorships in other companies excludes alternate directorships, directorships held in private limited companies, foreign companies and in companies under Section 25 of the Companies Act, 1956.

Note : Mr. S.P. Mittal has resigned from the Board w.e.f. 31.08.2013

**3. Board Meetings**

During the financial year 2012-13, 8 (Eight) meetings of Board of Directors were held. The intervening period between two Board Meetings was well within the maximum time gap of 4 months as prescribed under Corporate Governance norms. The details of Board Meetings held during the year are as under:





Sr. No.	Date of Board Meeting	Sr. No.	Date of Board Meeting
1.	14.05.2012	5.	10.11.2012
2.	01.06.2012	6.	15.01.2013
3.	06.08.2012	7.	14.02.2013
4.	28.08.2012	8.	22.02.2013

**Board's Procedures**

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, collaborations, material investment proposals in joint venture/promoted companies, sale and acquisition of material nature of assets, mortgages, guarantees, donations, etc. are regularly placed before the Board. This is in addition to information with regard to actual operations, major litigation feed back reports, information on senior level appointments just below the Board level and minutes of all Committee Meetings.

**4. Committees of the Board**

Sybly Industries Ltd. has the following Committees of its Directors for the compliance with various Corporate Governance requirements:

- a) Audit Committee;
- b) Remuneration Committee;
- c) Investor Grievance Committee.

**a) Audit Committee**

Pursuant to the provisions of Section 292A and clause 49 of the Listing Agreement, an audit committee has been constituted to perform all such powers and functions as are required to be performed under the said provisions. Presently, Audit Committee comprising two non-executive independent directors and an executive director as per details given below:-

S.No.	Name of Directors	Status	Category of Membership
1.	Mr. M.C.Mittal	Member	Managing Director and Promoter Director
2.	Mr. M.K.Gupta*	Member	Non-Executive Independent Director
3.	Mr. V.P.Mishra	Member/Chairman	Non-Executive Independent Director
4.	Mr. Lallan Tripathi*	Chairman	Non-Executive Independent Director

Note : Mr. M.K.Gupta resigned from the Directorship w.e.f. 01.06.2012.

Mr. Lallan Tripathi appointed as member w.e.f. 06.08.2012.

During the year 2012-13 the Audit Committee met 5 times as per details given below:

Sr. No.	Date of Meeting	No. of Members Present
1.	14.05.2012	3
2.	06.08.2012	3
3.	28.08.2012	3
4.	10.11.2012	3
5.	14.02.2013	3

**Powers of Audit Committee**

The audit committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of Audit Committee**

The Audit committee plays the following role:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same.



- c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
  - 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  8. Discussion with internal auditors any significant findings and follow up there on.
  9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## b) Remuneration Committee

A Remuneration Committee was constituted to perform all such powers and functions as are required to be performed under the said provisions. It requires to be reconstituted.

S.No.	Name of Directors	Status	Category of Membership
1.	Mr. V.P. Mishra	Chairman	Non-Executive Independent Director
2.	Mr. Lallan Tripathi	Member	Non-Executive Independent Director
3.	Mr. M.K. Gupta*	Member	Non-Executive Independent Director

Note : Mr. Lallan Tripathi became member w.e.f. 01.06.2012.

Mr. M.K. Gupta ceased to be a member w.e.f. 01.06.2012

During the year 2012-13 one Remuneration Committee meeting with two members was held on 28.08.2012.

### Remuneration Policy

Subject to the approval of the Board of Directors and the subsequent approval by the shareholders at the General Body Meeting and such authorities as the case may be, remuneration of the Managing/Whole-time Directors is fixed by the Remuneration Committee. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company, etc. The remuneration structure comprises basic salary, commission, perquisites and allowances, contribution to provident fund and other funds in accordance with various related provisions of the Companies Act, 1956. The remuneration policy for Whole-time Directors is directed towards regarding performance, based on review of achievements. The non-executive Directors have not drawn any remuneration from the Company except sitting fee for meetings of the Board and Committees attended by them.

### Details of Remuneration paid to the Directors during the Financial Year 2012-13

S.No.	Name of the Director	Salary	Perquisites and Other Benefits	Sitting Fee	Total
1.	Mr. M.C.Mittal	13,50,000	-	-	13,50,000
2.	Mr. S.P.Mittal	5,70,000	-	-	5,70,000
3.	Mr. Nishant Mittal	5,75,000	-	-	5,75,000
4.	Mr. M.K.Gupta	-	-	-	-
5.	Mr. V.P.Mishra	-	-	1000	1000
6.	Mr. Lallan Tripathi	-	-	-	-
	Total	24,95,000	-	1000	24,96,000

### Number of Shares held by Non-Executive Directors

None of the Non-Executive Directors holds any Equity Share of the Company as on 31.03.2013.

### Powers of Remuneration Committee

- ❖ Deciding and approving the remuneration payable to the managing Director/ Whole Time Director.
- ❖ Deciding and approving the sitting fees payable to the Non Executive Directors.



- ❖ Deciding and approving the remuneration policy covering policies on remuneration payable to the Senior Executive of the Company.
- ❖ To ensure that reward, benefit and increment system is performance based and motivational to employees;
- ❖ Such other functions as required or recommended by the Board or under the provisions of the Listing Agreement.

### Remuneration to the Directors

The Remuneration to the Directors is decided by the Board of Directors as per recommendation by the Remuneration Committee and in accordance with the Remuneration Policy of the Company within the ceiling fixed by the Shareholders of the Company.

### c) Investors Grievance Committee

Investor Grievance Committee is responsible for the smooth functioning of the share transfer process as well as redresses of shareholder grievances expeditiously and satisfactorily. To handle the Investor Grievances in coordination with the compliance officer, the Company has appointed Beetal Financial & Computer Services (P) Ltd. as the Registrar to the issue and as a Share Transfer Agent. All grievances relating to the present issue may be addressed to the registrar with a copy to the compliance officers.

The Board constituted an Investors Grievance Committee under the Chairmanship of Mr. V.P. Mishra a non-executive independent director. Mr. Rakesh Verma, Dy. General Manager (Finance), has been appointed as Compliance Officer. There is no complaint pending.

### General Body Meeting

Details about Last 3 years General Meetings are as under:

Sr. No.	Date	AGM/EOGM	Place	Time	Special Resolution
1.	12.08.2010	AGM	Pawan Puri, Muradnagar- 201206	11.30 AM	1. Re-appointment of Mr. M.C. Mittal as Managing Director 2. Appointment of Mr. S.P. Mittal as Whole Time Director
2.	26.09.2011	AGM	Pawan Puri, Muradnagar- 201206	11.30 AM	1. Increase in remuneration of Mrs. Suman Mittal 2. Increase in remuneration of Mr. Nishant Mittal
3.	28.09.2012	AGM	Pawan Puri, Muradnagar- 201206	11.30 AM	1. Appointment of Ms. Rashi Mittal as Manager-HR. 2. Appointment of Mr. Nishant Mittal as a Whole Time Director, designated as Director (Operations). 3. To make loans, investment, guarantee under Section 372A.

All above Special Resolutions were passed by vote of show of hands.

### POSTAL BALLOT

During the Financial Year 2012-13 no Postal Ballot was conducted by the Company.

### Disclosures

1. There are no materially significant related party transactions i.e. transactions material in nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. having potential conflict with the interest of the company at large.
2. There has been no non-compliance by the Company nor were any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other Statutory Authority on any matter related to capital markets during the last three years.
3. Presently, the Company does not have a Whistle Blower Policy. No Personnel of the Company has been denied access to the Audit Committee.
4. The Company has complied with all the mandatory requirements of Clause 49. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.
5. **Training of Board Members:**  
No specific training programme was arranged for Board members. However, at the Board/ Committee meetings detailed presentations are made by Professionals, Consultants as well as Senior Executives of the Company on the business related matters, risk assessment, strategy, effect of the regulatory changes etc.
6. **Proceeds from Public Issues, Right Issues, Preferential Issues etc.:**  
- Nil -

### Code of Conduct

The Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code on annual basis and the CEO Certificate to the Board of Directors contains a declaration to this effect.



## Subsidiary Companies

The Company did not have a material non-listed Indian Subsidiary during 2012-13.

## CEO/CFO Certification

A certificate from the Managing Director on the financial statements of the Company was placed before the Board.

## Review of Directors' Responsibility Statement

The Board in its report have confirmed that the annual accounts for the period ended March 31, 2013 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

## Means of Communication

The Quarterly Financial Results of the Company are published in Financial Express (Delhi Edition) and Jansatta (Delhi Edition). Further, information has been supplied to Stock Exchanges for posting on EDIFAR. Management discussions and analysis forms a part of this report.

## General Shareholders Information

- a) **Annual General Meeting** : 25<sup>th</sup> Annual General Meeting  
 Date : 24<sup>th</sup> September, 2013  
 Day : Tuesday  
 Time : 11.30 A.M.  
 Place : Pawan Puri, Muradnagar, Distt. Ghaziabad  
 Financial Year : 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013

## b) Financial Calendar

Tentative calendar of events for the financial year 2013-14 (April to March) is as under:

### Adoption of Quarterly Financial Results for :

First Quarter	- upto 14 <sup>th</sup> August, 2013	Third Quarter	- upto 14 <sup>th</sup> February, 2014
Second Quarter	- upto 14 <sup>th</sup> November, 2013	Fourth Quarter	- upto May, 2014

## c) Book Closure

Book closure is from **23.09.2013 to 24.09.2013** (both days inclusive) for the purpose of Annual General Meeting.

## d) Listing at Stock Exchanges

Stock Exchange	Scribe Code
Bombay Stock Exchange Ltd., Mumbai	531499
ISIN No.	INE 080D01034

Listing Fee for the year 2013-14 has been paid to the Bombay Stock Exchange Ltd., Mumbai within the stipulated time.

## e) Dedicated e-mail for Investor Grievance

To enable investors to register their grievances, the Company has designated an exclusive e-mail ID viz.

**sybly\_investors@rediffmail.com**. All investors are requested to avail this facility.

## Stock Market Price

Month	Bombay Stock Exchange		
	High	Low	Volume (No. of Shares)
April, 2012	0.27	0.18	2,04,45,295
May, 2012	0.37	0.17	9,82,24,449
June, 2012	0.60	0.35	8,65,55,372
July, 2012	0.72	0.47	4,02,34,627
August, 2012	0.51	0.38	36,26,189
September, 2012	0.79	0.43	1,15,50,870
October, 2012	0.79	0.58	1,86,04,743
November, 2012	0.63	0.50	2,30,60,236
December, 2012	0.65	0.50	3,95,44,828
January, 2013	0.56	0.37	3,46,08,034
February, 2013	0.38	0.23	8,49,18,167
March, 2013	0.38	0.19	4,83,92,140

Source : [www.bseindia.com](http://www.bseindia.com)

**Shareholders Complaints**

Company has not received any complaint during the financial year 2012-2013.

**Distribution of Shareholding**

Distribution of Shareholding as on 31.03.2013.

Shareholding	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 5000	4,110	70.34	84,09,944	2.07
5001 10000	849	14.53	75,05,204	1.84
10001 20000	361	6.18	59,74,489	1.47
20001 30000	136	2.33	35,03,440	0.86
30001 40000	72	1.23	26,06,192	0.64
40001 50000	85	1.45	40,88,224	1.00
50001 100000	95	1.63	72,43,716	1.78
100001 and above	135	2.31	36,78,29,791	90.34
	5,843	100.00	40,71,61,000	100.00

**Categories of Shareholding as on 31.03.2013 is as under:**

Category	No. of Shares Held	% of Shareholding
Indian Promoters	3,00,83,210	7.39
Private Bodies Corporate	12,84,34,887	31.54
NRI/OCBs	6,04,221	0.15
Foreign Bank	14,63,30,000	35.94
Foreign Institutions	49,43,373	1.21
Indian Public	8,45,86,941	20.78
Hindu Undivided Families	73,74,029	1.81
Clearing Members	48,04,339	1.18
Total	40,71,61,000	100.00

1,30,000 shares on which Rs.0.50/- paid up stand forfeited.

**Registrar & Transfer Agent/Investor Correspondence**

Pursuant to the SEBI directive, the Company has appointed Beetal Financial & Computer Services (P) Ltd. as Share Transfer Agent for maintaining all the work related to share registry in terms of both physical and electronic form. Shareholders can communicate with them for lodgement of transfer deeds and their queries at the following address:

**Beetal Financial & Computer Services (P) Ltd.**

Beetal House, 3<sup>rd</sup> Floor  
99, Madangir, Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir,  
New Delhi-110062  
Telephone : 011-29961281, 29961282, Fax : 29961284  
E-mail : beetal@beetalfinancial.com

**Dematerialisation of Shares**

Pursuant to the SEBI directive, to enable the shareholders to hold their shares in electronic form, the Company has enlisted its shares with National Securities Depository Limited (NSDL) & Central Depository Services (India) Ltd. (CDSL). Equity Shares consisting 99.85% of paid up Share Capital are in dematerialised form as on 31.03.2013.

**Plant Location**

The Company has two premises of its manufacturing facilities at:

Pawan Puri,  
Muradnagar- 201206  
Distt. - Ghaziabad  
Uttar Pradesh (India)

**Name & Compliance Officer**

Mr. Rakesh Verma



**MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION**

To,

The Board of Directors,  
Sybly Industries Limited

I, M. C. Mittal, Managing Director of Sybly Industries Limited, to the best of my knowledge and belief hereby certify that:

- A. I have reviewed the financial statements and the cash flow statement of the Company for the year 31<sup>st</sup> March, 2013 and that to the best to my knowledge and belief:
  - i) These statement do not contain any materially untrue statement or omit any material fact or contains statement /statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transaction entered into by the company during the year which are fraudulent , illegal or violative of the company's code of conduct;
- C. I accept responsibility for the establishing and maintaining internal control for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to the financial reporting and I have disclosed to the auditors and Audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or proposed to take to rectify these deficiencies.
- D. I have indicated whatever applicable, to the auditor and to the audit committee.
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

**Place: Muradnagar**  
**Date: 22<sup>nd</sup> August, 2013**

**Sd/-**  
**Mahesh Chand Mittal**  
**(Managing Director)**



## SYBLY INDUSTRIES LIMITED

### Declaration on Compliance of the Company's Code of Conduct

To  
The Board of Directors,  
Sybly Industries Ltd.  
Pawan Puri,  
Muradnagar 201 206  
Distt. Ghaziabad (U.P.)

