



# SYBLY INDUSTRIES LIMITED

## NOTICE

To,

The Members,

Notice is hereby given that the **26<sup>th</sup> Annual General Meeting** of the Company will be held at the registered office of the Company at **Pawan Puri, Muradnagar, Ghaziabad on Saturday, the 27<sup>th</sup> day of September, 2014, at 11.30 A.M.** to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at **31st March, 2014**, and Statement of Profit & Loss Account of the Company for the year ended **31st March, 2014** and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Nishant Mittal who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

### **Appointment of Auditors and to fix their remuneration**

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 M/s V.S. Gupta & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company."

### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Virendra Pratap Mishra (DIN: 00210984), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company w.e.f September 27, 2014 to hold office for 5 (five) consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Lallan Tripathi (holding DIN no. 05283743), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company w.e.f September 30, 2014 to hold office for 5 (five) consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019."

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

**"RESOLVED THAT** in supersession of all the resolutions passed by shareholders in the past and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or amendments thereof) and Rules made there under, consent of the Shareholders be and is hereby accorded to the Board of Directors and its Committee(s), to mortgage or create charge on all or any of the immovable and movable properties (including pledge of securities held in subsidiaries/associates) of the Company, its subsidiaries and associates where so ever situated, present and future, and /or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of any Bank(s) or Financial Institution(s) situated within or outside India (hereinafter referred to as "the Lenders") to secure repayment of rupee term loans or foreign currency loans or a combination of both lend, advanced or agreed to lend and advanced by the lender(s) to the Company either jointly or severally or in any other combination thereof, as the case may be, in terms of the loan agreement(s), entered into/ to be entered into by the Company with each of the lenders for the purpose of implementation of the project(s) of the Company, its subsidiaries and associates.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** in supersession of all the resolutions passed by shareholders in the past and pursuant to Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modifications or amendments thereof), consent of the shareholders be and is hereby accorded to the Board of Directors and its Committee(s) to borrow any sum or sums of money, from time to time, not exceeding at any time, a sum of Rs. 50 Crore (Rupees Fifty Crore Only) for the purpose of business of the Company notwithstanding, that such borrowing(s), together with the monies already borrowed by the Company (apart from temporary loans, if any, obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose."



8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution:**

**ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY**

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

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

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 141, 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting".

### 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 /HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies / bodies corporate etc., must be supported by an appropriate resolution/ authority, as applicable.
2. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Additional information pursuant to Clause 49 of the listing agreement with the stock exchanges in respect of all the Directors seeking appointment as mentioned under items nos. 4 and 5 contained in the notice of annual general meeting are furnished and forms part of this Notice. The said Directors have furnished necessary consents/ declarations for their appointment. Further, all the Independent Directors have affirmed that they meet the requirements specified under Clause 49 I(A)(iii) of the listing agreement in respect of their position as an "Independent Director" of the Company.
5. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item nos. 4,5,6,7 and 8 of the accompanying notice is annexed hereto.
6. Copies of all documents referred to in the notice are available for inspection at the registered office of the Company during normal business hours on all working days up to and including the date of the annual general meeting of the Company.
7. The Register of Members and the Share Transfer Books of the Company will remain closed on Friday, September 26, 2014 and Saturday, September 27, 2014.
8. Members seeking any information with regard to accounts are requested to write to the Compliance Officer at least ten days in advance of the annual general meeting, to enable the Company to keep the information ready.
9. Members are requested to:
  - a. Bring their copy of the annual report for the meeting.
  - b. Note that all correspondence relating to share transfers should be addressed to registrar and transfer agents of the Company, viz. Beetal Financial and Computer Services (P) Ltd. Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi- 110062, India
  - c. Quote their DP ID No. /Client ID No. or folio number in all their correspondence.
10. The annual report for 2013-14 along with the notice of annual general meeting, attendance slip and proxy form is being sent by electronic mode to all the shareholders who have registered their email ids with the depository participants/ registrar and share transfer agent unless where any member has requested for the physical copy. Members who have not registered their email ids, physical copies of the annual report 2013-14 along with the notice of annual general meeting, attendance slip and proxy form are being sent by the permitted mode. Members may further note that the said documents will also be available on the Company's website [www.sybly.com](http://www.sybly.com) for download. Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's email id viz. [sybly\\_investors@rediffmail.com](mailto:sybly_investors@rediffmail.com).



11. Pursuant to Section 101 of the Companies Act, 2013 and rules made there under, the companies are allowed to send communication to shareholders electronically. We thus, request you to kindly register/update your email ids with your respective depository participant and Company's registrar and share transfer agent (in case of physical shares) and make this initiative a success.
12. SEBI has made the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Beetal Financial & Computer Services (P) Ltd.
13. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Beetal Financial & Computer Services (P) Ltd. for assistance in this regard.
14. Members who hold shares in physical form in multiple folios in identical names or join holding in same order of names are requested to send share certificates to Beetal Financial & Computer Services (P) Ltd., for consolidation in to single folio.

**PROCESS AND MANNER FOR MEMBERS OPTING FOR E-Voting ARE AS UNDER:**

**(A) In case of members receiving e-mail:**

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii. Click on "Shareholders" tab.
- iii. Now Select the relevant Electronic Voting Sequence Number (EVSN) - along with "SYBLY INDUSTRIES LIMITED" from the drop down menu and click on the "SUBMIT"
- iv. Now Enter your User ID

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
User ID	For NSDL: 8 Character DPID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>	

- v) After entering these details appropriately, click on "SUBMIT" tab.
- vi) Members holding shares in physical form will then reach directly to the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & \*). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- vii) Now select the relevant Electronic Voting Sequence Number (EVSN) - along with "SYBLY INDUSTRIES LIMITED" from the drop down menu
- viii) On the voting page, you will see Resolution "Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- ix) Click on the "Resolutions File Link" if you wish to view the entire resolution details.
- x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.



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- (xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote
- (xii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(B) In case of members receiving the physical copy of Notice: [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**

Please follow all steps from sl. no. (ii) to sl. no. (xi) Above, to cast vote.(C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.

- (D) The voting period begins on 22nd September 2014 (10:00 AM) and ends on 24th September 2014 (5:00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (E) The Company has appointed Mr. R.S.Bhatia, practicing Company Secretary, as the "Scrutinizer" to scrutinize the e-voting process(including the Ballot Forms received from the members who do not have any access to e-voting process) in fair and transparent manner.
- (F) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of e-Voting period, unblock the votes in the presence of at least 2 witnesses not in employment of the company and make a Scrutinizers Report for the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (G) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (H) Results declared along with the scrutinizer's report shall be placed on the Company's website [www.sybly.com](http://www.sybly.com) and on the website on CDSL within two days of passing the resolution at 26th Annual General Meeting of the company on 27th September 2014 and will be communicated to Bombay Stock Exchange where the shares of the company are listed.

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

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

As per the provisions of Section 149 of the Act which has come in to force with effect from April 01, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Experience in the field of Textile

Mr. Virendra Pratap Mishra has given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Virendra Pratap Mishra fulfills the conditions specified in the Act, and the Rules made there under for the appointment of Independent Directors and he is Independent of the management.

In compliance with the provisions of Sec 149 read with Schedule IV of the Act, the appointment of Mr. Virendra Pratap Mishra as Independent Director is now being placed before the members for their approval.

The terms and conditions of the appointment of Mr. Virendra Pratap Mishra pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during the normal business hours on any working day of the Company.

Mr. Virendra Pratap Mishra is interested and concerned in the Resolution as mentioned at Item no. 4 of the Notice. Other than Mr. Virendra Pratap Mishra, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution.

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

As per the provisions of Sec 149 of the Act which has come in to force with effect from April 01, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. Lallan Tripathi has given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. Lallan Tripathi fulfills the conditions specified in the Act, and the Rules made there under for the appointment of Independent Directors and he is Independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Lallan Tripathi as Independent Director is now being placed before the members for their approval.

The terms and conditions of the appointment of Mr. Lallan Tripathi pursuant to the provisions of Schedule IV of the Act shall be open for inspection at the Registered Office of the Company by any Member during the normal business hours on any working day of the Company.

Mr. Lallan Tripathi is interested and concerned in the Resolution as mentioned at Item no. 5 of the Notice. Other than Mr. Lallan Tripathi, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution.



## SYBLY INDUSTRIES LIMITED

### A brief profile of the Directors to be appointed/re-appointed is given below:

Name	Mr. Virendra Pratap Mishra	Mr. Lallan Tripathi	Mrs. Nishant Mittal
D.O.B.	01.01.1952	01.08.1953	26-10-1987
Qualification	B.Sc., LL.B. & M.B.A.	Ph.D.,M.M.S.,M.Tech.,B.Tech.	B.Tech(ECE), Dip. In TTM
Experience	He has around 37 years vide Experience in Textile Industry.	30 Years Industry Experience as Class-I Officer - cadre Regional Manager including 3 years as Head of Merchant Banking Division of UPFC. 6 Years Academia Experience Management in reputed Institutions	Total 5 years work experience in higher management of Sybly Industries Limited.
Directorship in Boards of other Companies	Viomshi Textiles Private Limited	N.A.	1. Dux Textiles Pvt. Ltd. 2. Pisces Systems Software Pvt. Ltd. 3. Sybly Techno Fibres Ltd. 4. Shreenathji Ashiana Developers (P) Ltd.
Shareholding as on 21.03.2014	NIL	NIL	1,66,667

### **ITEM NOS. 6 AND 7**

The members of the Company in the past had approved resolutions for mortgaging the properties of the company in favour of the lenders and also for exercising the borrowing limits for the purpose of business of the company.

Pursuant to notification of Section 180 of the Companies Act, 2013, prior consent of the Shareholders by a special resolution is required to enable the Board of Directors to exercise these powers which, in aggregate, may exceed the paid-up capital and free reserves of the Company and to create charge on movable/immovable properties of the Company in favour of the lenders.

Further, the Ministry of Corporate Affairs vide their circular no.4 dated: 25-03-2014 had clarified that all such resolutions passed in this regard are valid and effective only for a period of one year up to 11-09-2014. Any such mortgages and borrowings after this date would require a fresh prior approval of the shareholders under Section 180 of the Companies Act, 2013 through a Special Resolution. It is imperative that such an authority is required to be delegated to the Board of Directors or its Committee for carrying on the business of the Company in the ordinary course and the Board is of the view that borrowing limits of up to Rs. 50 Crores would be sufficient to carry on the business. Accordingly, the Board of Directors of the company at its meeting held on 07.08.2014 had approved these proposals subject to your approval.

None of the Directors / Key Managerial Personnel and their relatives are interested or concerned, financially or otherwise in the above special resolution set out under Item No: 6 & 7 of the Notice.

### **ITEM NO. 8**

The Articles of Association ("AoA") of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act 2013.

With the coming into force of the Companies Act 2013 several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- existing articles have been streamlined and aligned with the Act;
- the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and



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- g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication - their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

### ITEM No.9

The Board on the recommendation of the Audit Committee has approved the appointment of M/s. M.K.Singhal & Co, Cost Accountants to conduct the audit of the cost records of the company for the financial year ending 31st March 2015 at the remuneration of Rs. 30,000/-plus Service Tax as applicable.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at item no. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2015.

None of the Directors/key managerial personnel of the company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 9 of the Notice.

The Board recommends the Ordinary Resolution set out at Item no. 9 of the Notice for approval by the shareholders.

Place: Muradnagar  
Date : 12<sup>th</sup> August, 2014

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

Sd/-  
**Mahesh Chand Mittal**  
Managing Director  
DIN No. 00284866

### DIRECTORS' REPORT

To,  
The Members,  
Sybly Industries Limited

Your Directors have pleasure in presenting the **26<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, 2014**.

<b>FINANCIAL HIGHLIGHTS :</b>	<b>Current Year (Rs.in Laacs)</b>	<b>Previous Year (Rs.in Laacs)</b>
Sales & Receipt from Operations	7893.99	<b>10749.20</b>
Other Income	79.12	<b>70.31</b>
Operating Profit before Interest & Depreciation	330.34	<b>500.76</b>
Less : Interest	165.38	<b>203.48</b>
Gross Profit/(Loss)	164.96	<b>297.28</b>
Less : Depreciation	156.19	<b>291.91</b>
Net Profit for the Year	8.77	<b>5.37</b>
Less : Provision for Current Tax	1.67	<b>1.02</b>
Provision for Deferred Tax	5.59	<b>3.58</b>
Profit /(Loss) after Tax	1.51	<b>0.77</b>
Add : Balance Brought Forward	(512.10)	<b>(512.69)</b>
	(510.59)	<b>(511.92)</b>
Less : Appropriation	2.54	<b>0.18</b>
Balance Carried Over to Balance Sheet	(513.13)	<b>(512.10)</b>

### **DIVIDEND**

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



## **SYBLY INDUSTRIES LIMITED**

### **PERFORMANCE**

During the period under review the sales and turnover of the Company has decreased from Rs. 10749.20 Lacs to Rs. 7893.99 Lacs. However the net profit of the Company has increased from Rs. 0.77 Lacs to Rs. 1.51 Lacs during the period. 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 non material 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 provisions of section 139 of Companies Act 2013. 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**

In accordance with the provisions of the Companies Act 2013 read with Articles of Association of the Company Mr. Nishant Mittal, Director of the Company would retire by rotation at this Meeting and being eligible, offer herself for reappointment.

### **INDEPENDENT DIRECTORS**

In terms of sub-section (10) of Section 149 of the Companies Act, 2013 (effective from 01-04-2014), every listed company shall appoint Independent Directors, who shall hold office for a term up to 5 (five) consecutive years on the Board of a company and sub section (11) of section 149 states that no Independent Director shall be eligible to be appointed for more than 2 (two) consecutive terms of 5 (five) years.

Further, it may be noted that sub-section (5) of Section 149 of the Companies Act, 2013, provides for a transitional period of one year (from 01-04-2014) for re-appointment of the Independent Directors, if eligible, for a consecutive period of 5 (five) years (if, it is intended so by the Board) subject to compliance with the eligibility and other prescribed conditions.

In compliance of Section 149 of the Companies Act, 2013, regarding appointment of independent directors, your board have decided to recommend the appointment of Mr. Virendra Pratap Mishra, and Mr. Lallan Tripathi as independent directors.

### **KEY MANAGERIAL PERSONNEL**

Mr. M.C Mittal, Managing Director and Mr. Nishant Mittal, Whole Time Director of the Company are nominated as Key Managerial Personnel (KMP) of the Company under the provisions of Section 203 of the Companies Act, 2013.



# SYBLY INDUSTRIES LIMITED

## 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 31.03.2014 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. Lallan Tripathi is the Chairman.

## VIGIL MECHANISM

The Audit Committee has established a Vigil Mechanism and adopted a Revised Whistle-Blower Policy at its meeting held on August 12, 2014, which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee.

## COST AUDITOR'S APPOINTMENT

Pursuant to relevant provisions of the Companies Act, 2013, the board has 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 as Annexure I and Annexure II & form part of the Directors' Report.

## PARTICULARS OF EMPLOYEES

During the year, there were no employees who were in receipt of remuneration as per the provisions of Section 217 (2) (a) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

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

The prescribed details as required as per the provisions of the Section 217(1)(c) 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 : 12<sup>th</sup> August, 2014**  
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  
DIN : 00284866

Sd/-  
**(Nishant Mittal)**  
Whole Time Director  
DIN : 02766556





# 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>		
<b>(A) Purchased :</b>		
Units	4404876	4205420
Total Amount (Rs.)	31582465	25517572
<b>Average Rate Per Unit</b>	7.17	6.07
<b>(B) Own Generation :</b>		
Through Diesel Generator:		
Units	243857	412555
Units Per Ltr. of Diesel/Oil	3.73	3.75
Cost Per Unit	14.78	10.73
<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.)	1732480	1746156
Electricity & Generator (Unit/Kg.)	2.68	2.64
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 : 12<sup>nd</sup> August, 2014**  
Registered Office:  
Pawan Puri, Muradnagar.  
Distt. Ghaziabad (U.P.)-201206

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

Sd/-  
**Maresh Chand Mittal**  
Managing Director  
DIN : 00284866

**ANNEXURE - I****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).

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.

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

The potential size of the Indian Textiles industries is expected to reach US\$ 220 billion by 2020.

A strong raw material production base, a vast pool of skilled and unskilled personnel, cheap labour, good export potential and low import content are some of the salient features of the Indian textile industry.

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand.

The textile sector in the country is expected to witness improvement as the export demand has begun to pick up, according to Dun & Bradstreet India.

The industrial growth for textiles has now accelerated to 9-10 per cent annually.

*Source: The Indian Textile Journal*

**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.

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.

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 2013-14 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 31.03.2014 the total numbers of employees were 102.

## 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 composition of the board is in agreement with the Listing Agreement. The Company has a Non-Executive Chairman. The Board's composition meets the stipulated requirement of at least 1/3rd of the Board comprising of independent Directors who have no material business relationship with the Company.

### 3. Board Meetings

During the financial year 2013-14 Eight Board meetings were held. These were held on 06.04.2013, 30.05.2013, 06.08.2013, 22.08.2013, 24.09.2013, 12.11.2013, 12.02.2014 and 28.03.2014. The intervening period between two meetings was well within the maximum time gap of 4 months as prescribed under Corporate Governance norms.

The details of directors and their attendance record at the Board Meeting held during the year under review are as follows:

Name	Category	Designation	No. of Meetings Attendance	No. of Membership Membership In Boards of Other Companies	Attended each Director At last AGM
Mr. S. P. Mittal	Promoter & Executive Director	Whole Time Director	4	2	Yes
Mr. M. C. Mittal	Promoter & Executive Director	Managing Director	8	3	Yes
Mr. Nishant Mittal	Promoter & Executive Director	Whole Time Director	8	4	Yes
Mr. V. P. Mishra	Non-Executive Independent Director	Director	8	1	Yes
Mr. Lallan Tripathi	Non-Executive Independent Director	Director	8	0	Yes
Mrs. Mamta Garg	Executive Director	Director	5	3	Yes

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

**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 feedback reports, information on senior level appointments just below the Board level and minutes of all Committee Meetings.

**Audit Committee**

Pursuant to the provisions of Section 292 A of the Companies Act, 1956 and clause 49 of the Listing Agreement, an audit committee comprising of three Directors has been constituted to perform all such powers and functions as are required to be performed under the said provisions. There are three members of the Committee viz. Mr. V.P Mishra, Mr. M.C Mittal and Mr. Lallan Tripathi. Mr. Lallan Tripathi is the Chairman of Audit committee. All members of the Audit Committee are financially literate.