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchange to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31<sup>st</sup> March, 2013.

**Place: Muradnagar**  
**Date: 22<sup>nd</sup> August, 2013**

**Sd/-**  
**Mahesh Chand Mittal**  
**(Managing Director)**

**R.S. BHATIA**  
M.A., F.C.S.  
Company Secretary in Practice

J-17, (Basement) Lajpat Nagar III,  
New Delhi-110024  
Ph. : 011-41078605, M: 9811113545  
Pan No. AAFPB5130M  
Service Tax No. AAFPB5130MST001  
Service Category :- Company Secretary in Practice  
Email : bhatia\_r\_s@hotmail.com

### COMPLIANCE CERTIFICATE

To  
The Members of  
Sybly Industries Ltd.

I have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31<sup>st</sup> March, 2013.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I have conducted my review on the basis of the relevant records and documents maintained by the Company and furnished to me for the review, and the information and explanations given to me by the Company.

Based on such a review and to the best of my information and according to the explanations given to me, in my opinion, the Company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the said Listing Agreements.

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

**Place : Muradnagar**  
**Date: 22<sup>nd</sup> August, 2013**

**Sd/-**  
**(R.S.Bhatia)**  
Company Secretary in Practice  
C.P. No.2514





# SYBLY INDUSTRIES LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYBLY INDUSTRIES LIMITED

### Report on the Financial Statements

1. We have audited the accompanying financial statements of "Sybly Industries Limited", which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended 31st March 2013, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements subject to the remark as contained in notes forming part of accounts particularly Note No.29 regarding non confirmation of balances; previous year expenditures; & non-disclosure of outstanding of small scale undertakings and read significant accounting policies and other notes forming part of the accounts appearing thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - b) In the case of the Profit and Loss Account, of the PROFIT for the year ended on that date; and
  - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 except that the stock of finished goods have been valued at realizable value instead of lower of cost or realizable value in terms of AS-2;
  - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**For V. S. Gupta & Co.,**  
Chartered Accountants,  
(Firm Registration No. 00724C)

Sd/-  
**(CA Hemant Kumar Gupta)**  
Partner  
(Membership No. : 071580)

Camp : Meerut : 30<sup>th</sup> May, 2013



**Annexure to the Independent Auditor's Report to the members of Sybly Industries Limited on the accounts of the company for the year ended 31st March, 2013**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
(b) The assets have been physically verified by the management during the year according to the regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.  
(c) During the year, the Company has not disposed off any substantial part of its fixed assets.
- (ii) (a) The inventories of the company at all its locations (except stocks lying with third parties and in transit, confirmation/subsequent receipts have been obtained in respect of such inventory) have been physically verified by the management during the year at reasonable intervals.  
(b) The procedures of physical verification of Inventories, followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) The Company is maintaining proper records of Inventory. The discrepancies between the physical stocks as compared to book records were not material.
- (iii) (a) The Company has not granted any Loans, secured or unsecured to Companies, Firms or Other Parties covered in the Register maintained under Section 301 of the Act.  
(b) The Company has taken Unsecured loans from 15 (Fifteen) parties covered in the register maintained under Section 301 of the Companies Act, 1956 as further explained in Point No. (vi) below. The year-end balance of loans taken from such parties was Rs. 575.89 Lacs.  
(c) As per information and explanation given to us, unsecured loans taken by the company from the parties covered in the register maintained under Section 301 of the Companies Act, 1956 are interest free and other terms and conditions of loan taken by the Company are prima facie not prejudicial to the interest of the Company.  
(d) As per information and explanation given to us, the company is regular in payment of Principal and being all such loans are interest free, thus no interest is being paid on the above loans.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of Inventory, Fixed Assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 and hence Para (v)(b) of the order is not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the company has accepted the unsecured loans from directors and their relatives and as explained to us that the same have been taken in compliance of the stipulation of financial institutions as explained in Note No. 3 in Schedule No. 20 and these are exempted deposits under the provision of Section 58A, 58(AA) or any other relevant provisions of the Act and Rules framed there under have been complied with. Further, as we are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) The company has an internal audit system commensurate with the size and nature of its business, but the same is required to be strengthened to commensurate with the size and nature of business.
- (viii) As informed by the management, the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 are maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete as the company is getting a cost audit conducted from a qualified person in this regard and will submit Cost Audit Report to the Central Government.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.  
(b) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited on account of any dispute. However, there are certain disputed cases, the details of which are given below:



## SYBLY INDUSTRIES LIMITED

Nature of Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Forum where dispute is pending
Income Tax Act	Demand	39,776/-	A. Y. 1998-99	ITAT
Income Tax Act	Demand	2,43,034/-	A. Y. 2001-02	ITAT

- (x) The Company has some accumulated losses as at the end of financial year. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to information's and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) As we are informed the company has not given guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that company has not used funds raised on short term basis for long term investment.
- (xviii) According to the information and explanations given to us, the company has not made allotment of equity shares on preferential basis to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- (xx) The company has not raised any money from public during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For V. S. Gupta & Co.,**  
Chartered Accountants,  
(Firm Registration No. 00724C)

**Sd/-**  
**(CA Hemant Kumar Gupta)**  
Partner  
(Membership No. : 071580)

**Meerut : 30<sup>th</sup> May, 2013**



# SYBLY INDUSTRIES LIMITED

## BALANCE SHEETS AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share capital	2	40,72,26,000.00	40,72,26,000.00
(b) Reserve and surplus	3	7,99,10,844.84	8,01,91,204.38
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	4	5,82,94,382.69	4,51,43,941.82
(b) Long-term provisions	5	7,74,95,464.00	5,29,58,980.00
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	6	10,82,96,059.24	10,75,91,678.72
(b) Trade payable	7	21,75,38,800.69	26,71,43,682.66
(c) Other current liabilities	8	2,21,77,542.29	2,76,59,255.22
(d) Short-term provisions	9	18,72,750.00	14,12,007.00
<b>TOTAL</b>		<b>97,28,11,843.75</b>	<b>98,93,26,749.80</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		13,36,20,997.57	16,31,28,432.57
(ii) Capital work- in-progress		-	-
(b) Non-current Investments	11	1,71,46,433.95	4,84,750.00
(c) Deferred Tax Assets (net)		2,13,66,316.00	2,17,24,118.00
(d) Long-term loans and advances	12	8,24,33,658.47	6,55,58,497.79
(e) Other non-current assets	13	46,97,123.00	78,48,738.00
<b>(2) Current assets</b>			
(a) Inventories	14	11,23,11,349.00	9,87,93,716.00
(b) Trade receivable	15	18,93,75,636.95	23,39,11,047.88
(c) Cash and Bank Balances	16	44,30,866.96	46,91,849.82
(d) Short-term loans and advances	17	40,55,26,130.85	39,21,07,453.75
(e) Other current assets	18	19,03,331.00	10,78,146.00
<b>TOTAL</b>		<b>97,28,11,843.75</b>	<b>98,93,26,749.80</b>
<b>Notes to Accounts and Significant Accounting Policies</b>	<b>1</b>		
<b>Note No. 29 forms an integral part of these Financial Statements</b>	<b>29</b>		

For and on behalf of Board of Directors

Sd/-  
**(MAHESH CHAND MITTAL)**  
 Managing Director  
 (DIN : 00284866)

Sd/-  
**(Dr. LALLAN TRIPATHI)**  
 Director  
 (DIN : 05283743)

Sd/-  
**(GAYATRI GOPINATH)**  
 Company Secretary  
 (Memb No. : A30489)

As per our separate report of even date attached  
**For V.S.Gupta & Co.**  
 Chartered Accountants

**PLACE : Muradnagar**  
**DATE : 30th May, 2013**

Sd/-  
**(CA Hemant Kumar Gupta)**  
 Partner



# SYBLY INDUSTRIES LIMITED

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No.	for the year ended 31.03.2013	for the year ended 31.03.2012
<b>REVENUE</b>			
<b>I. Revenue from Operations</b>			
Sales of products		1,07,49,19,660.00	77,25,36,935.80
		<u>1,07,49,19,660.00</u>	<u>77,25,36,935.80</u>
<b>II. Other Income</b>	<b>20</b>	70,31,175.00	10,75,784.59
<b>III. Total Revenue (I+II)</b>		<b>1,08,19,50,835.00</b>	<b>77,36,12,720.39</b>
<b>EXPENSES</b>			
Cost of material consumed	<b>21</b>	98,12,76,289.00	72,36,44,056.00
Manufacturing & Operating Cost	<b>22</b>	3,22,09,372.00	2,49,73,768.00
Changes in inventories of finished goods, work-in-progress and stock-in trade	<b>23</b>	(56,45,767.00)	2,38,045.00
Employee benefits expense	<b>24</b>	1,38,21,299.00	1,01,62,862.00
Finance Costs	<b>25</b>	2,03,47,882.52	2,34,27,383.83
Depreciation and Amortization Expenses	<b>10</b>	2,91,91,047.00	2,92,49,481.00
Other expenses	<b>26</b>	1,02,14,055.02	90,56,296.32
<b>IV. Total Expenses</b>		<b>1,08,14,14,177.54</b>	<b>82,07,51,892.15</b>
<b>V. Profit before exceptional and extraordinary items (III-IV)</b>		5,36,657.46	(4,71,39,171.76)
<b>VI. Exceptional Items</b>	<b>27</b>	-	4,90,000.00
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		<b>5,36,657.46</b>	<b>(4,76,29,171.76)</b>
<b>VIII. Extraordinary Items</b>	<b>28</b>	-	3,15,00,000.00
<b>IX. Profit before Tax (PBT) (VII-VIII)</b>		<b>5,36,657.46</b>	<b>(1,61,29,171.76)</b>
<b>X. Tax Expense of continuing operations</b>			
Current Tax (including Wealth Tax)		-	-
MAT Credit Entitlement		1,02,260.00	-
Deferred Tax		3,57,802.00	(50,27,268.00)
<b>XI. Profit/(loss) for the period from continuing operations (IX-X-XIV)</b>		76,595.46	(1,11,01,903.76)
<b>XII. Profit/(loss) from discontinuing operations</b>		-	-
<b>XIII. Tax expense of discontinuing operations</b>		-	-
<b>XIV. Profit/(loss) from discontinuing operations (after tax) (XII-XIII)</b>		-	-
<b>XV. Profit/(loss) for the period [Profit After Tax (PAT) (XI+XIV)]</b>		76,595.46	(1,11,01,903.76)
<b>XVI. Earnings per equity share</b>			
(1) Basic		0.00	(0.03)
(2) Diluted		-	-

For and on behalf of Board of Directors

Sd/-  
**(MAHESH CHAND MITTAL)**  
 Managing Director  
 (DIN : 00284866)

Sd/-  
**(Dr. LALLAN TRIPATHI)**  
 Director  
 (DIN : 05283743)

Sd/-  
**(GAYATRI GOPINATH)**  
 Company Secretary  
 (Memb No. : A30489)

As per our separate report of even date attached  
**For V.S.Gupta & Co.**  
 Chartered Accountants

PLACE : Muradnagar  
 DATE : 30th May, 2013

Sd/-  
**(CA Hemant Kumar Gupta)**  
 Partner



# SYBLY INDUSTRIES LIMITED

## NOTES TO THE ACCOUNTS

### NOTE - 2 SHARE CAPITAL

#### (A) Authorised, Issued, Subscribed and paid-up share capital and par value share

Particulars	As at 31.03.2013	As at 31.03.2012
<b>Authorised Share Capital</b>		
7,00,00,000 Equity Shares of Rs. 10/- each	70,00,00,000.00	-
(Prev. Year 70,00,00,000 Equity Shares of Rs. 1/- each)	-	70,00,00,000.00
<b>Issued Share Capital</b>		
4,07,29,100 Equity Shares of Rs. 10/- each	40,72,91,000.00	-
(Prev. Year 40,72,91,000 Equity Shares of Rs. 1/- each)	-	40,72,91,000.00
<b>Subscribed and Fully Paid-up Share Capital</b>		
4,07,16,100 Equity Shares of Rs. 10/- each	40,71,61,000.00	-
(Prev. Year 40,71,61,000 Equity Shares of Rs. 1/- each)	-	40,71,61,000.00
<b>Subscribed but not Fully Paid-up Share Capital</b>		
13,000 Shares of Rs. 5/- paid - Forfeited	65,000.00	-
(Prev. Year 1,30,000 Shares of Rs. 0.50 paid - Forfeited)	-	65,000.00
<b>TOTAL</b>	<b>40,72,26,000.00</b>	<b>40,72,26,000.00</b>
<b>Number of shares outstanding as at the beginning of the year</b>	40,71,61,000.00	40,71,61,000.00
<b>Add:</b>		
Number of shares allotted as fully paid-up bonus shares during the period	-	-
<b>Less :</b>		
Number of shares bought back during the period	-	-
<b>Number of shares outstanding as at the end of the period</b>	4,07,16,100.00	40,71,61,000.00

#### Shares in the company held by each shareholder holding more than 5% shares

Sl. No.	Name of the Shareholder	Number of Shares as on 31.03.2013	Number of Shares as on 31.03.2012
1	DEUTSCHE BANK TRUST COMPANY-AMERICAS	1,46,33,000.00	26,70,50,000.00
2	CCL INTERNATIONAL LIMITED	87,50,736.00	-
3	DRISTI TEXTILE PRIVATE LIMITED	22,00,000.00	-

### NOTE - 3 RESERVE & SURPLUS

<b>A General Reserve</b>		
Opening Balance	14,19,498.24	14,19,498.24
Add : Trf. from surplus in Statement of Profit & Loss	-	-
	14,19,498.24	14,19,498.24
Less : Utilised / Transferred during the period	-	-
Closing Balance	<b>14,19,498.24</b>	<b>14,19,498.24</b>
<b>B Securities Premium Account</b>		
Opening Balance	7,37,50,000.00	7,37,50,000.00
Add : Premium on shares issued during the period	-	-
	7,37,50,000.00	7,37,50,000.00
Less : Utilised during the period	-	-
Closing Balance	<b>7,37,50,000.00</b>	<b>7,37,50,000.00</b>
<b>C Revaluation Reserve</b>		
Opening Balance	5,62,90,855.42	5,66,29,547.42
Add : Addition on revaluations during the period	-	-
	5,62,90,855.42	5,66,29,547.42
Less : Utilised during the period	3,38,692.00	3,38,692.00
Closing Balance	<b>5,59,52,163.42</b>	<b>5,62,90,855.42</b>
<b>D Surplus (Profit and Loss Account)</b>		
Opening Balance	(5,12,69,149.28)	(3,95,84,927.52)
Add : Profit / (Loss) for the period	76,595.46	(1,11,01,903.76)
	(5,11,92,553.82)	(5,06,86,831.28)
Less : Deduction during the period	-	-
Less : Previous year adjustments	18,263.00	5,82,318.00
Closing Balance	<b>(5,12,10,816.82)</b>	<b>(5,12,69,149.28)</b>
<b>TOTAL (A+B+C+D)</b>	<b>7,99,10,844.84</b>	<b>8,01,91,204.38</b>



## NOTE - 4 LONG TERM BORROWINGS

### Secured borrowings

#### Term loans from banks

Term Loan for Plant & Machinery	-	26,23,618.00
Term Loan for Car	7,05,072.22	26,72,847.70
	7,05,072.22	52,96,465.70

### Unsecured borrowings

Loans and advances from related parties	5,75,89,310.47	3,98,47,476.12
Loans and advances from others	-	-
	5,75,89,310.47	3,98,47,476.12
<b>TOTAL</b>	<b>5,82,94,382.69</b>	<b>4,51,43,941.82</b>

### Nature of Security and terms of repayments for Long Term secured borrowings :

Nature of Security	Terms of Repayment
i Term Loan from Bank of Baroda for Plant & Machinery amounting to Rs. 125.00 lacs (March 31, 2013 Rs. 25.85 lacs) is secured by exclusive and specific charge on all present and future fixed assets of the company created/to be created out of bank finance except against vehicles where separate charge exists and personal guarantees of the directors & their relatives.	Repayable in 20 quarterly installments commencing from April-08. Last installment due in Jan-14. Rate of interest 15% p.a. as at year end.
ii Term Loan from ICICI Bank for Car amounting to Rs.11.00 lacs (March 31, 2013 Rs. 3.75 lacs) is secured by way of Hypothecation of Vehicle.	Repayable in 36 monthly installments commencing from March-11. Last installment due in Feb-14. Rate of interest 11.76% p.a. as at year end.
iii. Term Loan from BMW India Financial Services (P) Ltd. for Car amounting to Rs. 21.00 lacs (March 31, 2013 Rs. 14.03 lacs) is secured by way of Hypothecation of Vehicle.	Repayable in 36 monthly installments commencing from April-12. Last installment due in February-15. Rate of interest 10.23% p.a. as at year end.

### Nature of Long Term Unsecured borrowings :

The Unsecured Loans have been taken from Directors / Promoters & their relatives. These Unsecured Loans have been taken in the condition imposed by the financial institution for bringing the adequate margins. These unsecured loans will not be repaid without the permission of the financial institution. During the year some of unsecured loan are repaid and in place of them fresh are taken. However, the overall quantum of the unsecured loans were within the adequate margins as stipulated by the financial institution. The company is of the opinion that these are well within the provision of Section 58A of the Companies Act, 1956 as the same are accepted in pursuance of stipulations of financial institutions.

## NOTE - 5 LONG TERM PROVISIONS

Currency Fluctuation Reserve	7,74,95,464.00	5,29,58,980.00
	7,74,95,464.00	5,29,58,980.00





## NOTE - 6 SHORT-TERM BORROWINGS

### Secured borrowings

#### A Loans payable on demand

Working Capital Loans repayable on demand 10,82,96,059.24 10,75,91,678.72

### Unsecured borrowings

#### B Loans and advances from related parties

	-	-
<b>TOTAL (A+B)</b>	<b>10,82,96,059.24</b>	<b>10,75,91,678.72</b>

## NOTE - 7 TRADE PAYABLES

Acceptances - -

Other than Acceptances 21,75,38,800.69 26,71,43,682.66

	<b>21,75,38,800.69</b>	<b>26,71,43,682.66</b>
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## NOTE - 8 OTHER CURRENT LIABILITIES

### Current maturities of long term debt

#### (Repayable in FY 2013-2014)

Term Loan for Plant & Machinery 25,85,357.00 62,00,000.00

Term Loan for Car 10,72,738.00 1,03,820.00

### Other Payables

Statutory remittances 1,54,257.00 1,31,360.00

Advances from customers 7,23,374.81 17,39,475.91

Others 1,76,41,815.48 1,94,84,599.31

	<b>2,21,77,542.29</b>	<b>2,76,59,255.22</b>
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## NOTE - 9 SHORT TERM PROVISION

Provision for Income Tax 1,02,260.00 -

Provision for Gratuity 17,70,490.00 14,12,007.00

	<b>18,72,750.00</b>	<b>14,12,007.00</b>
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## NOTE 10 : FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original as at 01.04.2012	Addition during the Year	Deletion during the year	Total Cost as at 31.03.2013	Depreciation upto 31.03.2012	Depreciation on Sale	Depreciation for the Year	Depreciation upto 31.03.2013	As At 31.03.2013	As At 31.03.2012
Land	54250600.00	-	-	54250600.00	-	-	-	-	54250600.00	54250600.00
Building	88268178.91	-	-	88268178.91	24064717.00	-	2946032.00	27010749.00	61257429.91	64203461.91
Plant and Machinery	259739217.39	12572.00	-	259751789.39	221739403.36	-	25734543.00	247473946.36	12277843.03	37999814.03
Computers	3848134.00	-	-	3848134.00	3848132.00	-	-	3848132.00	2.00	2.00
Furniture & Fixtures	1317798.05	-	-	1317798.05	831121.38	-	70642.00	901763.38	416034.67	486676.67
Vehicles	7688256.07	74000.00	247680.00	7514576.07	2048230.00	147562.00	715408.00	2616076.00	4898500.07	5640026.07
Office Equipments	976251.89	35850.00	-	1012101.89	428400.00	-	63114.00	491514.00	520587.89	547851.89
<b>Total</b>	<b>416088436.31</b>	<b>122422.00</b>	<b>247680.00</b>	<b>415963178.31</b>	<b>252960003.74</b>	<b>147562.00</b>	<b>29529739.00</b>	<b>282342180.74</b>	<b>133620997.57</b>	<b>163128432.57</b>

**NOTE - 11 NON-CURRENT INVESTMENTS**

Investment in Equity Shares of Subsidiary

1(As at 31.03.2013 : 1) Fully Paid up Equity Share of AED 35000 each of Sybly International FZE, Sharjah (Unquoted at cost)	5,17,300.00	4,84,750.00
Investment in Equity Shares of CCL International Ltd. 1,40,668 Fully Paid up Share of Rs. 2/- each (Quoted)	1,66,29,133.95	-
	<b>1,71,46,433.95</b>	<b>4,84,750.00</b>

**NOTE - 12 LONG-TERM LOANS AND ADVANCES**

(Unsecured, considered good)

A Capital advances	41,72,431.16	41,70,431.16
B Security deposits	30,23,395.00	30,24,395.00
C Balances with government authorities Vat credit receivable	49,551.00	76,907.32
D Others Advance to Suppliers	19,52,422.31	19,52,422.31
Loans and advances to Corporate Bodies	7,32,35,859.00	5,63,34,342.00
<b>TOTAL (A+B+C+D)</b>	<b>8,24,33,658.47</b>	<b>6,55,58,497.79</b>

**NOTE - 13 OTHER NON-CURRENT ASSETS****Miscellaneous Expenditure**

(To the extent not written off or adjusted )

A Preliminary Expenses	6,06,502.00	12,13,006.00
Less : Amount Written off	6,06,502.00	6,06,504.00
	-	<b>6,06,502.00</b>
B GDR Issue Expenses	72,42,236.00	97,87,345.00
Less : Amount Written off	25,45,113.00	25,45,109.00
	<b>46,97,123.00</b>	<b>72,42,236.00</b>
<b>TOTAL (A+B)</b>	<b>46,97,123.00</b>	<b>78,48,738.00</b>

**NOTE - 14 INVENTORIES**

Raw Material	3,43,31,730.00	2,64,10,417.00
Stores and Spare Parts	7,83,750.00	7,54,500.00
Packing Material	1,20,400.00	1,05,800.00
Fuels	3,87,213.00	4,80,510.00
Finished Goods	96,56,829.00	1,09,96,519.00
Stock in Process	6,61,34,227.00	5,91,33,200.00
Scrap & Waste	8,97,200.00	9,12,770.00
<b>TOTAL</b>	<b>11,23,11,349.00</b>	<b>9,87,93,716.00</b>

**NOTE - 15 TRADE RECEIVABLES**

(Unsecured, considered good)

A Trade receivables outstanding for more than six months from the date they became due for payment	6,45,95,564.87	1,29,43,673.71
B Trade Receivables (others)	12,47,80,072.08	22,09,67,374.17
<b>TOTAL (A+B)</b>	<b>18,93,75,636.95</b>	<b>23,39,11,047.88</b>



# SYBLY INDUSTRIES LIMITED

## NOTE - 16 CASH AND BANK BALANCES

<b>A</b>	<b>Balance with Banks</b>		
<b>(I)</b>	<b>Other bank balances</b>		
	(i) In Deposits Accounts	31,18,416.00	29,23,499.00
	(ii) Others	2,19,108.96	2,65,333.82
<b>B</b>	<b>Cheques, drafts on hand</b>		
	(i) Cheques on hand	8,31,872.00	6,25,000.00
<b>C</b>	<b>Cash on hand</b>	2,61,470.00	8,78,017.00
	<b>TOTAL (A+B+C)</b>	<b>44,30,866.96</b>	<b>46,91,849.82</b>

Balances with banks include deposits amounting to Rs. 31,18,416/- (As at 31 March, 2013) which have an original maturity of more than 12 months.

## NOTE - 17 SHORT-TERM LOANS AND ADVANCES

	(Unsecured, considered good)		
<b>A</b>	Loans and advances to related parties	40,22,66,040.00	38,03,01,230.00
<b>B</b>	Loans and advances to Employees	1,58,037.00	1,53,537.00
<b>C</b>	Prepaid Expenses	94,355.00	41,732.00
<b>D</b>	Balances with government authorities		
	Vat credit receivable	49,549.97	66,367.66
<b>E</b>	Others (Advance to Suppliers)	29,58,148.88	1,15,44,587.09
	<b>TOTAL (A+B+C+D+E)</b>	<b>40,55,26,130.85</b>	<b>39,21,07,453.75</b>

## NOTE - 18 OTHER CURRENT ASSETS

	19,03,331.00	10,78,146.00
<b>TOTAL</b>	<b>19,03,331.00</b>	<b>10,78,146.00</b>

## NOTE - 19 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

<b>A</b>	<b>Contingent Liabilities</b>	
	(a) Claims against the company not acknowledged as debts	-----NIL-----
	(b) Guarantees	-----NIL-----
	<b>(c) Other money for which company is contingently liable:</b>	
	(i) The Income Tax assessments of the Company is pending for the assessment year 2011-2012 and 2012-13. However the Company does not envisage any liability in respect thereof. The Company's Appeals for assessment year 1998-99 & 2001-02 are pending before the Income Tax Appellate Tribunal but the Company does not envisage any liability and expect full relief in the appeal.	
	(ii) The Trade Tax assessments of the Company for the assessment years 2010-2011, 2011-2012 and 2012-13 are pending but the Company does not envisage any liability for these years other than what has been paid or provided.	
	(iii) A demand of Rs. 8,51,135.34 has been raised by The Maharashtra State Co-op. Cotton Growers Marketing Federation Ltd., Mumbai after adjusting advance of Rs. 19,07,422.31, deposited by Company, for purchase of Cotton. However, the Company did not purchase such Cotton. The Maharashtra State Co-op. Cotton Growers Marketing Federation Ltd., Mumbai raised dispute, which is pending in litigation before the Court of Law.	
	(d) Bills discounted with banks	-----NIL-----
<b>B</b>	<b>Commitment</b>	
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	Order Value Rs. 400 Lacs, balance unpaid is Rs. 358.30 Lacs



# SYBLY INDUSTRIES LIMITED

## NOTE - 20 OTHER INCOME

Rental Income	3,00,000.00	3,00,000.00
Interest Received	67,29,175.00	6,63,983.00
Other Income	2,000.00	-
Profit on Sale of Fixed Assets	-	65,231.59
Sale of Scrap	-	46,570.00
<b>TOTAL</b>	<b>70,31,175.00</b>	<b>10,75,784.59</b>

## NOTE - 21 COST OF MATERIAL CONSUMED

Raw Material Consumed	19,77,27,598.00	18,13,23,222.00
Purchase of Traded Goods	78,35,48,691.00	54,23,20,834.00
<b>TOTAL</b>	<b>98,12,76,289.00</b>	<b>72,36,44,056.00</b>

## NOTE - 22 MANUFACTURING & OPERATING COST

Power & Fuel	2,99,43,282.00	2,34,20,965.00
Packing Material	21,66,334.00	14,93,814.00
Freight Inward	33,025.00	-
Chemicals	66,731.00	58,989.00
<b>TOTAL</b>	<b>3,22,09,372.00</b>	<b>2,49,73,768.00</b>

## NOTE - 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

### Closing Stock:

Finished Goods	96,56,829.00	1,09,96,519.00
Stock in Process	6,61,34,227.00	5,91,33,200.00
Scrap & Waste	8,97,200.00	9,12,770.00
	<u>7,66,88,256.00</u>	<u>7,10,42,489.00</u>

### Opening Stock:

Finished Goods	1,09,96,519.00	1,12,62,375.00
Stock in Process	5,91,33,200.00	5,81,64,409.00
Scrap & Waste	9,12,770.00	18,53,750.00
	<u>7,10,42,489.00</u>	<u>7,12,80,534.00</u>