**Audit Committee Meetings**

During the financial year 2013-14, four meetings were held. These were held on 30.05.2013, 06.08.2013, 12.11.2013 and 12.02.2014. The intervening period between two meetings was well within the maximum time gap of 4 months as prescribed under Corporate Governance norms.

**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:
5. 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.
6. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 6A. 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.
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. 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.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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.
11. 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.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Whistle Blower Policy**

Pursuant to the provisions of Section 177 (9) of Companies Act, 2013, Audit Committee has established vigil mechanism under the Whistle Blower Policy adopted by the Company which provides formal mechanism for all the directors and employees to approach to the management of the Company about the unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct.

**Remuneration Committee**

## Terms of Reference

Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole-time Director(s)/KMPs.

Reviewing the performance of the Managing / Whole-time Director/KMPs and recommending to the Board, the quantum of annual increments and annual commission.

**Composition**

The Board of Directors constituted a Remuneration Committee comprising three non-executive independent directors viz. Mr. V.P. Mishra, Mr. Lallan Tripathi and Mrs. Mamta Garg. The Committee is chaired by Mr. Lallan Tripathi. The committee has been constituted to review and approve the annual salaries, commission, service agreement and other employment conditions for the executive directors.

**Remuneration Committee Meeting**

During the financial year 2013-14, no Remuneration committee meeting was held.

**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, 2013. The remuneration policy for Whole-time Directors is directed towards regarding of 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.

**Stakeholder Relationship Committee**

The Shareholder Grievance Committee, inter alia, oversees and reviews all matters connected with the investor services in connection with applications received and shares allotted in the Initial Public Offer, status of refund account, conversion of partly paid shares into fully paid shares, dematerialization and dematerialization of shares and transfer of shares of the Company. The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Board has delegated the power of approving transfer of securities to the officers of the Company.

**General Body Meeting****Details about Last 3 years General Meetings are as under:**

Sr. No.	Date	AGM/EOGM	Place	Time	Special Resolution
1.	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
2.	28.09.2012	AGM	Pawan Puri, Muradnagar- 201206	11.30 AM	1. Appointment of Mrs. 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.
3.	24.09.2013	AGM	Pawan Puri, Muradnagar- 201206	11.30 AM	1. To make loans, investment, guarantee Under Section 372A.

**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. The Company did not have a Whistle Blower Policy during the year under review. No Personnel of the Company was 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, And 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 2013-14.

**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, 2014 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** : 26<sup>th</sup> Annual General Meeting  
 Date : 27<sup>th</sup> September, 2014  
 Day : Saturday  
 Time : 11.30 A.M.  
 Place : Pawan Puri, Muradnagar, Distt. Ghaziabad  
 Financial Year : 1<sup>st</sup> April, 2013 to 31st March, 2014

b) **Financial Calendar**

Tentative calendar of events for the financial year 2014-15 (April to March) is as under:

**Adoption of Quarterly Financial Results for:**

First Quarter	- upto 14 <sup>th</sup> August, 2014	Third Quarter	- upto 14 <sup>th</sup> February, 2015
Second Quarter	- upto 14 <sup>th</sup> November, 2014	Fourth Quarter	- upto May, 2015

c) **Book Closure**

Book closure is from **26.09.2014 to 27.09.2014** (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, 2013	2.31	0.20	66,33,274
May, 2013	3.91	2.10	2,05,895
June, 2013	3.25	2.10	1,59,043
July, 2013	3.08	2.11	2,88,205
August, 2013	2.33	1.50	5,88,068
September, 2013	2.52	1.44	4,89,659
October, 2013	2.31	1.65	4,85,864
November, 2013	1.78	1.31	19,07,215
December, 2013	1.63	1.07	1,95,30,713
January, 2014	1.56	1.13	40,22,163
February, 2014	1.38	1.09	30,91,793
March, 2014	1.30	1.02	72,94,016

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

Company has not received any complaint during the financial year 2012-2014.

**Distribution of Shareholding**

Distribution of Shareholding as on 31.03.2014.

Shareholding	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 5000	3,880	68.85	8,18,066	2.01
5001 10000	829	14.71	7,35,342	1.81
10001 20000	357	6.34	5,86,670	1.44
20001 30000	130	2.31	3,33,830	0.82
30001 40000	76	1.35	2,78,407	0.68
40001 50000	96	1.70	4,66,618	1.15
50001 100000	102	1.81	7,79,600	1.91
100001 and above	165	2.93	3,67,17,567	90.18
	5,635	100.00	4,07,16,100	100.00

**Categories of Shareholding as on 31.03.2014 is as under:**

Category	No. of Shares Held	% of Shareholding
Indian Promoters	30,08,506	7.39
Private Bodies Corporate	2,52,11,884	61.92
NRI/OCBs	1,05,783	0.26
Indian Public	1,14,83,613	28.21
Hindu Undivided Families	8,96,779	2.20
Clearing Members	9,535	0.02
Total	4,07,16,100	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 &amp; 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](mailto: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) &amp; Central Depository Services (India) Ltd. (CDSL). Equity Shares consisting 99.85% of paid up Share Capital are in dematerialised form as on 31.03.2014.

**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, 2014 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: 12<sup>th</sup> August, 2014**

**Sd/-**  
**Mahesh Chand Mittal**  
(Managing Director)  
DIN : 00284866





## 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 noncompliance thereof during the year ended 31<sup>st</sup> March, 2014.

**Place: Muradnagar**  
**Date: 12<sup>th</sup> August, 2014**

Sd/-  
**Mahesh Chand Mittal**  
(Managing Director)  
DIN : 00284866

**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 31st March, 2014.

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: 12<sup>th</sup> August, 2014**

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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended 31st March 2014, 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, 2014;
  - 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**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, 2014**



**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, 2014**

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 12 (Twelve) 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. 637.02 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, 2014 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)

Place : Meerut  
Dated : : 30<sup>th</sup> May, 2014



# SYBLY INDUSTRIES LIMITED

## BALANCE SHEETS AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
<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	7,94,69,085.90	7,99,10,844.84
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	4	6,37,01,866.20	5,82,94,382.69
(b) Long-term provisions	5	11,90,17,441.00	7,74,95,464.00
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	6	11,04,40,429.91	10,82,96,059.24
(b) Trade payable	7	18,80,44,882.95	21,75,38,800.69
(c) Other current liabilities	8	1,92,53,027.68	2,21,77,542.29
(d) Short-term provisions	9	24,12,363.00	18,72,750.00
<b>TOTAL</b>		<b>98,95,65,096.64</b>	<b>97,28,11,843.75</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		12,06,36,511.54	13,36,20,997.57
(ii) Capital work- in-progress		-	-
(b) Non-current Investments	11	55,72,250.00	1,71,46,433.95
(c) Deferred Tax Assets (net)		2,08,07,241.00	2,13,66,316.00
(d) Long-term loans and advances	12	9,87,69,342.47	8,24,33,658.47
(e) Other non-current assets	13	23,48,562.00	46,97,123.00
<b>(2) Current assets</b>			
(a) Inventories	14	10,54,50,127.00	11,23,11,349.00
(b) Trade receivable	15	18,07,71,001.33	18,93,75,636.95
(c) Cash and Bank Balances	16	36,28,192.25	44,30,866.96
(d) Short-term loans and advances	17	44,88,29,660.35	40,55,26,130.85
(e) Other current assets	18	27,52,208.70	19,03,331.00
<b>TOTAL</b>		<b>98,95,65,096.64</b>	<b>97,28,11,843.75</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, 2014

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



# SYBLY INDUSTRIES LIMITED

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note No.	for the year ended 31.03.2014	for the year ended 31.03.2013
<b>REVENUE</b>			
<b>I. Revenue from Operations</b>			
Sales of products		78,93,99,378.00	1,07,49,19,660.00
		<u>78,93,99,378.00</u>	<u>1,07,49,19,660.00</u>
<b>II. Other Income</b>	<b>20</b>	79,12,155.40	70,31,175.00
<b>III. Total Revenue (I+II)</b>		<b>79,73,11,533.40</b>	<b>1,08,19,50,835.00</b>
<b>EXPENSES</b>			
Cost of material consumed	<b>21</b>	70,59,14,718.00	98,12,76,289.00
Manufacturing & Operating Cost	<b>22</b>	3,75,70,310.20	3,22,09,372.00
Changes in inventories of finished goods, work-in-progress and stock-in trade	<b>23</b>	(71,90,376.00)	(56,45,767.00)
Employee benefits expense	<b>24</b>	1,65,42,239.00	1,38,21,299.00
Finance Costs	<b>25</b>	1,65,37,755.24	2,03,47,882.52
Depreciation and Amortization Expenses	<b>10</b>	1,56,18,960.03	2,91,91,047.00
Other expenses	<b>26</b>	1,14,41,042.87	1,02,14,055.02
<b>IV. Total Expenses</b>		<b>79,64,34,649.34</b>	<b>1,08,14,14,177.54</b>
<b>V. Profit before exceptional and extraordinary items (III-IV)</b>		8,76,884.06	5,36,657.46
<b>VI. Exceptional Items</b>	<b>27</b>	-	-
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		<b>8,76,884.06</b>	<b>5,36,657.46</b>
<b>VIII. Extraordinary Items</b>	<b>28</b>	-	-
<b>IX. Profit before Tax (PBT) (VII-VIII)</b>		<b>8,76,884.06</b>	<b>5,36,657.46</b>
<b>X. Tax Expense of continuing operations</b>			
Current Tax (including Wealth Tax)		-	-
MAT Credit Entitlement		1,67,091.00	1,02,260.00
Deferred Tax		5,59,075.00	3,57,802.00
<b>XI. Profit/(loss) for the period from continuing operations (IX-X-XIV)</b>		1,50,718.06	76,595.46
<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>		1,50,718.06	76,595.46
<b>XVI. Earnings per equity share</b>			
(1) Basic		0.00	0.00
(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, 2014