**Net (increase) / decrease**      **56,45,767.00**      **(2,38,045.00)**

## NOTE - 24 EMPLOYEE BENEFIT EXPENSES

Salaries, Wages & Incentives	1,23,75,426.00	89,03,747.00
Bonus	2,69,184.00	2,40,266.00
Gratuity	6,44,854.00	4,43,117.00
Provident Fund	4,17,899.00	4,24,405.00
Staff & Labour Welfare	1,13,936.00	1,51,327.00
<b>TOTAL</b>	<b>1,38,21,299.00</b>	<b>1,01,62,862.00</b>

## NOTE - 25 FINANCE COSTS

### Interest on :

Term Loans	11,26,959.52	23,29,208.37
Bank Borrowings & Others	1,85,22,837.00	2,05,45,363.00
Bank Charges & Others	6,98,086.00	5,52,812.46
<b>TOTAL</b>	<b>2,03,47,882.52</b>	<b>2,34,27,383.83</b>

**NOTE - 26 OTHER EXPENSES**

Repairs - Plant & Machinery	27,58,926.51	24,89,852.37
Repairs - Factory Building	63,325.00	17,000.00
Repairs - Others	1,25,495.00	1,17,954.31
Printing & Stationery	1,66,781.00	1,47,168.00
Communication Expenses	1,99,149.08	2,26,296.93
Directors Meeting Expenses	7,500.00	15,000.00
Travelling & Conveyance	2,21,092.85	24,532.00
Vehicle Running & Maintenance	3,10,135.95	2,26,571.39
Insurance Charges	2,23,349.00	1,54,058.00
Legal & Professional Charges	3,14,777.00	2,58,950.00
Rates & Taxes	1,04,552.00	1,24,714.00
Auditors Remuneration	90,913.00	57,908.00
Advertisement & Publicity	1,02,865.00	71,548.00
Freight & Forwarding	6,52,228.00	5,44,354.00
Commission on Sales	13,11,742.00	11,21,989.00
Membership & Subscription	5,918.00	6,409.00
Secretarial Expenses	3,29,436.00	2,68,561.00
Charity & Donation	27,500.00	21,200.00
Loss on Sale of Fixed Assets	30,118.00	-
Loss on Sale of Investments	4,804.00	-
Expenses written off	31,51,615.00	31,51,613.00
General Expenses	11,832.63	10,617.32
<b>TOTAL</b>	<b>1,02,14,055.02</b>	<b>90,56,296.32</b>

**NOTE - 27 EXCEPTIONAL ITEMS**

Pertains Loss due to theft of Cash	-	4,90,000.00
<b>TOTAL</b>	<b>-</b>	<b>4,90,000.00</b>

**NOTE - 28 EXTRAORDINARY ITEMS**

Claim received from M/s. Kush Technologies (P) Ltd. for breach of contract of purchase of land	-	3,15,00,000.00
<b>TOTAL</b>	<b>-</b>	<b>3,15,00,000.00</b>

**NOTES TO THE ACCOUNTS****NOTE : 1 SIGNIFICANT ACCOUNTING POLICIES****I. Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. Company follows the Mercantile System of Accounting and recognizes Income and Expenditure on Accrual Basis otherwise specifically stated. The Accounts are being prepared as a going concern on the historical cost basis. Accounting Policies not referred to otherwise are consistent with Generally Accepted Accounting Principles.

**II. Revenue Recognition**

Sales are recognised at the point of despatch. Other Income is recognised as and when the same is accrued.

**III. Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**IV. Valuation of Inventories**

Inventories of Raw Materials, Consumable Stores & Spares, Stock in trade of Trading Purchases and Stock-in-Process are valued at cost on FIFO basis. Finished Goods and Scrap are valued at realizable value.

**V. Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**VI. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**VII. Fixed assets / Tangible Assets**

Fixed Assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use and also includes financing cost till commencement of commercial production. In respect of assets taken on Leases, the same are accounted for only on transfer of ownership to the Company and on transfer cost.

**VIII. Depreciation**

The Depreciation has been provided on straight line method at the rates as specified in Schedule XIV of the Companies Act, 1956.

**IX. Foreign Currency Transactions**

Transactions in Foreign currencies are recorded at exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the balance sheet date and exchange difference is accounted as provision for foreign exchange fluctuation. Actual exchange differences arising on realization/final settlement in Indian rupees are dealt with in the Profit and Loss Account.

**X. Employee retirement benefit**

- (i) Retirement benefits in the form of provident fund scheme whether in pursuance of any law or otherwise is accounted on accrual basis and charged to the profit & loss account of the year.
- (ii) The Gratuity has been provided for on the basis of Actuarial Valuation dated 25.04.2013, which was prepared on "Projected Unit Credit Method" and Bonus to employees are provided for on accrual basis.
- (iii) The Company has adopted policy to pay the leave encashment on yearly basis calculated as per calendar year to all eligible employees

**XI. Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**XII Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**XIII. Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

**XIV. Investments**

Investments in India are stated at cost. Investment outside India involving foreign current transactions are being valued at the year end rates.

**XV. Business Segment**

The company is engaged in business of manufacturing of yarn and trading of cloth, which is in same business segment.

**Note - 29 Additional Information to the financial statements**

- A. Confirmation of balances from some of parties appearing under the head current liabilities, sundry debtors, loans and advances are awaited
- B. Previous year adjustments of Rs. 18,263/- include Rs.12,982/- paid for Entry Tax demand & interest thereon for the Assessment Year 2008-09; Rs.5,281/- paid for Entry Tax demand & interest thereon for the Assessment Year 2009-10.
- C. Company has revalued its Fixed Assets namely Land and Building on 31.03.2004. The value of aforesaid assets has increased by Rs.5,90,00,625.42 as per Valuation Report dt.31.03.2004 from a qualified & authorized firm of Engineers M/s.Universal Consultants, Meerut. The aforesaid amount has been credited to Revaluation Reserve Account. Further, during the year, same has been reduced by equivalent amount of depreciation charged on this revalued amount.
- D. The bifurcation of the total outstanding dues of small scale industrial undertakings and other than small scale industrial undertakings as well as the name of the small scale industrial, undertakings to whom the company owes a sum of exceeding rupees one lacs and which is outstanding for more than thirty days, are not disclosed in the Balance Sheet as suppliers have not indicated their status on their documents/papers whether they are small scale undertakings or not hence it is not possible for the company to disclose the said information in respect of trade creditors.
- E. The cost records for the financial year 2012-2013 are still under preparation and till the date of this Balance Sheet, the same could not be finalized.
- F. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business and the provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- G. Managerial Remuneration :  
Managerial remuneration has been paid within the limits specified by Schedule XIII of the Companies Act, 1956. Computation of Net Profit u/s 349 of the Act is not given in view of there being no commission payable to any director. The details of managerial remuneration paid under Section 198 of the Companies Act, 1956 are as under:

	<b>Current Year Rs. in Lacs</b>	Previous Year Rs. in Lacs
Salaries / Perks	<b>24.95</b>	16.20

- H. During the current year no dividend is proposed to be paid hence not provided for.





# SYBLY INDUSTRIES LIMITED

## I. Particulars of Capacity, Production, Turnover and Stock for manufacturing Activities:

Class of Product		Polyester Yarn/Cotton Yarn	
		Current Year	Previous Year
Licensed Capacity	M.Ton	N.A.	
Installed Capacity	M.Ton	2500	2500
Production	M.Ton	1746.156	1603.582
Purchases of Yarn	M.Ton	-	-
Captive Consumption	M.Ton	-	-
Turnover	M.Ton	1753.427	1607.942
	Rs. (in Lacs)	2210.42	1923.41
Opening Stock	M.Ton	86.973	91.333
	Rs. (in lacs)	109.97	112.62
Closing Stock	M.Ton	79.702	86.973
	Rs. (in lacs)	96.57	109.97

## J. Particulars of Trading Activities:

Item	Stock in the beginning of the year		Purchases during the year		Sales during the year		Stock at the end of the year	
	Qty.	Rs.(in lacs)	Qty.	Rs.(in lacs)	Qty.	Rs.(in lacs)	Qty.	Rs.(in lacs)
Cloth (Mtrs.)	NIL (NIL)	NIL (NIL)	5300691 (6471983)	5988.63 (5423.21)	5300691 (6471983)	6516.15 (5795.65)	NIL (NIL)	NIL (NIL)
Cloth (Kg.)	NIL (NIL)	NIL (NIL)	364442.09 (NIL)	1846.85 (NIL)	364442.09 (NIL)	2018.57 (NIL)	NIL (NIL)	NIL (NIL)

## K. Particulars of Raw Materials Consumed:

		Current Year		Previous Year	
		Quantity	Rs. In Lacs	Quantity	Rs. in Lacs
Polyester Staple Fiber	M.Ton	1874.260	1977.28	1703.200	1813.23
Chemicals	M.Ton	-	-	-	-
Cloth	Kg..	364442.09	1846.85	-	-
Cloth	Mtr.	5300691	5988.63	6471983	5423.21
Cloth	Pcs.	-	-	-	-
			9812.76		7236.44
Indigenous Materials Consumed			9812.76 100%		7236.44 100%
Imported Materials Consumed			NIL		NIL

## L. Expending and Earning in Foreign Currency :

	Current Year	Previous Year
	Rs. in Lacs	Rs. in Lacs
(a) Expenditure in Foreign Currency: Value of Imports on C.I.F.Basis	NIL	NIL
(b) Earning in Foreign Exchange: (i) Exports of Goods calculated on F.O.B.Basis	NIL	NIL
(ii) Interest Income	NIL	NIL



# SYBLY INDUSTRIES LIMITED

M. Disclosures in respect of related party as defined in Accounting Standard 18, with whom transactions were carried out in the ordinary course of Business during the year as given below:-

## Related party disclosures

### a. List of related parties

- i. Subsidiaries
  - Sybly International FZE
- ii. Key Management Personnel
  - Mr. Mahesh Chand Mittal
  - Mr. Satya Prakash Mittal
  - Mr. Nishant Mittal
- iii. Relatives of Key Management Personnel
  - Mrs. Suman Mittal
  - Mrs. Parul Mittal
  - Mrs. Rashi Mittal
  - Mahesh Chand Mittal HUF
  - Mr. Umesh Kumar Mittal
  - Sybly Threads Limited
  - Vartex Fabrics (P) Ltd. (Common KMP Shri M.C. Mittal)
  - Dux Textiles (P) Ltd. (Common KMP Shri Nishant Mittal)

### b. Transactions /Balances outstanding with Related Parties.

(Rs. in Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Enterprise having common Key Management Personnel	Total
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Loans & Advances	219.65	-	-	-	219.65
Unsecured Loans	-	24.42	35.55	117.45	177.42
Sales of Goods & Services	-	-	5.84	-	5.84
<b>Managerial Remuneration</b>					
Salary/contribution to provident fund	-	24.95	13.35	-	38.30

N. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business and the provisions for all known liabilities is adequate and not in excess of amount reasonably necessary.

O. Previous Years figures have been rearranged regrouped wherever necessary.

SIGNATURE TO NOTES 1 TO 29

For and on behalf of Board of Directors

Sd/-  
**(MAHESH CHAND MITTAL)**  
 Managing Director  
 (DIN : 00284866)

Sd/-  
**(Dr. LALLAN TRIPATHI)**  
 Director  
 (DIN : 05283743)

Sd/-  
**(GAYATRI GOPINATH)**  
 Company Secretary  
 (Memb No. : A30489)

As per our separate report of even date attached  
**For V.S.Gupta & Co.**  
 Chartered Accountants

PLACE : Muradnagar  
 DATE : 30th May, 2013

Sd/-  
**(CA Hemant Kumar Gupta)**  
 Partner



# SYBLY INDUSTRIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Prepared pursuant to Listing Agreement

		31st March 2013 Amount (Rs.)	31st March 2012 Amount (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Profit before tax and extraordinary items	5,36,657.46		(4,76,29,171.76)
<b>Adjustment for:</b>			
Depreciation	2,91,91,047.00	2,92,49,481.00	
Finance Charges	1,96,49,796.52	4,88,40,843.52	2,28,74,571.37
<b>Adjustment for:</b>			
Rental Income	(3,00,000.00)	(3,00,000.00)	
Interest received	(67,29,175.00)	(6,63,983.00)	
Profit on Sale of Fixed Assets	-	(70,29,175.00)	(65,231.59)
<b>Adjustment For Previous Year:</b>			
Previous year adjustments	(18,263.00)	(18,263.00)	(5,82,318.00)
<b>Cash Flow From Extraordinary items</b>		-	3,15,00,000.00
		4,23,30,062.98	3,43,83,348.02
<b>Operating Profit before Working Capital Changes</b>			
<b>Adjustment for:</b>			
Trade receivables	4,45,35,410.93	(13,01,16,236.00)	
Loans & Advances	(3,02,93,837.79)	(9,86,45,439.42)	
Inventories	(1,35,17,633.00)	2,16,80,508.00	
Other current assets	(8,25,185.00)	1,22,567.00	
Trade Payable	(4,96,04,881.97)	14,78,47,851.51	
Short-term borrowings	7,04,380.52	(1,04,52,364.09)	
Other current liabilities	(54,81,712.93)	21,13,672.44	
Long-term provisions	2,45,36,484.00	4,24,25,500.00	
Short-term provisions	4,60,743.00	(2,94,86,232.24)	(6,50,895.00)
Cash generated from operations		1,28,43,830.74	87,08,512.46
Taxes Paid		4,60,062.00	(50,27,268.00)
Cash flow from operating activities		1,23,83,768.74	1,37,35,780.46
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Interest received	67,29,175.00	6,63,983.00	
Rental Income	3,00,000.00	3,00,000.00	
Sale of Fixed Assets	1,00,118.00	10,85,000.00	
Purchase/Sale of Investments	(1,66,61,683.95)	(56,000.00)	
Purchase of Assets (including Capital Work in progress)	(1,22,422.00)	(55,08,481.90)	
Net Cash sued in Investing activities		(96,54,812.95)	(35,15,498.90)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Equity Share Capital (including share application money)	-	-	
Adjustment for Preliminary Expenses	31,51,615.00	31,51,613.00	
Borrowings/(Repayment) of Loans	1,31,50,440.87	1,27,57,494.82	
Finance Charges	(1,96,49,796.52)	(2,28,74,571.37)	
Deferred tax liabilities	3,57,802.00	(29,89,938.65)	(50,27,268.00)
		(2,60,982.86)	(1,19,92,731.55)
Opening Bal. of Cash and Cash equivalents	46,91,849.82	64,64,299.81	
Closing Bal. of Cash and Cash equivalents	44,30,866.96	(2,60,982.86)	46,91,849.82
		0.00	(17,72,449.99)
			(0.00)

For and on behalf of Board of Directors

Sd/-  
(MAHESH CHAND MITTAL)  
Managing Director  
(DIN : 00284866)

Sd/-  
(Dr. LALLAN TRIPATHI)  
Director  
(DIN : 05283743)

Sd/-  
(GAYATRI GOPINATH)  
Company Secretary  
(Memb No. : A30489)

In term of our separate report of even date  
For V.S.Gupta & Co.  
Chartered Accountants

PLACE : Muradnagar  
DATE : 30th May, 2013

Sd/-  
(CA Hemant Kumar Gupta)  
Partner



**Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Company for the Financial Year 2012-2013**

1.	Name of the Subsidiary Company	Sybly International FZE
2.	Date from which it become Subsidiary Company	30th December, 2009
3.	No. of Shares held by Sybly Industries Ltd.(SIL)	1 Equity Share of UAE Dirhams 35,000 each fully paid
4.	Extend of interest of SIL in the capital of the Subsidiary	100% of Equity Capital of the Subsidiary
5.	Net Aggregate amount of Profit/Losses of the Subsidiary so far as it concerns the Members of SIL and is not dealt with in the Accounts of SIL. (a) for the Financial Year ended 31.03.2013 (b) for the previous Financial Year ended 31.03.2012, since it became Subsidiary of SIL.	Rs. -820.70 Lacs Rs. 244.96 Lacs
6.	Net Aggregate amount of Profit/Losses of the Subsidiary so far as dealt with in the Accounts of SIL (a) for the Financial Year ended 31.03.2013 (b) for the previous Financial Year ended 31.03.2012, since it became Subsidiary of SIL.	Nil Nil

**For V.S.Gupta & Co.**  
Chartered Accountants

Sd/-  
**Maresh Chand Mittal**  
Managing Director

Sd/-  
**Nishant Mittal**  
Whole Time Director

Sd/-  
**(CA Hemant Kumar Gupta)**  
Partner

Camp : Muradnagar  
Date : 22nd August, 2013



# SYBLY INDUSTRIES LIMITED

## SYBLY INTERNATIONAL FZE DIRECTORS' REPORT

The Directors have immense pleasure in presenting the Annual Report and Audited Accounts of Sybly International FZE (Sharjah) for the year ended 31st March 2013.

### **CURRENT BUSINESS SCENARIO AND FUTURE OUTLOOK**

The Company has incurred net loss amounting to AED 55,52,789 (INR 8,20,70,221) during the year. No material changes have occurred since the date of the Balance Sheet till the date of this report, which has any adverse effect on the working of the Company.

### **PERSONNEL**

The staff of the Company is working in ex-officio capacity and all employees are of the parent company except one who is on the role of the Company.

### **AUDITORS REPORT**

The Auditors Report read with the "Notes to the Accounts" are self explanatory and general in nature and to not call for further explanation. Auditors have not made any qualifications or observations, which have any adverse effect on the Annual Accounts for the year ended 31st March 2013.

### **DIRECTORS RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirms -

- i) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii) That the directors had selected such accounting policies and applied them consistently and made judgments and 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 or loss of the Company for that year;
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the directors had prepared the annual accounts on a going concern basis.

### **PARTICULARS OF EMPLOYEES U/S 217 (2A) OF THE COMPANIES ACT, 1956**

As the Company registered outside India, the disclosures required to be made in accordance with Companies (Particulars of Employees) Rules, 1975 are not relevant. However there is no employee covered under the above rules.

### **DISCLOSURE OF PARTICULARS**

As the Company registered outside India, the disclosures required to be made in accordance with Companies (Disclosure of Particulars in the Report of Boards of Directors) Rules, 1988 are not relevant. Hence the same has not been furnished.

### **ACKNOWLEDGEMENT**

Your Directors acknowledge with gratitude the support received at all times from various departments of the Centre, State and Union Territory Government, Government Agencies and other Organisation.

**For and on behalf of Board of Directors**

Sd/-  
MANAGER  
Dated : 28th May, 2013



# SYBLY INDUSTRIES LIMITED

## AUDITOR'S REPORT

The Owner,  
M/s. Sybly International FZE,  
P.O. Box 51895,  
Hamriyah Free Zone,  
Sharjah - United Arab Emirates

We have audited the accompanying Financial Statements of Sybly International FZE, Hamriyah Free Zone, Sharjah, United Arab Emirates as at March 31, 2013 and the related statements of income, statement of changes in owners equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### Management Responsibility

The Company Management is responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards (IFRS). The responsibility includes fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of M/s. SYBLY INTERNATIONAL FZE, Hamriyah Free Zone-Sharjah-United Arab Emirates as of 31st March, 2013 and of its financial performance and its cash flows for the year then ended subject to the above in accordance with International Financial Reporting Standards.

Sd/-

**Bin Shabib Chartered Accountants**  
Dubai - United Arab Emirates

Dated : 28th May, 2013



# SYBLY INDUSTRIES LIMITED

SYBLY INTERNATIONAL FZE  
Hamriyah Free Zone-Sharjah - United Arab Emirates

## BALANCE SHEETS AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
<b>Assets</b>			
Current assets:			
Cash and banks	4	97,179	-
Trade receivables	5	42,95,23,294	44,57,73,524
Inventories	6	-	3,67,66,085
		<u>42,96,20,473</u>	<u>48,25,39,609</u>
Noncurrent assets:			
Total assets		<u>42,96,20,473</u>	<u>48,25,39,609</u>
<b>Liabilities and Owners' Equity</b>			
Current liabilities:			
Trade and other payables	7	64,500	40,013
Provisions & accrued expenses	8	12,27,597	10,11,853
		<u>12,92,097</u>	<u>10,51,866</u>
Noncurrent liabilities			
Due to related parties		40,22,66,040	38,03,01,230
		<u>40,22,66,040</u>	<u>38,03,01,230</u>
Total liabilities		<u>40,35,58,137</u>	<u>38,13,53,096</u>
Owners' equity:			
Capital	2	5,17,300	4,84,750
Retained earnings	9	2,55,45,036	10,07,01,763
Total Owners' equity		<u>2,60,62,336</u>	<u>10,11,86,513</u>
Total liabilities and Owners' equity		<u>42,96,20,473</u>	<u>48,25,39,609</u>

The accompanying notes form an integral part of these financial statements.  
The Report of the Auditors is set out on page 1.

The financial statements on pages 2 to 14 were approved on May 30, 2013 and signed on its behalf by:

Sd/-  
Manager  
Sybly International FZE



# SYBLY INDUSTRIES LIMITED

SYBLY INTERNATIONAL FZE  
Hamriyah Free Zone-Sharjah - United Arab Emirates

## STATEMENT OF INCOME AS OF 31ST MARCH, 2013

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
Revenue	10	79,07,300	-
Cost of turnover	11	3,92,34,855	-
Gross profit		(3,13,27,555)	-
Administrative expenses	12	5,07,34,375	1,55,813
Profit from operating activities:		(8,20,61,930)	(1,55,813)
Finance charges		8,292	-
Net profit for the year from operations		(8,20,70,222)	(1,55,813)
Net profit for the year	9	(8,20,70,222)	(1,55,813)

The accompanying notes form an integral part of these financial statements.

The Report of the Auditors is set out on page 1.

The financial statements on pages 2 to 14 were approved on May 30, 2013 and signed on its behalf by:

Sd/-  
Manager  
Sybly International FZE





**SYBLY INTERNATIONAL FZE  
HAMRIYAH FREE ZONE, SHARJAH - UNITED ARAB EMIRATES  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**

**1. LEGAL STATUS AND BUSINESS ACTIVITY :**

- 1.1 Sybly International FZE, Hamriyah Free Zone-Sharjah-United Arab Emirates was established in Sharjah on December 20, 2009 and operates in the United Arab Emirates under a trade license No. 5791 issued by the Hamriyah Free Zone Authority, The Government of Sharjah.
- 1.2 The activities of the Company as per trade license is general trading.
- 1.3 The management and control are vested with Mukesh Garg, as Manager.

**2. CAPITAL OF THE ESTABLISHMENT**

Capital of the Establishment is AED 35,000/-.

Basis of Preparation :

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Boards (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the U.A.E. Law. A summary of the significant accounting policies, which have been applied consistently, are set out below:

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :**

**3.1 Accounting Convention**

These financial statements have been prepared under historical cost convention basis.

**3.2 Inventories**

Inventories are stated at the lower of cost and net realisable value using FIFO method. Costs comprise direct materials and, where applicable, direct labour costs and the overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to disposal.

**3.3 Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The cost of property, plant and equipment is depreciated using the straight line method over their estimated useful economic lives as follows:

Years

Furniture & Fixtures	5
Office equipment	5
Motor Vehicles	5

**3.4 Trade Receivables**

Sales made on credit are included in trade receivables at the balance sheet date, and reduced by appropriate allowances for estimated doubtful amounts.

**3.5 Trade Payables**

Trade Payables are stated at their nominal value.

**3.6 Cash and Cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, balances with bank and deposits with banks, within a maturity date of three months or less from the date of deposit, free of encumbrances.

**3.7 Impairment of assets**

Property, plant and equipments are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of income.

An assessment is made at the each balance sheet date to determine whether there is objective evidence, that the financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment losses are recognised in the statement of income.

**3.8 Revenue Recognition**

The rendering services revenue shall be recognised by reference to the state of completion of the transactions and shall be measured the cost and economic benefits at the balance sheet date.



### 3.9 Financial Expenses

Financial expenses are accounted in the statement of income in the period in which they are incurred. Except to the extent, that the borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets shall be capitalised as part of cost of that asset.

### 3.10 Employees Terminal Benefits

Employees terminal benefits are accounted on cash payment basis.

### 3.11 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

### 3.12 Foreign Currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising are included in the statement of income.

Non-Monetary items that are measured in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

### 3.13 Statutory Reserve

In accordance with United Arab Emirates Federal Companies Law No. 8 of 1984, the Company has established a statutory reserve.

### 3.14 Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the entity's balance sheet when the entity has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) AS OF 31ST MARCH, 2013

Particulars	As at 31.03.2013	As at 31.03.2012
<b>4 Cash and banks</b>		
Bank balances: Current account	97,179	-
	<u>97,179</u>	<u>-</u>
<b>5 Trade receivables</b>		
Trade receivables	42,95,23,294	44,57,73,524
	<u>42,95,23,294</u>	<u>44,57,73,524</u>
	<u>42,95,23,294</u>	<u>44,57,73,524</u>
<b>5.1 Ageing of trade receivables are as follows:</b>		
Due for less than six months	-	44,57,73,524
Due for exceeding six months	42,95,23,294	-
	<u>42,95,23,294</u>	<u>44,57,73,524</u>
<b>5.2 Geographical analysis:</b>		
Within United Arab Emirates	42,95,23,294	44,57,73,524
	<u>42,95,23,294</u>	<u>44,57,73,524</u>
<b>5.3 Credit risk:</b>		

The current year credit risk spread over more customers than the year before and the fair value of customers outstanding balances shown in balance sheet are 100% realisable.



# SYBLY INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) AS OF 31ST MARCH, 2013

Particulars	As at 31.03.2013	As at 31.03.2012
<b>6 Inventories</b>		
Goods held in the store for sales	-	3,67,66,085
	-	3,67,66,085
Inventories are valued and certified by management		
<b>7 Trade and other payables</b>		
Trade payables	64,500	40,013
	64,500	40,013
<b>8 Provisions &amp; accrued expenses</b>		
Accrued expenses	12,27,597	10,11,853
	12,27,597	10,11,853
<b>9 Retained earnings</b>		
Opening balance	10,07,01,763	8,91,53,443
Add : Adjustment of Currency Fluctuation	69,13,495	1,17,04,133
	10,76,15,258	10,08,57,576
Net profit for the year	(8,20,70,222)	(1,55,813)
Closing balance	2,55,45,036	10,07,01,763
<b>10 Revenue</b>		
Sales : Within UAE	79,07,300	-
	79,07,300	-
<b>11 Cost of turnover</b>		
Inventories beginning of the year	3,67,66,085	3,67,66,085
Add: Purchases(Including direct expenses)	-	-
Add: Adjustment of Currency Fluctuation	24,68,770	-
	3,92,34,855	3,67,66,085
Less: Inventories at the end of the year	0	3,67,66,085
	3,92,34,855	-
<b>12 Administrative expenses</b>		
Bad Debts	5,05,64,774	-
Administration expenses	21,801	17,313
Legal and professional charges	1,47,800	1,38,500
Miscellaneous expenses	-	-
	5,07,34,375	1,55,813

### 13 Financial instruments

Financial instruments of the Company comprises of cash at bank, trade receivables, other assets, trade payables, bills payable, due to banks and other liabilities.

#### Credit risk

Financial assets which potentially expose the Company to concentration of credit risk comprise principally bank accounts, trade receivables, other receivables.

The Company's bank accounts are placed with high credit quality financial institutions.

#### Currency risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams or US Dollars to which the conversion of Dirhams into US Dollar is fixed.

#### Interest rate risk

The Company is not exposed to any significant interest rate risk.

#### Fair values

At the balance sheet date, the fair values of financial assets and liabilities at year-end appropriate their carrying amounts.

#### Currency Conversion

There were no business activity during the year in the company. Major changes in the figures are due to currency conversion from AED to Indian Rupees. Value of one AED has been increased to Rs. 14.78 as on 31.03.2013 from Rs. 13.85 as on 31.03.2012. The consolidated difference has been disclosed in the Balance Sheet as Currency Fluctuation.