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 31.03.2014	As at 31.03.2013
<b>Authorised Share Capital</b>		
7,00,00,000 Equity Shares of Rs. 10/- each	70,00,00,000.00	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	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	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	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>	4,07,16,100.00	4,07,16,100.00
<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	4,07,16,100.00

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

Sl. No.	Name of the Shareholder	Number of Shares as on 31.03.2014	Number of Shares as on 31.03.2013
1	CCL INTERNATIONAL LIMITED	87,50,735	87,50,736
2	DRISTI TEXTILE PRIVATE LIMITED	22,00,000	22,00,000
3	HINDUSTAN TRADCOM PRIVATE LIMITED	25,17,562	-
4	QUEST SECURITIES LIMITED	86,76,453	-
5	DEUTSCHE BANK TRUST COMPANY-AMERICAS	-	1,46,33,000

### 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	5,59,52,163.42	5,62,90,855.42
Add : Addition on revaluations during the period	-	-
	5,59,52,163.42	5,62,90,855.42
Less : Utilised during the period	3,38,692.00	3,38,692.00
Closing Balance	<b>5,56,13,471.42</b>	<b>5,59,52,163.42</b>
<b>D Surplus (Profit and Loss Account)</b>		
Opening Balance	(5,12,10,816.82)	(5,12,69,149.28)
Add : Profit / (Loss) for the period	1,50,718.06	76,595.46
	(5,10,60,098.76)	(5,11,92,553.82)
Less : Deduction during the period	-	-
Less : Previous year adjustments	2,53,785.00	18,263.00
Closing Balance	<b>(5,13,13,883.76)</b>	<b>(5,12,10,816.82)</b>
<b>TOTAL (A+B+C+D)</b>	<b>7,94,69,085.90</b>	<b>7,99,10,844.84</b>



## NOTE - 4 LONG TERM BORROWINGS

### Secured borrowings

#### Term loans from banks

Term Loan for Plant & Machinery	-	-
Term Loan for Car	-	7,05,072.22
	-	<u>7,05,072.22</u>

#### Unsecured borrowings

Loans and advances from related parties	6,37,01,866.20	5,75,89,310.47
Loans and advances from others	-	-
	<u>6,37,01,866.20</u>	<u>5,75,89,310.47</u>
<b>TOTAL</b>	<b><u>6,37,01,866.20</u></b>	<b><u>5,82,94,382.69</u></b>

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

Nature of Security	Terms of Repayment
i Term Loan from BMW India Financial Services (P) Ltd. for Car amounting to Rs. 21.00 lacs (March 31, 2014 Rs.7.05 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 loans 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	11,90,17,441.00	7,74,95,464.00
	<u>11,90,17,441.00</u>	<u>7,74,95,464.00</u>

## NOTE - 6 SHORT-TERM BORROWINGS

### Secured borrowings

#### A Loans payable on demand

Working Capital Loans repayable on demand	11,04,40,429.91	10,82,96,059.24
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#### Unsecured borrowings

B Loans and advances from related parties	-	-
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<b>TOTAL (A+B)</b>	<b><u>11,04,40,429.91</u></b>	<b><u>10,82,96,059.24</u></b>
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## NOTE - 7 TRADE PAYABLES

Acceptances	-	-
Other than Acceptances	18,80,44,882.95	21,75,38,800.69
	<u>18,80,44,882.95</u>	<u>21,75,38,800.69</u>

## NOTE - 8 OTHER CURRENT LIABILITIES

### Current maturities of long term debt

#### (Repayable in FY 2014-2015)

Term Loan for Plant & Machinery	-	25,85,357.00
Term Loan for Car	7,05,071.46	10,72,738.00

#### Other Payables

Statutory remittances	89,567.00	1,54,257.00
Advances from customers	35,301.91	7,23,374.81
Others	1,84,23,087.31	1,76,41,815.48

<b>TOTAL</b>	<b><u>1,92,53,027.68</u></b>	<b><u>2,21,77,542.29</u></b>
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## NOTE - 9 SHORT TERM PROVISION

Provision for Income Tax	1,67,091.00	1,02,260.00
Provision for Gratuity	22,45,272.00	17,70,490.00
	<u>24,12,363.00</u>	<u>18,72,750.00</u>
<b>TOTAL</b>	<b><u>24,12,363.00</u></b>	<b><u>18,72,750.00</u></b>





# SYBLY INDUSTRIES LIMITED

## NOTE 10 : FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original as at 01.04.2013	Addition during the Year	Deletion during the year	Total Cost as at 31.03.2014	Depreciation upto 31.03.2013	Depreciation on Sale	Depreciation for the Year	Depreciation upto 31.03.2014	As At 31.03.2014	As At 31.03.2013
Land	54250600.00	-	-	54250600.00	-	-	-	-	54250600.00	54250600.00
Building	88268178.91	0.00	-	88268178.91	27010749.00	-	2946032.00	29956781.00	58311397.91	61257429.91
Plant & Machinery	259751789.39	778458.00	-	260530247.39	247473946.36	-	12082963.03	259556909.39	973338.00	12277843.03
Computers	3848134.00	29,800.00	-	3877934.00	3848132.00	-	3017.00	3851149.00	26785.00	2.00
Furniture & Fixtures	1317798.05	0.00	-	1317798.05	901763.38	-	70642.00	972405.38	345392.67	416034.67
Vehicles	7514576.07	2540688.00	535000.00	9520264.07	2616076.00	155120.00	790800.00	3251756.00	6268508.07	4898500.07
Office Equipments	1012101.89	4100.00	-	1016201.89	491514.00	-	64198.00	555712.00	460489.89	520587.89
<b>Total</b>	<b>415963178.31</b>	<b>3353046.00</b>	<b>535000.00</b>	<b>418781224.31</b>	<b>282342180.74</b>	<b>155120.00</b>	<b>15957652.03</b>	<b>298144712.77</b>	<b>120636511.54</b>	<b>133620997.57</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)

5,72,250.00

5,17,300.00

Investment in Equity Shares of CCL International Ltd.

-

1,66,29,133.95

1,40,668 Fully Paid up Share of Rs. 2/- each (Quoted)

Investment in Desire Retail Pvt. Ltd., 31250 5% Non

Cumulative Redeemable Pref. Shares of Rs. 100/- each,

Paidup Rs.80/- per Share (Unquoted at cost)

25,00,000.00

-

Investment in Vishu Enterprises Pvt. Ltd., 31250 5%

Non Cumulative Redeemable Pref. Shares of

Rs. 100/- each, Paidup Rs.80/- per Share (Unquoted at cost)

25,00,000.00

-

**55,72,250.00**

**1,71,46,433.95**

## NOTE - 12 LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)

A Capital advances

1,91,72,431.16

41,72,431.16

B Security deposits

30,23,395.00

30,23,395.00

C Balances with government authorities

VAT credit receivable

-

49,551.00

D Others

Advance to Suppliers

19,52,422.31

19,52,422.31

Loans and advances to Corporate Bodies

7,46,21,094.00

7,32,35,859.00

**TOTAL (A+B+C+D)**

**9,87,69,342.47**

**8,24,33,658.47**

## NOTE - 13 OTHER NON-CURRENT ASSETS

**Miscellaneous Expenditure**

(To the extent not written off or adjusted)

A Preliminary Expenses

-

6,06,502.00

Less : Amount Written off

-

6,06,502.00

-

-

B GDR Issue Expenses

46,97,123.00

72,42,236.00

Less : Amount Written off

23,48,561.00

25,45,113.00

**23,48,562.00**

**46,97,123.00**

**TOTAL (A+B)**

**23,48,562.00**

**46,97,123.00**



# SYBLY INDUSTRIES LIMITED

## NOTE - 14 INVENTORIES

Raw Material	2,03,77,295.00	3,43,31,730.00
Stores and Spare Parts	8,95,500.00	7,83,750.00
Packing Material	2,98,700.00	1,20,400.00
Fuels	-	3,87,213.00
Finished Goods	1,35,45,952.00	96,56,829.00
Stock in Process	6,93,86,020.00	6,61,34,227.00
Scrap & Waste	9,46,660.00	8,97,200.00
<b>TOTAL</b>	<b>10,54,50,127.00</b>	<b>11,23,11,349.00</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	10,79,37,860.89	6,45,95,564.87
B Trade Receivables (others)	7,28,33,140.44	12,47,80,072.08
<b>TOTAL (A+B)</b>	<b>18,07,71,001.33</b>	<b>18,93,75,636.95</b>

## NOTE - 16 CASH AND BANK BALANCES

### A Balance with Banks

#### (I) Other bank balances

(i) In Deposits Accounts	33,58,124.00	31,18,416.00
(ii) Others	34,867.25	2,19,108.96

### B Cheques, drafts on hand

(i) Cheques on hand	-	8,31,872.00
---------------------	---	-------------

### C Cash on hand

	2,35,201.00	2,61,470.00
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<b>TOTAL (A+B+C)</b>	<b>36,28,192.25</b>	<b>44,30,866.96</b>
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## NOTE - 17 SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)

A Loans and advances to related parties	44,52,21,417.00	40,22,66,040.00
B Loans and advances to Employees	1,36,037.00	1,58,037.00
C Prepaid Expenses	1,03,378.00	94,355.00
D Balances with government authorities		
Vat credit receivable	25,335.00	49,549.97
E Others (Advance to Suppliers)	33,43,493.35	29,58,148.88

<b>TOTAL (A+B+C+D+E)</b>	<b>44,88,29,660.35</b>	<b>40,55,26,130.85</b>
--------------------------	------------------------	------------------------

## NOTE - 18 OTHER CURRENT ASSETS

	27,52,208.70	19,03,331.00
<b>TOTAL</b>	<b>27,52,208.70</b>	<b>19,03,331.00</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 2012-2013 and 2013-14. 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.