# SYBLY INDUSTRIES LIMITED

SYBLY INTERNATIONAL FZE  
Hamriyah Free Zone-Sharjah - United Arab Emirates

## STATEMENT OF CASH FLOWS AS OF 31ST MARCH, 2013

Particulars	As at 31.03.2013	As at 31.03.2012
<b>Cash flows from operating activities:</b>		
Net profit for the year	(8,20,70,222)	(1,55,813)
Adjustments for non cash items:	-	-
<b>Operating profit before changes in operating assets and liabilities</b>	<b>(8,20,70,222)</b>	<b>(1,55,813)</b>
(Increase) in trade receivables	1,62,50,230	(5,14,97,302)
Decrease/ (Increase) in inventories	3,67,66,085	(42,47,346)
Increase in trade and other payables	24,487	19,641
Increase in provision and accrued expenses	2,15,744	2,39,394
<b>Cash generated from operations:</b>	<b>(2,88,13,676)</b>	<b>(5,56,41,426)</b>
<b>Net cash from operating activities</b>	<b>(2,88,13,676)</b>	<b>(5,56,41,426)</b>
<b>Cash flows from investing activities</b>		
<b>Cash flows from financing activities</b>		
Increase(decrease) in related parties	2,19,64,810	4,38,80,999
Increase(decrease) in Capital	32,550	56,000
Increase(decrease) in Retained Earnings	69,13,495	1,17,04,133
Net cash financing activities	2,89,10,855	5,56,41,132
<b>Net increase in cash and cash equivalents</b>	<b>97,179</b>	<b>(294)</b>
Cash and cash equivalents, beginning of the year	0	294
Cash and cash equivalents, end of the year	97,179	0
<b>Represented by:</b>		
Cash at bank	97,179	294
	97,179	294

The accompanying notes form an integral part of these financial statements.

The Report of the Auditors is set out on page 1.

Sd/-

Manager

Sybly International FZE



**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

**TO THE MEMBERS OF SYBLY INDUSTRIES LIMITED**

We have examined the attached Consolidated Balance Sheet of SYBLY INDUSTRIES LIMITED, ("the company") and its subsidiary as at March 31, 2013 and the Consolidated Profit and Loss account and the Consolidated Cash Flow Statement for the year then ended. 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 generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of wholly owned subsidiary Sybly International FZE, whose financial statements reflect total assets of Rs.4296.20 lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirement of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of the Chartered Accountants of India and on the basis of the separate audited financial statement of the company and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of the company and its subsidiary as at March 31, 2013; and
- b) In the case of the consolidated Profit and loss account, of the consolidated results of operations of the company and its subsidiary for the year then ended.
- c) In the case of Consolidated Cash Flow Statement, of the cash flows for the year then ended.

**For V.S. Gupta & Co.,**  
Chartered Accountants,  
(Firm Registration No. 00724C)

Sd/-  
**(CA. Hemant Kumar Gupta)**  
Partner.  
(Membership No. : 071580)

**Place : MURADNAGAR**  
**Dated : 30th May, 2013**



# SYBLY INDUSTRIES LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2013

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2	40,72,26,000.00	40,72,26,000.00
(b) Reserve and surplus	3	9,10,85,597.84	17,34,36,179.38
<b>(2) Share application money pending allotment</b>			
		-	-
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	4	5,82,94,382.69	4,51,43,941.82
(b) Long-term provisions	5	9,18,65,747.00	6,04,15,768.00
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	6	10,82,96,059.24	10,75,91,678.72
(b) Trade payable	7	21,76,03,300.69	26,71,83,695.66
(c) Other current liabilities	8	2,34,05,139.29	2,86,71,108.22
(d) Short-term provisions	9	18,72,750.00	14,12,007.00
<b>TOTAL</b>		<b>99,96,48,976.75</b>	<b>1,09,10,80,378.80</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		13,36,20,997.57	16,31,28,432.57
(ii) Capital work- in-progress		-	-
(b) Non-current Investments	11	1,66,29,133.95	-
(c) Deferred Tax Assets (net)		2,13,66,316.00	2,17,24,118.00
(d) Long-term loans and advances	12	8,24,33,658.47	6,55,58,497.79
(e) Other non-current assets	13	46,97,123.00	78,48,738.00
<b>(2) Current assets</b>			
(a) Inventories	14	11,23,11,349.00	13,55,59,801.00
(b) Trade receivable	15	61,88,98,930.95	67,96,84,571.88
(c) Cash and Bank Balances	16	45,28,045.96	46,91,849.82
(d) Short-term loans and advances	17	32,60,090.85	1,18,06,223.74
(e) Other current assets	18	19,03,331.00	10,78,146.00
<b>TOTAL</b>		<b>99,96,48,976.75</b>	<b>1,09,10,80,378.80</b>

Notes to Accounts and Significant Accounting Policies 1  
Note No. 29 forms an integral part of these Financial Statements 29

For and on behalf of Board of Directors

Sd/-  
**(MAHESH CHAND MITTAL)**  
Managing Director  
(DIN : 00284866)

Sd/-  
**(Dr. LALLAN TRIPATHI)**  
Director  
(DIN : 05283743)

Sd/-  
**(GAYATRI GOPINATH)**  
Company Secretary  
(Memb No. : A30489)

As per our separate report of even date attached  
**For V.S.Gupta & Co.**  
Chartered Accountants

PLACE : Muradnagar  
DATE : 30th May, 2013

Sd/-  
**(CA Hemant Kumar Gupta)**  
Partner



# SYBLY INDUSTRIES LIMITED

## CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31st MARCH 2013

Particulars	Note No.	For the year ended As at 31.03.2013	For the year ended As at 31.03.2012
<b>REVENUE</b>			
<b>I. Revenue from Operations</b>			
Sales of products		1,08,28,26,960.00	77,25,36,935.80
		1,08,28,26,960.00	77,25,36,935.80
<b>II. Other Income</b>	<b>20</b>	70,31,175.00	10,75,784.59
<b>III. Total Revenue (I+II)</b>		<b>1,08,98,58,135.00</b>	<b>77,36,12,720.39</b>
<b>EXPENSES</b>			
Cost of material consumed	<b>21</b>	1,02,05,11,144.00	71,93,96,712.00
Manufacturing & Operating Cost	<b>22</b>	3,22,09,372.00	2,49,73,768.00
Changes in inventories of finished goods, work-in-progress and stock-in trade	<b>23</b>	(56,45,767.00)	2,38,045.00
Employee benefits expense	<b>24</b>	1,38,21,299.00	1,01,62,862.00
Finance Costs	<b>25</b>	2,03,56,174.52	2,34,27,383.83
Depreciation and Amortization Expenses	<b>10</b>	2,91,91,047.00	2,92,49,481.00
Other expenses	<b>26</b>	6,09,48,430.02	92,12,109.32
<b>IV. Total Expenses</b>		<b>1,17,13,91,699.54</b>	<b>81,66,60,361.15</b>
<b>V. Profit before exceptional and extraordinary items (III-IV)</b>		(8,15,33,564.54)	(4,30,47,640.76)
<b>VI. Exceptional Items</b>	<b>27</b>	-	4,90,000.00
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		<b>(8,15,33,564.54)</b>	<b>(4,35,37,640.76)</b>
<b>VIII. Extraordinary Items</b>	<b>28</b>	-	3,15,00,000.00
<b>IX. Profit before Tax (PBT) (VII-VIII)</b>		<b>(8,15,33,564.54)</b>	<b>(1,20,37,640.76)</b>
<b>X. Tax Expense of continuing operations</b>			
Current Tax (including Wealth Tax)		-	-
MAT Credit Entitlement		1,02,260.00	-
Deferred Tax		3,57,802.00	(50,27,268.00)
<b>XI. Profit/(loss) for the period from continuing operations (IX-X-XIV)</b>		(8,19,93,626.54)	(70,10,372.76)
<b>XII. Profit/(loss) from discontinuing operations</b>		-	-
<b>XIII. Tax expense of discontinuing operations</b>		-	-
<b>XIV. Profit/(loss) from discontinuing operations (after tax) (XII-XIII)</b>		-	-
<b>XV. Profit/(loss) for the period [Profit After Tax (PAT)] (XI+XIV)</b>		(8,19,93,626.54)	(70,10,372.76)
<b>XVI. Earnings per equity share</b>			
(1) Basic		(0.20)	(0.02)
(2) Diluted		-	-

For and on behalf of Board of Directors

Sd/-  
(MAHESH CHAND MITTAL)  
Managing Director  
(DIN : 00284866)

Sd/-  
(Dr. LALLAN TRIPATHI)  
Director  
(DIN : 05283743)

Sd/-  
(GAYATRI GOPINATH)  
Company Secretary  
(Memb No. : A30489)

As per our separate report of even date attached  
**For V.S.Gupta & Co.**  
Chartered Accountants

PLACE : Muradnagar  
DATE : 30th May, 2013

Sd/-  
(CA Hemant Kumar Gupta)  
Partner



# SYBLY INDUSTRIES LIMITED

## NOTES TO THE ACCOUNTS

### NOTE - 2 SHARE CAPITAL

#### (A) Authorised, Issued, Subscribed and paid-up share capital and par value share

Particulars	As at 31.03.2013	As at 31.03.2012
<b>Authorised Share Capital</b>		
7,00,00,000 Equity Shares of Rs. 10/- each	70,00,00,000.00	-
(Prev. Year 70,00,00,000 Equity Shares of Rs. 1/- each)	-	70,00,00,000.00
<b>Issued Share Capital</b>		
4,07,29,100 Equity Shares of Rs. 10/- each	40,72,91,000.00	-
(Prev. Year 40,72,91,000 Equity Shares of Rs. 1/- each)	-	40,72,91,000.00
<b>Subscribed and Fully Paid-up Share Capital</b>		
4,07,16,100 Equity Shares of Rs. 10/- each	40,71,61,000.00	-
(Prev. Year 40,71,61,000 Equity Shares of Rs. 1/- each)	-	40,71,61,000.00
<b>Subscribed but not Fully Paid-up Share Capital</b>		
13,000 Shares of Rs. 5/- paid - Forfeited	65,000.00	-
(Prev. Year 1,30,000 Shares of Rs. 0.50 paid - Forfeited)	-	65,000.00
<b>TOTAL</b>	<b>40,72,26,000.00</b>	<b>40,72,26,000.00</b>
<b>Number of shares outstanding as at the beginning of the year</b>	40,71,61,000.00	40,71,61,000.00
<b>Add:</b>		
<b>Number of shares allotted as fully paid-up bonus shares during the period</b>	-	-
<b>Less :</b>		
Number of shares bought back during the period	-	-
<b>Number of shares outstanding as at the end of the period</b>	4,07,16,100.00	40,71,61,000.00

#### Shares in the company held by each shareholder holding more than 5% shares

Sl. No.	Name of the Shareholder	Number of Shares as on 31.03.2013	Number of Shares as on 31.03.2012
1	DEUTSCHE BANK TRUST COMPANY-AMERICAS	1,46,33,000.00	26,70,50,000.00
2	CCL INTERNATIONAL LIMITED	87,50,736.00	-
3	DRISTI TEXTILE PRIVATE LIMITED	22,00,000.00	-

### NOTE - 3 RESERVE & SURPLUS

<b>A General Reserve</b>		
Opening Balance	14,19,498.24	14,19,498.24
Add : Trf. from surplus in Statement of Profit & Loss	-	-
	14,19,498.24	14,19,498.24
Less : Utilised / Transferred during the period	-	-
Closing Balance	<b>14,19,498.24</b>	<b>14,19,498.24</b>
<b>B Securities Premium Account</b>		
Opening Balance	7,37,50,000.00	7,37,50,000.00
Add : Premium on shares issued during the period	-	-
	7,37,50,000.00	7,37,50,000.00
Less : Utilised during the period	-	-
Closing Balance	<b>7,37,50,000.00</b>	<b>7,37,50,000.00</b>
<b>C Revaluation Reserve</b>		
Opening Balance	5,62,90,855.42	5,66,29,547.42
Add : Addition on revaluations during the period	-	-
	5,62,90,855.42	5,66,29,547.42
Less : Utilised during the period	3,38,692.00	3,38,692.00
Closing Balance	<b>5,59,52,163.42</b>	<b>5,62,90,855.42</b>
<b>D Surplus (Profit and Loss Account)</b>		
Opening Balance	4,19,75,825.72	4,95,68,516.48
Add : Profit / (Loss) for the period	(8,19,93,626.54)	(70,10,372.76)
	(4,00,17,800.82)	4,25,58,143.72
Less : Deduction during the period	-	-
Less : Previous year adjustments	18,263.00	5,82,318.00
Closing Balance	<b>(4,00,36,063.82)</b>	<b>4,19,75,825.72</b>
<b>TOTAL (A+B+C+D)</b>	<b>9,10,85,597.84</b>	<b>17,34,36,179.38</b>





## NOTE - 4 LONG TERM BORROWINGS

### Secured borrowings

#### Term loans from banks

Term Loan for Plant & Machinery	-	26,23,618.00
Term Loan for Car	7,05,072.22	26,72,847.70
	7,05,072.22	52,96,465.70

### Unsecured borrowings

Loans and advances from related parties	5,75,89,310.47	3,98,47,476.12
Loans and advances from others	-	-
	5,75,89,310.47	3,98,47,476.12
<b>TOTAL</b>	<b>5,82,94,382.69</b>	<b>4,51,43,941.82</b>

### Nature of Security and terms of repayments for Long Term secured borrowings :

Nature of Security	Terms of Repayment
i Term Loan from Bank of Baroda for Plant & Machinery amounting to Rs. 125.00 lacs (March 31, 2013 Rs. 25.85 lacs) is secured by exclusive and specific charge on all present and future fixed assets of the company created/to be created out of bank finance except against vehicles where separate charge exists and personal guarantees of the directors & their relatives.	Repayable in 20 quarterly installments commencing from April-08. Last installment due in Jan-14. Rate of interest 15% p.a. as at year end.
ii Term Loan from ICICI Bank for Car amounting to Rs.11.00 lacs (March 31, 2013 Rs. 3.75 lacs) is secured by way of Hypothecation of Vehicle.	Repayable in 36 monthly installments commencing from March-11. Last installment due in Feb-14. Rate of interest 11.76% p.a. as at year end.
iii. Term Loan from BMW India Financial Services (P) Ltd. for Car amounting to Rs. 21.00 lacs (March 31, 2013 Rs. 14.03 lacs) is secured by way of Hypothecation of Vehicle.	Repayable in 36 monthly installments commencing from April-12. Last installment due in February-15. Rate of interest 10.23% p.a. as at year end.

### Nature of Long Term Unsecured borrowings :

The Unsecured Loans have been taken from Directors / Promoters & their relatives. These Unsecured Loans have been taken in the condition imposed by the financial institution for bringing the adequate margins. These unsecured loans will not be repaid without the permission of the financial institution. During the year some of unsecured loan are repaid and in place of them fresh are taken. However, the overall quantum of the unsecured loans were within the adequate margins as stipulated by the financial institution. The company is of the opinion that these are well within the provision of Section 58A of the Companies Act, 1956 as the same are accepted in pursuance of stipulations of financial institutions.

## NOTE - 5 LONG TERM PROVISIONS

Currency Fluctuation Reserve	9,18,65,747.00	6,04,15,768.00
	9,18,65,747.00	6,04,15,768.00



## NOTE - 6 SHORT-TERM BORROWINGS

### Secured borrowings

#### A Loans payable on demand

Working Capital Loans repayable on demand 10,82,96,059.24 10,75,91,678.72

### Unsecured borrowings

#### B Loans and advances from related parties

	-	-
<b>TOTAL (A+B)</b>	<b>10,82,96,059.24</b>	<b>10,75,91,678.72</b>

## NOTE - 7 TRADE PAYABLES

Acceptances - -

Other than Acceptances 21,76,03,300.69 26,71,83,695.66

	<b>21,76,03,300.69</b>	<b>26,71,83,695.66</b>
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## NOTE - 8 OTHER CURRENT LIABILITIES

### Current maturities of long term debt

#### (Repayable in FY 2013-2014)

Term Loan for Plant & Machinery 25,85,357.00 62,00,000.00

Term Loan for Car 10,72,738.00 1,03,820.00

### Other Payables

Statutory remittances 1,54,257.00 1,31,360.00

Advances from customers 7,23,374.81 17,39,475.91

Others 1,88,68,412.48 2,04,96,452.31

	<b>2,34,05,139.29</b>	<b>2,86,71,108.22</b>
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## NOTE - 9 SHORT TERM PROVISION

Provision for Income Tax 1,02,260.00 -

Provision for Gratuity 17,70,490.00 14,12,007.00

	<b>18,72,750.00</b>	<b>14,12,007.00</b>
--	---------------------	---------------------

## NOTE 10 : FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original as at 01.04.2012	Addition during the Year	Deletion during the year	Total Cost as at 31.03.2013	Depreciation upto 31.03.2012	Depreciation on Sale	Depreciation for the Year	Depreciation upto 31.03.2013	As At 31.03.2013	As At 31.03.2012
Land	54250600.00	-	-	54250600.00	-	-	-	-	54250600.00	54250600.00
Building	88268178.91	-	-	88268178.91	24064717.00	-	2946032.00	27010749.00	61257429.91	64203461.91
Plant and Machinery	259739217.39	12572.00	-	259751789.39	221739403.36	-	25734543.00	247473946.36	12277843.03	37999814.03
Computers	3848134.00	-	-	3848134.00	3848132.00	-	-	3848132.00	2.00	2.00
Furniture & Fixtures	1317798.05	-	-	1317798.05	831121.38	-	70642.00	901763.38	416034.67	486676.67
Vehicles	7688256.07	74000.00	247680.00	7514576.07	2048230.00	147562.00	715408.00	2616076.00	4898500.07	5640026.07
Office Equipments	976251.89	35850.00	-	1012101.89	428400.00	-	63114.00	491514.00	520587.89	547851.89
<b>Total</b>	<b>416088436.31</b>	<b>122422.00</b>	<b>247680.00</b>	<b>415963178.31</b>	<b>252960003.74</b>	<b>147562.00</b>	<b>29529739.00</b>	<b>282342180.74</b>	<b>133620997.57</b>	<b>163128432.57</b>



# SYBLY INDUSTRIES LIMITED

## NOTE - 11 NON-CURRENT INVESTMENTS

Investment in Equity Shares of CCL International Ltd. 1,40,668 Fully Paid up Share of Rs. 2/- each (Quoted)	1,66,29,133.95	-
	<b>1,66,29,133.95</b>	<b>-</b>

## NOTE - 12 LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)		
A Capital advances	41,72,431.16	41,70,431.16
B Security deposits	30,23,395.00	30,24,395.00
C Balances with government authorities		
Vat credit receivable	49,551.00	76,907.32
D Others		
Advance to Suppliers	19,52,422.31	19,52,422.31
Loans and advances to Corporate Bodies	7,32,35,859.00	5,63,34,342.00
<b>TOTAL (A+B+C+D)</b>	<b>8,24,33,658.47</b>	<b>6,55,58,497.79</b>

## NOTE - 13 OTHER NON-CURRENT ASSETS

### Miscellaneous Expenditure

(To the extent not written off or adjusted)

A Preliminary Expenses	6,06,502.00	12,13,006.00
Less : Amount Written off	6,06,502.00	6,06,504.00
	<b>-</b>	<b>6,06,502.00</b>
B GDR Issue Expenses	72,42,236.00	97,87,345.00
Less : Amount Written off	25,45,113.00	25,45,109.00
	<b>46,97,123.00</b>	<b>72,42,236.00</b>
<b>TOTAL (A+B)</b>	<b>46,97,123.00</b>	<b>78,48,738.00</b>

## NOTE - 14 INVENTORIES

Raw Material	3,43,31,730.00	6,31,76,502.00
Stores and Spare Parts	7,83,750.00	7,54,500.00
Packing Material	1,20,400.00	1,05,800.00
Fuels	3,87,213.00	4,80,510.00
Finished Goods	96,56,829.00	1,09,96,519.00
Stock in Process	6,61,34,227.00	5,91,33,200.00
Scrap & Waste	8,97,200.00	9,12,770.00
<b>TOTAL</b>	<b>11,23,11,349.00</b>	<b>13,55,59,801.00</b>

## NOTE - 15 TRADE RECEIVABLES

(Unsecured, considered good)

A Trade receivables outstanding for more than six months from the date they became due for payment	49,41,18,858.87	45,87,17,197.71
B Trade Receivables (others)	12,47,80,072.08	22,09,67,374.17
<b>TOTAL (A+B)</b>	<b>61,88,98,930.95</b>	<b>67,96,84,571.88</b>

## NOTE - 16 CASH AND BANK BALANCES

<b>A Balance with Banks</b>		
<b>(I) Other bank balances</b>		
(i) In Deposits Accounts	31,18,416.00	29,23,499.00
(ii) Others	3,16,287.96	2,65,333.82
<b>B Cheques, drafts on hand</b>		
(i) Cheques on hand	8,31,872.00	6,25,000.00
<b>C Cash on hand</b>	2,61,470.00	8,78,017.00
<b>TOTAL (A+B+C)</b>	<b>45,28,045.96</b>	<b>46,91,849.82</b>

Balances with banks include deposits amounting to Rs. 31,18,416/- (As at 31 March, 2013) which have an original maturity of more than 12 months


**NOTE - 17 SHORT-TERM LOANS AND ADVANCES**

(Unsecured, considered good)

A Loans and advances to Employees	1,58,037.00	1,53,537.00
B Prepaid Expenses	94,355.00	41,732.00
C Balances with government authorities		
Vat credit receivable	49,549.97	66,367.65
D Others (Advance to Suppliers)	29,58,148.88	1,15,44,587.09
<b>TOTAL (A+B+C+D)</b>	<b>32,60,090.85</b>	<b>1,18,06,223.74</b>

**NOTE - 18 OTHER CURRENT ASSETS**

	19,03,331.00	10,78,146.00
<b>TOTAL</b>	<b>19,03,331.00</b>	<b>10,78,146.00</b>

**NOTE - 19 CONTINGENT LIABILITIES AND COMMITMENTS  
(TO THE EXTENT NOT PROVIDED FOR)**
**A Contingent Liabilities**

(a) Claims against the company not acknowledged as debts -----NIL-----

(b) Guarantees -----NIL-----

**(c) Other money for which company is contingently liable:**

(i) The Income Tax assessments of the Company is pending for the assessment year 2011-2012 and 2012-13. However the Company does not envisage any liability in respect thereof. The Company's Appeals for assessment year 1998-99 &amp; 2001-02 are pending before the Income Tax Appellate Tribunal but the Company does not envisage any liability and expect full relief in the appeal.

(ii) The Trade Tax assessments of the Company for the assessment years 2010-2011, 2011-2012 and 2012-13 are pending but the Company does not envisage any liability for these years other than what has been paid or provided.

(iii) A demand of Rs. 8,51,135.34 has been raised by The Maharashtra State Co-op. Cotton Growers Marketing Federation Ltd., Mumbai after adjusting advance of Rs. 19,07,422.31, deposited by Company, for purchase of Cotton. However, the Company did not purchase such Cotton, The Maharashtra State Co-op. Cotton Growers Marketing Federation Ltd., Mumbai raised dispute, which is pending in litigation before the Court of Law.

(d) Bills discounted with banks -----NIL-----

**B Commitment**

 (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Order Value Rs. 400 Lacs, balance unpaid is Rs. 358.30 Lacs
**NOTE - 20 OTHER INCOME**

Rental Income	3,00,000.00	3,00,000.00
Interest Received	67,29,175.00	6,63,983.00
Other Income	2,000.00	-
Profit on Sale of Fixed Assets	-	65,231.59
Sale of Scrap	-	46,570.00
<b>TOTAL</b>	<b>70,31,175.00</b>	<b>10,75,784.59</b>

**NOTE - 21 COST OF MATERIAL CONSUMED**

Raw Material Consumed	23,44,93,683.00	17,70,75,877.00
Purchase of Traded Goods	78,60,17,461.00	54,23,20,835.00
<b>TOTAL</b>	<b>1,02,05,11,144.00</b>	<b>71,93,96,712.00</b>

**NOTE - 22 MANUFACTURING & OPERATING COST**

Power & Fuel	2,99,43,282.00	2,34,20,965.00
Packing Material	21,66,334.00	14,93,814.00
Freight Inward	33,025.00	-
Chemicals	66,731.00	58,989.00
<b>TOTAL</b>	<b>3,22,09,372.00</b>	<b>2,49,73,768.00</b>



# SYBLY INDUSTRIES LIMITED

## NOTE - 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

### Closing Stock:

Finished Goods	96,56,829.00	1,09,96,519.00
Stock in Process	6,61,34,227.00	5,91,33,200.00
Scrap & Waste	8,97,200.00	9,12,770.00
	<b>7,66,88,256.00</b>	<b>7,10,42,489.00</b>

### Opening Stock:

Finished Goods	1,09,96,519.00	1,12,62,375.00
Stock in Process	5,91,33,200.00	5,81,64,409.00
Scrap & Waste	9,12,770.00	18,53,750.00
	<b>7,10,42,489.00</b>	<b>7,12,80,534.00</b>

<b>Net (increase) / decrease</b>	<b>56,45,767.00</b>	<b>(2,38,045.00)</b>
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## NOTE - 24 EMPLOYEE BENEFIT EXPENSES

Salaries, Wages & Incentives	1,23,75,426.00	89,03,747.00
Bonus	2,69,184.00	2,40,266.00
Gratuity	6,44,854.00	4,43,117.00
Provident Fund	4,17,899.00	4,24,405.00
Staff & Labour Welfare	1,13,936.00	1,51,327.00
<b>TOTAL</b>	<b>1,38,21,299.00</b>	<b>1,01,62,862.00</b>

## NOTE - 25 FINANCE COSTS

Interest on :		
Term Loans	11,26,959.52	23,29,208.37
Bank Borrowings & Others	1,85,22,837.00	2,05,45,363.00
Bank Charges & Others	7,06,378.00	5,52,812.46
<b>TOTAL</b>	<b>2,03,56,174.52</b>	<b>23,427,383.83</b>

## NOTE - 26 OTHER EXPENSES

Repairs - Plant & Machinery	27,58,926.51	24,89,852.37
Repairs - Factory Building	63,325.00	17,000.00
Repairs - Others	1,25,495.00	1,17,954.31
Printing & Stationery	1,66,781.00	1,47,168.00
Communication Expenses	1,99,149.08	2,26,296.93
Directors Meeting Expenses	7,500.00	15,000.00
Travelling & Conveyance	2,21,092.85	24,532.00
Vehicle Running & Maintenance	3,10,135.95	2,26,571.39
Insurance Charges	2,23,349.00	1,54,058.00
Legal & Professional Charges	4,62,577.00	3,97,450.00
Rates & Taxes	1,04,552.00	1,24,714.00
Auditors Remuneration	90,913.00	57,908.00
Advertisement & Publicity	1,02,865.00	71,548.00
Freight & Forwarding	6,52,228.00	5,44,354.00
Commission on Sales	13,11,742.00	11,21,989.00
Membership & Subscription	5,918.00	6,409.00
Secretarial Expenses	3,29,436.00	2,68,561.00
Charity & Donation	27,500.00	21,200.00
Loss on Sale of Fixed Assets	30,118.00	-
Loss on Sale of Investments	4,804.00	-
Expenses written off	31,51,615.00	31,51,613.00
Bad Debts	5,05,64,774.00	-
General Expenses	33,633.63	27,930.32
<b>TOTAL</b>	<b>6,09,48,430.02</b>	<b>92,12,109.32</b>

## NOTE - 27 EXCEPTIONAL ITEMS

Pertains Loss due to theft of Cash	-	4,90,000.00
<b>TOTAL</b>	<b>-</b>	<b>4,90,000.00</b>

## NOTE - 28 EXTRAORDINARY ITEMS

Claim received from M/s. Kush Technologies (P) Ltd. for breach of contract of purchase of land	-	3,15,00,000.00
<b>TOTAL</b>	<b>-</b>	<b>3,15,00,000.00</b>

**NOTE 1 : FORMING PART OF THE CONSOLIDATED  
BALANCE SHEET AND PROFIT AND LOSS ACCOUNT.****A. Basis of Consolidation :**

The consolidated financial statement relate to Sybly Industries Limited (the company) and its wholly owned subsidiary company i.e. Sybly International FZE.

**(a) Basis of Accounting :**

(i) The financial statement of the subsidiary company used in the consolidation are drawn upto the same reporting date as of the company i.e. year ended March 31, 2013.