## SYBLY INDUSTRIES LIMITED

- (ii) The Trade Tax assessments of the Company for the assessment years 2011-2012, 2012-2013 and 2013-14 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. 700 Lacs, balance unpaid is Rs. 508.30 Lacs

### NOTE - 20 OTHER INCOME

Rental Income	3,00,000.00	3,00,000.00
Interest Received	75,26,789.00	67,29,175.00
Other Income	85,366.40	2,000.00
<b>TOTAL</b>	<b>79,12,155.40</b>	<b>70,31,175.00</b>

### NOTE - 21 COST OF MATERIAL CONSUMED

Raw Material Consumed	20,14,44,457.00	19,77,27,598.00
Purchase of Traded Goods	50,44,70,261.00	78,35,48,691.00
<b>TOTAL</b>	<b>70,59,14,718.00</b>	<b>98,12,76,289.00</b>

### NOTE - 22 MANUFACTURING & OPERATING COST

Power & Fuel	3,51,87,351.00	2,99,43,282.00
Packing Material	22,72,971.00	21,66,334.00
Freight Inward	-	33,025.00
Chemicals	1,09,988.20	66,731.00
<b>TOTAL</b>	<b>3,75,70,310.20</b>	<b>3,22,09,372.00</b>

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

<b>Closing Stock:</b>		
Finished Goods	1,35,45,952.00	96,56,829.00
Stock in Process	6,93,86,020.00	6,61,34,227.00
Scrap & Waste	9,46,660.00	8,97,200.00
	<u>8,38,78,632.00</u>	<u>7,66,88,256.00</u>
<b>Opening Stock:</b>		
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>
<b>Net (increase) / decrease</b>	<b>71,90,376.00</b>	<b>56,45,767.00</b>

### NOTE - 24 EMPLOYEE BENEFIT EXPENSES

Salaries, Wages & Incentives	1,50,74,045.00	1,23,75,426.00
Bonus	3,09,230.00	2,69,184.00
Gratuity	7,41,262.00	6,44,854.00
Provident Fund	3,81,103.00	4,17,899.00
Staff & Labour Welfare	36,599.00	1,13,936.00
<b>TOTAL</b>	<b>1,65,42,239.00</b>	<b>1,38,21,299.00</b>



# SYBLY INDUSTRIES LIMITED

## NOTE - 25 FINANCE COSTS

Interest on :

Term Loans	3,10,500.04	11,26,959.52
Bank Borrowings & Others	1,56,54,434.35	1,85,22,837.00
Bank Charges & Others	5,72,820.85	6,98,086.00
<b>TOTAL</b>	<b>1,65,37,755.24</b>	<b>2,03,47,882.52</b>

## NOTE - 26 OTHER EXPENSES

Repairs - Plant & Machinery	51,98,546.86	27,58,926.51
Repairs - Factory Building	1,16,136.00	63,325.00
Repairs - Others	1,69,100.00	1,25,495.00
Printing & Stationery	1,98,988.00	1,66,781.00
Communication Expenses	1,99,005.62	1,99,149.08
Directors Meeting Expenses	-	7,500.00
Travelling & Conveyance	81,525.68	2,21,092.85
Vehicle Running & Maintenance	3,31,298.17	3,10,135.95
Insurance Charges	2,79,781.00	2,23,349.00
Legal & Professional Charges	1,40,212.00	3,14,777.00
Rates & Taxes	2,26,594.97	1,04,552.00
Auditors Remuneration	89,888.00	90,913.00
Advertisement & Publicity	63,675.00	1,02,865.00
Freight & Forwarding	4,59,530.00	6,52,228.00
Commission on Sales	10,70,258.00	13,11,742.00
Membership & Subscription	6,518.00	5,918.00
Secretarial Expenses	3,60,151.25	3,29,436.00
Charity & Donation	32,100.00	27,500.00
Loss on Sale of Fixed Assets	54,880.00	30,118.00
Loss on Sale of Investments	5,309.95	4,804.00
Expenses written off	23,48,561.00	31,51,615.00
General Expenses	8,983.37	11,832.63
<b>TOTAL</b>	<b>1,14,41,042.87</b>	<b>1,02,14,055.02</b>

## NOTE - 27 EXCEPTIONAL ITEMS

<b>TOTAL</b>	-	-
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## NOTE - 28 EXTRAORDINARY ITEMS

<b>TOTAL</b>	-	-
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**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 03.05.2014, 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 currency 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. 2,53,785/- include Rs.2,45,770/- paid for Sales Tax demand for the Assessment Year 2009-10; Rs.8,015/- paid for Professional Charges 2011-12.
- 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 2013-2014 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>29.20</b>	24.95

- 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	
		Current Year	Previous Year
Licensed Capacity	M.Ton	N.A.	N.A.
Installed Capacity	M.Ton	2500	2500
Production	M.Ton	1732.480	1746.156
Purchases of Yarn	M.Ton	-	-
Captive Consumption	M.Ton	-	-
Turnover	M.Ton	1732.502	1753.427
	Rs. (in Lacs)	2376.50	2210.42
Opening Stock	M.Ton	79.702	86.973
	Rs. (in lacs)	96.57	109.97
Closing Stock	M.Ton	79.680	79.702
	Rs. (in lacs)	135.46	96.57

### 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)	4707203 (5300691)	4968.40 (5988.63)	4707203 (5300691)	5430.44 (6516.15)	NIL (NIL)	NIL (NIL)
Cloth (Kg.)	NIL (NIL)	NIL (NIL)	NIL (364442.09)	NIL (1846.85)	NIL (364442.09)	NIL (2018.57)	NIL (NIL)	NIL (NIL)
Cloth (Pcs.)	NIL (NIL)	NIL (NIL)	6115 (NIL)	76.30 (NIL)	6115 (NIL)	82.12 (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	1792.170	2014.44	1874.260	1977.28
Chemicals	M.Ton	-	-	-	-
Cloth	Kg..	-	-	364442.09	1846.85
Cloth	Mtr.	4707203	4968.41	5300691	5988.63
Cloth	Pcs.	6115	76.29	-	-
			7059.14		9812.76
Indigenous Materials Consumed			7059.14 100%		9812.76 100%
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
  - Mrs. Shikha Mittal
  - Sybly Techno Fibres Limited (Common KMP Shri M.C.Mittal)
  - 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	429.55	-	-	-	429.55
Unsecured Loans	-	18.94	43.09	(0.90)	61.13
<b>Managerial Remuneration</b>					
Salary/contribution to provident fund	-	29.20	13.95	-	43.15

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 Year's 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 : 30<sup>th</sup> May, 2014

Sd/-  
(CA Hemant Kumar Gupta)  
Partner





# SYBLY INDUSTRIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014 Prepared pursuant to Listing Agreement

		31st March 2014 Amount (Rs.)	31st March 2013 Amount (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Profit before Tax and Extraordinary items		8,76,884.06	5,36,657.46
<b>Adjustment for:</b>			
Depreciation	1,56,18,960.03	2,91,91,047.00	
Finance Charges	1,59,64,934.39	1,96,49,796.52	4,88,40,843.52
<b>Adjustment for:</b>			
Rental Income	(3,00,000.00)	(3,00,000.00)	
Interest received	(75,26,789.00)	(67,29,175.00)	
Profit on Sale of Fixed Assets	-	-	(70,29,175.00)
Adjustment For Previous Year:			
Previous year adjustments	(2,53,785.00)	(18,263.00)	(18,263.00)
<b>Cash Flow From Extraordinary items</b>		-	-
		2,43,80,204.48	4,23,30,062.98
<b>Operating Profit before Working Capital Changes</b>			
<b>Adjustment for:</b>			
Trade receivables	86,04,635.62	4,45,35,410.93	
Loans & Advances	(5,96,39,213.50)	(3,02,93,837.79)	
Inventories	68,61,222.00	(1,35,17,633.00)	
Other current assets	(8,48,877.70)	(8,25,185.00)	
Trade Payable	(2,94,93,917.74)	(4,96,04,881.97)	
Short-term borrowings	21,44,370.67	7,04,380.52	
Other current liabilities	(29,24,514.61)	(54,81,712.93)	
Long-term provisions	4,15,21,977.00	2,45,36,484.00	
Short-term provisions	5,39,613.00	4,60,743.00	(2,94,86,232.24)
Cash generated from operations		(88,54,500.78)	1,28,43,830.74
Taxes Paid		7,26,166.00	4,60,062.00
Cash flow from operating activities		(95,80,666.78)	1,23,83,768.74
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Interest received	75,26,789.00	67,29,175.00	
Rental Income	3,00,000.00	3,00,000.00	
Sale of Fixed Assets	3,79,880.00	1,00,118.00	
Purchase/Sale of Investments	1,15,74,183.95	(1,66,61,683.95)	
Purchase of Assets (including Capital Work in progress)	(33,53,046.00)	(1,22,422.00)	
Net Cash used in Investing activities		1,64,27,806.95	(96,54,812.95)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Equity Share Capital (including share application money)	-	-	
Adjustment for Preliminary Expenses	23,48,561.00	31,51,615.00	
Borrowings/(Repayment) of Loans	54,07,483.51	1,31,50,440.87	
Finance Charges	(1,59,64,934.39)	(1,96,49,796.52)	
Deferred tax liabilities	5,59,075.00	3,57,802.00	(29,89,938.65)
		(8,02,674.71)	(2,60,982.86)
Opening Bal. of Cash and Cash equivalents	44,30,866.96	46,91,849.82	
Closing Bal. of Cash and Cash equivalents	36,28,192.25	44,30,866.96	(2,60,982.86)

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, 2014

Sd/-  
(CA Hemant Kumar Gupta)  
Partner



## SYBLY INDUSTRIES LIMITED

### Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Company for the Financial Year 2013-2014

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 31.03.2014 (b) for the previous Financial Year ended 31.03.2013, since it became Subsidiary of SIL.	Rs. -2.91 Lacs Rs. 820.70 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 31.03.2014 (b) for the previous Financial Year ended 31.03.2013, since it became Subsidiary of SIL.	Nil Nil

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

Sd/-  
**Mahesh Chand Mittal**  
Managing Director  
DIN : 00284866

Sd/-  
**Nishant Mittal**  
Whole Time Director  
DIN : 02766556

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

Camp : Muradnagar  
Date : 30th May, 2014



# 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 2014.

### CURRENT BUSINESS SCENARIO AND FUTURE OUTLOOK

The Company has incurred net loss amounting to AED 17,777 (INR 2,90,654) 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 do 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 2014.

### 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 : 25<sup>th</sup> May, 2014



# SYBLY INDUSTRIES LIMITED

## INDEPENDENT AUDITOR'S REPORT

To,  
The Manager  
M/s. Sybly International FZE,  
Hamriyah Free Zone,  
Sharjah - United Arab Emirates

We have audited the accompanying financial statements of **M/s. Sybly International FZE, Hamriyah Free Zone, Sharjah, UAE.**, which comprise of the statement of financial position as at **March 31, 2014** and the statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes are set out on pages 6 to 11.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and 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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting 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, subject to Note No. 1 (a) regarding not renewing license after December 19, 2012, the financial statements present fairly, in all material respects, the financial position of **M/s. Sybly International FZE, Hamriyah Free Zone, Sharjah, U.A.E.**, as of **March 31, 2014** and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

For **FALCON INTERNATIONAL CONSULTING & AUDITING**  
Chartered Accountants

Sd/-  
Managing Partner  
(**Rakesh Jain**)  
Reg. No: 606

May 25<sup>th</sup>, 2014



# SYBLY INDUSTRIES LIMITED

SYBLY INTERNATIONAL FZE  
HAMRIYAH FREE ZONE, SHARJAH, U.A.E

## STATEMENT OF FINANCIAL POSITION AS ON MARCH 31, 2014

	Notes	31.03.2014 AED	31.03.2013 AED
<b>NON-CURRENT ASSETS</b>			
<b>CURRENT ASSETS</b>			
Trade receivables	4	47,51,49,247.00	42,95,23,294.00
Cash and cash equivalents	5	3,335.00	97,179.00
<b>TOTAL ASSETS</b>		<b>47,51,52,582.00</b>	<b>42,96,20,473.00</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	6	71,351.00	64,500.00
Other payables	7	15,21,498.00	12,27,597.00
Bank borrowings	8	22,988.00	-
		<b>16,15,837.00</b>	<b>12,92,097.00</b>
Due to related parties	9	44,52,21,417.00	40,22,66,040.00
		<b>44,68,37,254.00</b>	<b>40,35,58,137.00</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>			
<b>OWNERS' FUNDS</b>			
Capital		5,72,250.00	5,17,300.00
Retained earnings	10	2,77,43,078.00	2,55,45,036.00
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,83,15,328.00</b>	<b>2,60,62,336.00</b>
		<b>47,51,52,582.00</b>	<b>42,96,20,473.00</b>

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

I confirm that I am responsible for these financial statements, including selecting the accounting policies and making the judgements underlying them. I confirm that I have made available all relevant accounting records and information for their compilation.

Approved by the Management on May 25, 2014  
For SYBLY INTERNATIONAL FZE

Sd/-  
Manager



# SYBLY INDUSTRIES LIMITED

SYBLY INTERNATIONAL FZE  
HAMRIYAH FREE ZONE, SHARJAH, U.A.E

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2014

	Notes	31.03.2014 AED	31.03.2013 AED
SALES		-	79,07,300.00
Cost of sales	11	-	3,92,34,855.00
Gross profit/(loss)		-	<b>(3,13,27,555.00)</b>
Expenses			
General & administration expenses	12	<b>2,69,334.00</b>	5,07,34,375.00
Finance cost		<b>(2,69,334.00)</b>	(8,20,61,930.00)
Total Operating expenses		<b>21,320.00</b>	<b>8,292.00</b>
Net Profit/(loss) for the year		<b>(2,90,654.00)</b>	(8,20,70,222.00)
		<b>(2,90,654.00)</b>	(8,20,70,222.00)

The accompanying notes form an integral part of these financial statements

The report of the auditor is set out on page 1.

**Approved by the Management on May 25, 2014**

**For SYBLY INTERNATIONAL FZE**

**Sd/-  
Manager**



# SYBLY INDUSTRIES LIMITED

SYBLY INTERNATIONAL FZE  
HAMRIYAH FREE ZONE, SHARJAH, U.A.E

## STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2014

	Capital	Retained Earnings	Total Rs.
Balance as on 01-04-2012	4,84,750.00	10,07,01,763.00	10,11,86,513.00
Net Profit/(Loss) for the year	-	(8,20,70,222.00)	(8,20,70,222.00)
Add : Adjustments of Currency Fluctuation	32,550.00	69,13,495.00	69,46,045.00
Balance as on 31-03-2013	<b>5,17,300.00</b>	<b>2,55,45,036.00</b>	<b>2,60,62,336.00</b>
Net Profit/(Loss) for the year	-	(2,90,654.00)	(2,90,654.00)
Add : Adjustments of Currency Fluctuation	54,950.00	24,88,695.00	25,43,645.00
Balance as on 31-03-2014	<b>5,72,250.00</b>	<b>2,77,43,077.00</b>	<b>2,83,15,327.00</b>

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

The report of the auditor is set out on page 1.

is set out on page 1.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2014

	31.03.2014 AED	31.03.2013 AED
<b>Cash flows from operating activities</b>		
Net Profit/(Loss) for the year	<b>(2,90,654.00)</b>	(8,20,70,222.00)
Funds generated from operations	-	-
Changes in working capital	<b>(2,90,654.00)</b>	(8,20,70,222.00)
(Increase) / decrease in trade receivables	<b>(4,56,25,952.00)</b>	1,62,50,230.00
(Increase) / decrease in inventory	-	3,67,66,085.00
Increase / (decrease) in trade payables	<b>6,851.00</b>	24,487.00
Increase / (decrease) in other payables	<b>2,93,901.00</b>	2,15,744.00
Increase / (decrease) in due to related parties	<b>4,29,55,377.00</b>	2,19,64,810.00
<b>Net cash inflow / (outflow) from working capital activities</b>	<b>(26,60,477.00)</b>	(68,48,866.00)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(26,60,477.00)</b>	(68,48,866.00)
<b>Cash flows from investing activities</b>	-	-
<b>Cash flow from financing activities</b>		
<b>Increase / (decrease) in bank overdraft</b>	<b>22,988.00</b>	-
Increase / (decrease) in Capital	<b>54,950.00</b>	32,550.00
Increase / (decrease) in Retained Earnings	<b>24,88,695.00</b>	69,13,495.00
Net cash inflow / (outflow) from financing activities	<b>25,66,633.00</b>	69,46,045.00
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>(93,844.00)</b>	97,179.00
Cash & bank balances at the beginning of the year	<b>97,179.00</b>	-
Cash and cash equivalents at the end of the year	<b>3,335.00</b>	97,179.00
Represented By:		
Cash and cash equivalents (Note No. 5)	<b>3,335.00</b>	97,179.00

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

The report of the auditor is set out on page 1.