(ii) The financial statement of the company and the subsidiary company have been prepared in accordance with the accounting standard issued by the Institute of Chartered Accountants of India, and generally accepted accounting principles.

**(b) Principles of Consolidation:**

The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the company and its subsidiary company have been combined on a line-by-line basis adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra group transactions and unrealised profits or losses are fully eliminated.

(ii) Investments in associate company have been accounted as per the Accounting Standard-13 "Accounting of Investments" Issued by the Institute of the Chartered Accountants of India.

(iii) As the subsidiary is 100% subsidiary there is no minority interest in the net assets of consolidated subsidiary.

**(c) Information on the subsidiary:**

% voting power held  
as at March 31, 2013

(i) Sybly International FZE

100.00

**B. SIGNIFICANT ACCOUNTING POLICIES****I. Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. Company follows the Mercantile System of Accounting and recognizes Income and Expenditure on Accrual Basis otherwise specifically stated. The Accounts are being prepared as a going concern on the historical cost basis. Accounting Policies not referred to otherwise are consistent with Generally Accepted Accounting Principles.

**II. Revenue Recognition**

Sales are recognised at the point of despatch. Other Income is recognised as and when the same is accrued.

**III. Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**IV. Valuation of Inventories**

Inventories of Raw Materials, Consumable Stores & Spares, Stock in trade of Trading Purchases and Stock-in-Process are valued at cost on FIFO basis. Finished Goods and Scrap are valued at realizable value.

**V. Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**VI. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**VII. Fixed assets / Tangible Assets**

Fixed Assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use and also includes financing cost till commencement of commercial production. In respect of assets taken on Leases, the same are accounted for only on transfer of ownership to the Company and on transfer cost.

**VIII. Depreciation**

The Depreciation has been provided on straight line method at the rates as specified in Schedule XIV of the Companies Act, 1956.

**IX. Foreign Currency Transactions**

Transactions in Foreign currencies are recorded at exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the balance sheet date and exchange difference is accounted as provision for foreign exchange fluctuation. Actual exchange differences arising on realization/final settlement in Indian rupees are dealt with in the Profit and Loss Account.

**X. Employee retirement benefit**

- (i) Retirement benefits in the form of provident fund scheme whether in pursuance of any law or otherwise is accounted on accrual basis and charged to the profit & loss account of the year.
- (ii) The Gratuity has been provided for on the basis of Actuarial Valuation dated 25.04.2013, which was prepared on "Projected Unit Credit Method" and Bonus to employees are provided for on accrual basis.
- (iii) The Company has adopted policy to pay the leave encashment on yearly basis calculated as per calendar year to all eligible employees

**XI. Earnings per share**

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**XII. Taxes on Income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**XIII. Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

**XIV. Investments**

Investments in India are stated at cost. Investment outside India involving foreign current transactions are being valued at the year end rates.

**XV. Business Segment**

The company is engaged in business of manufacturing of yarn and trading of cloth, which is in same business segment.

**Note - 29 Additional Information to the financial statements**

- A. Confirmation of balances from some of parties appearing under the head current liabilities, sundry debtors, loans and advances are awaited
- B. Previous year adjustments of Rs. 18,263/- include Rs. 12,982/- paid for Sales Tax demand & interest thereon for the Assessment Year 2008-09; Rs. 5,281/- paid for Sales Tax demand & interest thereon for the Assessment Year 2009-10.
- C. Company has revalued its Fixed Assets namely Land and Building on 31.03.2004. The value of aforesaid assets has increased by Rs.5,90,00,625.42 as per Valuation Report dt.31.03.2004 from a qualified & authorized firm of Engineers M/s.Universal Consultants, Meerut. The aforesaid amount has been credited to Revaluation Reserve Account. Further, during the year, same has been reduced by equivalent amount of depreciation charged on this revalued amount.





## SYBLY INDUSTRIES LIMITED

- D. The bifurcation of the total outstanding dues of small scale industrial undertakings and other than small scale industrial undertakings as well as the name of the small scale industrial, undertakings to whom the company owes a sum of exceeding rupees one lacs and which is outstanding for more than thirty days, are not disclosed in the Balance Sheet as suppliers have not indicated their status on their documents/papers whether they are small scale undertakings or not hence it is not possible for the company to disclose the said information in respect of trade creditors.
- E. The cost records for the financial year 2012-2013 are still under preparation and till the date of this Balance Sheet, the same could not be finalized.
- F. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business and the provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- G. Managerial Remuneration :

Managerial remuneration has been paid within the limits specified by Schedule XIII of the Companies Act, 1956. Computation of Net Profit u/s 349 of the Act is not given in view of there being no commission payable to any director. The details of managerial remuneration paid under Section 198 of the Companies Act, 1956 are as under:

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Salaries / Perks	24.95	16.20

- H. During the current year no dividend is proposed to be paid hence not provided for.

### I. Particulars of Capacity, Production, Turnover and Stock for manufacturing Activities:

Class of Product		Polyester Yarn/Cotton Yarn	
		Current Year	Previous Year
Licensed Capacity	M.Ton	N.A.	
Installed Capacity	M.Ton	2500	2500
Production	M.Ton	1746.156	1603.582
Purchases of Yarn	M.Ton	-	-
Captive Consumption	M.Ton	-	-
Turnover	M.Ton	1753.427	1607.942
	Rs. (in Lacs)	2210.42	1923.41
Opening Stock	M.Ton	86.973	91.333
	Rs. (in lacs)	109.97	112.62
Closing Stock	M.Ton	79.702	86.973
	Rs. (in lacs)	96.57	109.97

### J. Particulars of Trading Activities:

Item	Stock in the beginning of the year		Purchases during the year		Sales during the year		Stock at the end of the year	
	Qty.	Rs.(in lacs)	Qty.	Rs.(in lacs)	Qty.	Rs.(in lacs)	Qty.	Rs.(in lacs)
Cloth (Mtrs.)	NIL (NIL)	NIL (NIL)	5300691 (6471983)	5988.63 (5423.21)	5300691 (6471983)	6516.15 (5795.65)	NIL (NIL)	NIL (NIL)
Cloth (Kg.)	NIL (NIL)	NIL (NIL)	364442.09 (NIL)	1846.85 (NIL)	364442.09 (NIL)	2018.57 (NIL)	NIL (NIL)	NIL (NIL)

### K. Particulars of Raw Materials Consumed:

		Current Year		Previous Year	
		Quantity	Rs. In Lacs	Quantity	Rs. in Lacs
Polyester Staple Fiber	M.Ton	1874.260	1977.28	1703.200	1813.23
Chemicals	M.Ton	-	-	-	-
Cloth	Kg.	364442.09	1846.85	-	-
Cloth	Mtr.	5300691	5988.63	6471983	5423.21
Cloth	Pcs.	-	-	-	-
			<u>9812.76</u>		<u>7236.44</u>
Indigenous Materials Consumed			9812.76 100%		7236.44 100%
Imported Materials Consumed			NIL		NIL





# SYBLY INDUSTRIES LIMITED

## L. Expending and Earning in Foreign Currency :

	Current Year	Previous Year
	Rs. in Lacs	Rs. in Lacs
(a) Expenditure in Foreign Currency: Value of Imports on C.I.F.Basis	NIL	NIL
(b) Earning in Foreign Exchange:		
(i) Exports of Goods calculated on F.O.B.Basis	NIL	NIL
(ii) Interest Income	NIL	NIL

M. Disclosures in respect of related party as defined in Accounting Standard 18, with whom transactions were carried out in the ordinary course of Business during the year as given below:-

### Related party disclosures

#### a. List of related parties

- i. Subsidiaries
  - Sybly International FZE
- ii. Key Management Personnel
  - Mr. Mahesh Chand Mittal
  - Mr. Satya Prakash Mittal
  - Mr. Nishant Mittal
- iii. Relatives of Key Management Personnel
  - Mrs. Suman Mittal
  - Mrs. Parul Mittal
  - Mrs. Rashmi Mittal
  - Mahesh Chand Mittal HUF
  - Mr. Umesh Kumar Mittal
  - Sybly Threads Limited
  - Vartex Fabrics (P) Ltd. (Common KMP Shri M.C. Mittal)
  - Dux Textiles (P) Ltd. (Common KMP Shri Nishant Mittal)

#### b. Transactions /Balances outstanding with Related Parties.

(Rs. in Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Enterprise having common Key Management Personnel	Total
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Loans & Advances	219.65	-	-	-	219.65
Unsecured Loans	-	24.42	35.55	117.45	177.42
Sales of Goods & Services	-	-	5.84	-	5.84
<b>Managerial Remuneration</b>					
Salary/contribution to provident fund	-	24.95	13.35	-	38.30

N. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business and the provisions for all known liabilities is adequate and not in excess of amount reasonably necessary.

O. Previous Years figures have been rearranged regrouped wherever necessary.

SIGNATURE TO NOTES 1 TO 29

For and on behalf of Board of Directors

Sd/-  
**(MAHESH CHAND MITTAL)**  
Managing Director  
(DIN : 00284866)

Sd/-  
**(Dr. LALLAN TRIPATHI)**  
Director  
(DIN : 05283743)

Sd/-  
**(GAYATRI GOPINATH)**  
Company Secretary  
(Memb No. : A30489)

As per our separate report of even date attached  
**For V.S.Gupta & Co.**  
Chartered Accountants

PLACE : Muradnagar  
DATE : 30th May, 2013

Sd/-  
**(CA Hemant Kumar Gupta)**  
Partner



# SYBLY INDUSTRIES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Prepared pursuant to Listing Agreement

			31st March 2013 Amount (Rs.)	31st March 2012 Amount (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before tax and extraordinary items	(8,15,33,564.54)			(4,35,37,640.76)
<b>Adjustment for:</b>				
Depreciation	2,91,91,047.00		2,92,49,481.00	
Finance Charges	1,96,49,796.52	4,88,40,843.52	2,28,74,571.37	5,21,24,052.37
<b>Adjustment for:</b>				
Rental Income	(3,00,000.00)		(3,00,000.00)	
Interest received	(67,29,175.00)		(6,63,983.00)	
Profit on Sale of Fixed Assets	-	(70,29,175.00)	(65,231.59)	(10,29,214.59)
<b>Adjustment For Previous Year:</b>				
Previous year adjustments	(18,263.00)	(18,263.00)	(5,82,318.00)	(5,82,318.00)
<b>Cash Flow From Extraordinary items</b>				
			-	3,15,00,000.00
	(3,97,40,159.02)			3,84,74,879.02
Operating Profit before Working Capital Changes				
<b>Adjustment for:</b>				
Trade receivables	6,07,85,640.93		(18,16,13,538.00)	
Loans & Advances	(83,29,027.79)		(5,47,64,439.42)	
Inventories	2,32,48,452.00		1,74,33,163.00	
Other current assets	(825,185.00)		1,22,567.00	
Trade Payable	(4,95,80,394.97)		14,78,67,492.51	
Short-term borrowings	704,380.52		(1,04,52,364.09)	
Other current liabilities	(52,65,968.93)		23,53,065.44	
Long-term provisions	3,14,49,979.00		4,98,82,288.00	
Short-term provisions	4,60,743.00	5,26,48,618.76	(6,50,895.00)	(2,98,22,660.56)
Cash generated from operations		1,29,08,459.74		86,52,218.46
Taxes Paid		4,60,062.00		(50,27,268.00)
Cash flow from operating activities		1,24,48,397.74		1,36,79,486.46
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Interest received	67,29,175.00		6,63,983.00	
Rental Income	3,00,000.00		3,00,000.00	
Sale of Fixed Assets	1,00,118.00		10,85,000.00	
Purchase/Sale of Investments	(1,66,29,133.95)		-	
Purchase of Assets (including Capital Work in progress)	(1,22,422.00)		(55,08,481.90)	
Net Cash used in Investing activities	(96,22,262.95)			(34,59,498.90)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Equity Share Capital (including share application money)	-		-	
Adjustment for Preliminary Expenses	31,51,615.00		31,51,613.00	
Borrowings/(Repayment) of Loans	1,31,50,440.87		1,27,57,494.82	
Finance Charges	(1,96,49,796.52)		(2,28,74,571.37)	
Deferred tax liabilities	3,57,802.00	(29,89,938.65)	(50,27,268.00)	(1,19,92,731.55)
Opening Bal. of Cash and Cash equivalents	46,91,849.82	(1,63,803.86)	64,64,593.81	(17,72,743.99)
Closing Bal. of Cash and Cash equivalents	45,28,045.96	(1,63,803.86)	46,91,849.82	(17,72,743.99)
		0.00		0.00

For and on behalf of Board of Directors

Sd/-  
(MAHESH CHAND MITTAL)  
Managing Director  
(DIN : 00284866)

Sd/-  
(Dr. LALLAN TRIPATHI)  
Director  
(DIN : 05283743)

Sd/-  
(GAYATRI GOPINATH)  
Company Secretary  
(Memb No. : A30489)

In term of our separate report of even date  
For V.S.Gupta & Co.  
Chartered Accountants

PLACE : Muradnagar  
DATE : 30th May, 2013

Sd/-  
(CA Hemant Kumar Gupta)  
Partner

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# Sybly Industries Ltd.

(Formerly known as Sybly Spinning Mills Ltd.)

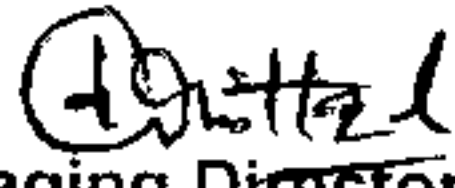
Works & Regd. Off : Pawan Puri, Murad Nagar, Distt. Ghaziabad-201 206 (INDIA)  
Phone : 01232-261765, 261288, 261521 E.mail : sybly@rediffmail.com

Ref. No.

Dated.....

## FORM A

### Format of covering letter of the annual audit report to be filed with the Stock Exchange

Name of the company	SYBLY INDUSTRIES LIMITED
Annual financial statements for the year ended	31st March 2013
Type of Audit observation	Un-qualified
Frequency of observation	N.A.
To be signed by- <ul style="list-style-type: none"><li>• CEO/Managing Director</li><li>• CFO</li><li>• Auditor of the company</li><li>• Audit Committee Chairman</li></ul>	 Managing Director