# SYBLY INDUSTRIES LIMITED

## SYBLY INTERNATIONAL FZE HAMRIYAH FREE ZONE, SHARJAH, U.A.E

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

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

- Sybly International FZE ("the Establishment") was registered with the Hamriyah Free Zone Authority, Sharjah, U.A.E., (License No.5791) as a free zone establishment on December 20, 2009.  
The license of the company was valid upto December 19, 2012 and thereafter license was not renewed.
- The establishment is mainly engaged in the activity of general trading. The company has not carried out any activity during the year.
- The management and control of the establishment is vested with the Managers Mr. Mukesh Garg & Mr. Rean San Nicolas (Both are Indian nationals).
- The registered office address of the company is P.O. Box. 50990, Hamriyah Free Zone, Sharjah, United Arab Emirates.

#### 2. SHARE CAPITAL

Authorised, issued and paid up capital of the Company is AED 35,000 divided into 1 share of AED 35,000 each fully paid and held by the Owner as follows:

SI No.	Name of the Shareholder	Nationality	No. of Shares	Amount (AED)	%
1.	M/s Sybly Industries Ltd	Indian co.	1	35,000	100
			<b>1</b>	<b>35,000</b>	<b>100</b>

#### 3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention, and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB). The significant accounting policies adopted, and those have been consistently applied, are as follows:

##### 3.1 Property, plant and equipment

The establishment does not possess any property, plant and equipment as on balance sheet date.

##### 3.2 Revenue

Revenue from sale of goods is recognized when all the following conditions are satisfied.

- The company has transferred to the buyer the significant risks and rewards of ownership of the goods
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably.
- It is probable that the economic benefit associated with the transaction will flow to the company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

##### 3.3 Foreign Currency transactions

Transactions in foreign currencies are translated into UAE Dirham at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirham's at the rate of exchange ruling at the balance sheet date.

Gains or losses resulting from foreign currency transactions are taken to the income statement.

##### 3.4 Cash and Cash Equivalents

Cash and cash equivalents comprise cash, bank current accounts and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

##### 3.5 Trade receivables

Trade and receivables are stated at cost, being the fair value less impairment allowances. All trade receivables are subject to confirmation in the absence of independent confirmation from them.

##### 3.6 Trade payables

Trade and other payables are stated at cost. All trade payables are subject to confirmation in the absence of independent confirmation from them.

##### 3.7 Due to related parties

All dues from related parties are subject to confirmation in the absence of independent confirmation from them.

##### 3.8 Financial Instruments

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired.





Current and non-current financial assets that have fixed or determinable payments and for which there is no active market, which comprise trade and other receivables and related party receivables, are classified as loans and receivables and stated at cost or, if the impact is material, at amortised cost using the effective interest method, less any write down for impairment losses plus reversals of impairment losses.

Impairment losses and reversals thereof are recognized in the income statement. Current and non-current financial liabilities, which comprise current and non-current bank borrowings, trade and other payables and shareholders' current accounts, are measured at cost or, if the impact is material, at amortised cost using the effective interest method.

### 3.9 Significant judgments and key assumptions

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

#### *Impairment*

At each balance sheet date, management conducts an assessment of property, plant, equipment and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to the income statement or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

Key assumptions made concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

#### ***Doubtful Debt Provisions***

Management regularly undertakes a review of the amounts of receivables owed to the Company from third parties and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of Provisions required.

#### *Impairment*

Assessments of net recoverable amounts of property, plant, equipment and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

## NOTES RELATED TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED MARCH 31, 2014

	Notes	31.03.2014 AED	31.03.2013 AED
4	TRADE RECEIVABLES		
	Sundry debtors	47,51,49,247.00	42,95,23,294.00
	<b>AGEING ANALYSIS</b>		
	Due for more than six months		
5	CASH AND CASH EQUIVALENTS		
	Cash at bank	3,335.00	97,179.00
6	TRADE PAYABLES		
	Sundry creditors	71,351.00	64,500.00
7	OTHER PAYABLES		
	Accruals	15,21,498.00	12,27,597.00
8	BANK OVERDRAFT		
	Bank overdraft	22,988.00	.
9	DUE TO RELATED PARTIES		
	Due to related parties	44,52,21,417.00	40,22,66,040.00
10	RETAINED EARNINGS		
	Opening balance	2,55,45,036.00	10,07,01,763.00
	Adjustment of Currency Fluctuation	24,88,695.00	69,13,495.00
		2,80,33,731.00	10,76,15,258.00
	Net Profit/(Loss) for the year	(2,90,654.00)	(8,20,70,222.00)
	Closing balance	2,77,43,077.00	2,55,45,036.00



	Notes	31.03.2014 AED	31.03.2013 AED
<b>11 COST OF SALES</b>			
Opening stock		-	3,67,66,085.00
Add : Adjustment of Currency Fluctuation		-	24,68,770.00
		-	<b>3,92,34,855.00</b>
Less : Inventories at the end of the year		-	-
		-	<b>3,92,34,855.00</b>
<b>12 GENERAL &amp; ADMINISTRATIVE EXPENSES</b>			
Legal & professional charges		-	5,05,64,774.00
Bad debts		1,05,834.00	21,801.00
Miscellaneous expenses		1,63,500.00	1,47,800.00
		2,69,334.00	5,07,34,375.00

**13 CONTINGENT LIABILITY**

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on company's account as of balance sheet date.

**14 DUE TO RELATED PARTIES**

The company enters into transaction with companies and entities that fall within the definition of a related party. Related parties comprise companies and entities under common ownership and/or common management and control their partners and key management personnel. The company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

**At the balance sheet date due to related parties are as under:**

Due to related parties	44,52,21,417.00	40,22,66,040.00
------------------------	-----------------	-----------------

The company provides /receives funds to/ from related parties as and when required as working capital facilities

**15 FINANCIAL INSTRUMENTS**

Financial instruments of the company comprise of cash and bank balances, trade receivables, trade payables other payables and due to related parties.

**Risk Management****Credit risk**

The financial assets that potentially expose the company to credit risk comprise principally of bank accounts and trade receivables. The company's bank accounts are placed with high credit quality financial institutions.

**16 Exchange rate risk**

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams.

**17 Interest rate risk**

Borrowing facilities are regularly reviewed to ensure that the company obtains the best available pricing terms and conditions on its borrowings.

All other loans, receivable and borrowings are subject to floating interest rates at levels generally obtained in the UAE or are linked to LIBOR and are therefore exposed to cash flow interest rate risk.

**18** All the figures are expressed in AED and Fills have been rounded of to the nearest AED.

**19 COMPARATIVE AMOUNTS**

Figures of the previous year are regrouped /reclassified wherever necessary to confirm the current year's presentation.

**20 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. 16.35 as on 31.03.2014 from Rs. 14.78 as on 31.03.2013. The consolidated difference has been disclosed in the Balance Sheet as Currency Fluctuation.

**Approved by the Management on May 25, 2014**

**For SYBLY INTERNATIONAL FZE**

**Sd/-  
Manager**



**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, 2014 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, 2014; 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 : 30<sup>th</sup> May, 2014**



# SYBLY INDUSTRIES LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2014

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
<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	9,03,53,184.90	9,10,85,597.84
(2) Share application money pending allotment		-	-
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings	4	6,37,01,866.20	5,82,94,382.69
(b) Long-term provisions	5	13,58,76,420.00	9,18,65,747.00
<b>(4) Current liabilities</b>			
(a) Short-term borrowings	6	11,04,40,429.91	10,82,96,059.24
(b) Trade payable	7	18,81,16,233.95	21,76,03,300.69
(c) Other current liabilities	8	2,07,97,513.68	2,34,05,139.29
(d) Short-term provisions	9	24,12,363.00	18,72,750.00
	<b>TOTAL</b>	<b>1,01,89,24,011.64</b>	<b>99,96,48,976.75</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		12,06,36,511.54	13,36,20,997.57
(ii) Capital work- in-progress		-	-
(b) Non-current Investments	11	50,00,000.00	1,66,29,133.95
(c) Deferred Tax Assets (net)		2,08,07,241.00	2,13,66,316.00
(d) Long-term loans and advances	12	9,87,69,342.47	8,24,33,658.47
(e) Other non-current assets	13	23,48,562.00	46,97,123.00
<b>(2) Current assets</b>			
(a) Inventories	14	10,54,50,127.00	11,23,11,349.00
(b) Trade receivable	15	65,59,20,248.33	61,88,98,930.95
(c) Cash and Bank Balances	16	36,31,527.25	45,28,045.96
(d) Short-term loans and advances	17	36,08,243.35	32,60,090.85
(e) Other current assets	18	27,52,208.70	19,03,331.00
	<b>TOTAL</b>	<b>1,01,89,24,011.64</b>	<b>99,96,48,976.75</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, 2014

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



# SYBLY INDUSTRIES LIMITED

## CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31st MARCH 2014

Particulars	Note No.	for the year ended 31.03.2014	for the year ended 31.03.2013
<b>REVENUE</b>			
<b>I. Revenue from Operations</b>			
Sales of products		78,93,99,378.00	1,08,28,26,960.00
		78,93,99,378.00	1,08,28,26,960.00
<b>II. Other Income</b>	<b>20</b>	79,12,155.40	70,31,175.00
<b>III. Total Revenue (I+II)</b>		<b>79,73,11,533.40</b>	<b>1,08,98,58,135.00</b>
<b>EXPENSES</b>			
Cost of material consumed	<b>21</b>	70,59,14,718.00	1,02,05,11,144.00
Manufacturing & Operating Cost	<b>22</b>	3,75,70,310.20	3,22,09,372.00
Changes in inventories of finished goods, work-in-progress and stock-in trade	<b>23</b>	(71,90,376.00)	(56,45,767.00)
Employee benefits expense	<b>24</b>	1,65,42,239.00	1,38,21,299.00
Finance Costs	<b>25</b>	1,65,59,075.24	2,03,56,174.52
Depreciation and Amortization Expenses	<b>10</b>	1,56,18,960.03	2,91,91,047.00
Other expenses	<b>26</b>	1,17,10,376.87	6,09,48,430.02
<b>IV. Total Expenses</b>		<b>79,67,25,303.34</b>	<b>1,17,13,91,699.54</b>
<b>V. Profit before exceptional and extraordinary items (III-IV)</b>		5,86,230.06	(8,15,33,564.54)
<b>VI. Exceptional Items</b>	<b>27</b>	-	-
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		<b>5,86,230.06</b>	<b>(8,15,33,564.54)</b>
<b>VIII. Extraordinary Items</b>	<b>28</b>	-	-
<b>IX. Profit before Tax (PBT) (VII-VIII)</b>		<b>5,86,230.06</b>	<b>(8,15,33,564.54)</b>
<b>X. Tax Expense of continuing operations</b>			
Current Tax (including Wealth Tax)		-	-
MAT Credit Entitlement		1,67,091.00	1,02,260.00
Deferred Tax		5,59,075.00	3,57,802.00
<b>XI. Profit/(loss) for the period from continuing operations (IX-X-XIV)</b>		(1,39,935.94)	(8,19,93,626.54)
<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>		(1,39,935.94)	(8,19,93,626.54)
<b>XVI. Earnings per equity share</b>			
(1) Basic		0.00	(2.01)
(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, 2014

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 31.03.2014	As at 31.03.2013
<b>Authorised Share Capital</b>		
7,00,00,000 Equity Shares of Rs. 10/- each	70,00,00,000.00	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	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	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	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>	4,07,16,100.00	4,07,16,100.00
<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	4,07,16,100.00

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

Sl. No.	Name of the Shareholder	Number of Shares as on 31.03.2014	Number of Shares as on 31.03.2013
1	CCL INTERNATIONAL LIMITED	87,50,735	87,50,736
2	DRISTI TEXTILE PRIVATE LIMITED	22,00,000	22,00,000
3	HINDUSTAN TRADCOM PRIVATE LIMITED	25,17,562	-
4	QUEST SECURITIES LIMITED	86,76,453	-
5	DEUTSCHE BANK TRUST COMPANY-AMERICAS	-	1,46,33,000

### 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	5,59,52,163.42	5,62,90,855.42
Add : Addition on revaluations during the period	-	-
	5,59,52,163.42	5,62,90,855.42
Less : Utilised during the period	3,38,692.00	3,38,692.00
Closing Balance	<b>5,56,13,471.42</b>	<b>5,59,52,163.42</b>
<b>D Surplus (Profit and Loss Account)</b>		
Opening Balance	(4,40,36,063.82)	4,19,75,825.72
Add : Profit / (Loss) for the period	(1,39,935.94)	(8,19,93,626.54)
	(4,01,75,999.76)	(4,00,17,800.82)
Less : Deduction during the period	-	-
Less : Previous year adjustments	2,53,785.00	18,263.00
Closing Balance	<b>(4,04,29,784.76)</b>	<b>(4,00,36,063.82)</b>
<b>TOTAL (A+B+C+D)</b>	<b>9,03,53,184.90</b>	<b>9,10,85,597.84</b>



## NOTE - 4 LONG TERM BORROWINGS

### Secured borrowings

#### Term loans from banks

Term Loan for Plant & Machinery	-	-
Term Loan for Car	-	7,05,072.22
	-	<u>7,05,072.22</u>

### Unsecured borrowings

Loans and advances from related parties	6,37,01,866.20	5,75,89,310.47
Loans and advances from others	-	-
	<u>6,37,01,866.20</u>	<u>5,75,89,310.47</u>
<b>TOTAL</b>	<b><u>6,37,01,866.20</u></b>	<b><u>5,82,94,382.69</u></b>

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

Nature of Security	Terms of Repayment
i Term Loan from BMW India Financial Services (P) Ltd. for Car amounting to Rs. 21.00 lacs (March 31, 2014 Rs.7.05 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 loans 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	13,58,76,420.00	9,18,65,747.00
	<u>13,58,76,420.00</u>	<u>9,18,65,747.00</u>

## NOTE - 6 SHORT-TERM BORROWINGS

### Secured borrowings

#### A Loans payable on demand

Working Capital Loans repayable on demand	11,04,40,429.91	10,82,96,059.24
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### Unsecured borrowings

B Loans and advances from related parties	-	-
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<b>TOTAL (A+B)</b>	<b><u>11,04,40,429.91</u></b>	<b><u>10,82,96,059.24</u></b>
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## NOTE - 7 TRADE PAYABLES

Acceptances	-	-
Other than Acceptances	18,81,16,233.95	21,76,03,300.69
	<u>18,81,16,233.95</u>	<u>21,76,03,300.69</u>

## NOTE - 8 OTHER CURRENT LIABILITIES

### Current maturities of long term debt

#### (Repayable in FY 2014-2015)

Term Loan for Plant & Machinery	-	25,85,357.00
Term Loan for Car	7,05,071.46	10,72,738.00

### Other Payables

Statutory remittances	89,567.00	1,54,257.00
Advances from customers	35,301.91	7,23,374.81
Others	1,99,67,573.31	1,88,69,412.48

<b>TOTAL</b>	<b><u>2,07,97,513.68</u></b>	<b><u>2,34,05,139.29</u></b>
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## NOTE - 9 SHORT TERM PROVISION

Provision for Income Tax	1,67,091.00	1,02,260.00
Provision for Gratuity	22,45,272.00	17,70,490.00
	<u>24,12,363.00</u>	<u>18,72,750.00</u>
<b>TOTAL</b>	<b><u>24,12,363.00</u></b>	<b><u>18,72,750.00</u></b>



# SYBLY INDUSTRIES LIMITED

## NOTE 10 : CONSOLIDATED FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Original as at 01.04.2013	Addition during the Year	Delition during the year	Total Cost as at 31.03.2014	Depreciation upto 31.03.2013	Depreciation on Sale	Depreciation for the Year	Depreciation upto 31.03.2014	As At 31.03.2014	As At 31.03.2013
Land	54250600.00	-	-	54250600.00	-	-	-	-	54250600.00	54250600.00
Building	88268178.91	0.00	-	88268178.91	27010749.00	-	2946032.00	29956781.00	58311397.91	61257429.91
Plant & Machinery	259751789.39	778458.00	-	260530247.39	247473946.36	-	12082963.03	259556909.39	973338.00	12277843.03
Computers	3848134.00	29,800.00	-	3877934.00	3848132.00	-	3017.00	3851149.00	26785.00	2.00
Furniture & Fixtures	1317798.05	0.00	-	1317798.05	901763.38	-	70642.00	972405.38	345392.67	416034.67
Vehicles	7514576.07	2540688.00	535000.00	9520264.07	2616076.00	155120.00	790800.00	3251756.00	6268508.07	4898500.07
Office Equipments	1012101.89	4100.00	-	1016201.89	491514.00	-	64198.00	555712.00	460489.89	520587.89
<b>Total</b>	<b>415963178.31</b>	<b>3353046.00</b>	<b>535000.00</b>	<b>418781224.31</b>	<b>282342180.74</b>	<b>155120.00</b>	<b>15957652.03</b>	<b>298144712.77</b>	<b>120636511.54</b>	<b>133620997.57</b>

## 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
Investment in Desire Retail Pvt. Ltd., 31250 5% Non Cumulative Redeemable Pref. Shares of Rs. 100/- each, Paidup Rs.80/- per Share (Unquoted at cost)	25,00,000.00	-
Investment in Vishu Enterprises Pvt. Ltd., 31250 5% Non Cumulative Redeemable Pref. Shares of Rs. 100/- each, Paidup Rs.80/- per Share (Unquoted at cost)	25,00,000.00	-
	<b>50,00,000.00</b>	<b>1,66,29,133.95</b>

## NOTE - 12 LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)		
A Capital advances	1,91,72,431.16	41,72,431.16
B Security deposits	30,23,395.00	30,23,395.00
C Balances with government authorities VAT credit receivable	-	49,551.00
D Others Advance to Suppliers	19,52,422.31	19,52,422.31
Loans and advances to Corporate Bodies	7,46,21,094.00	7,32,35,859.00
<b>TOTAL (A+B+C+D)</b>	<b>9,87,69,342.47</b>	<b>8,24,33,658.47</b>

## NOTE - 13 OTHER NON-CURRENT ASSETS

<b>Miscellaneous Expenditure</b> (To the extent not written off or adjusted)		
A Preliminary Expenses	-	6,06,502.00
Less : Amount Written off	-	6,06,502.00
	-	-
B GDR Issue Expenses	46,97,123.00	72,42,236.00
Less : Amount Written off	23,48,561.00	25,45,113.00
	<b>23,48,562.00</b>	<b>46,97,123.00</b>
<b>TOTAL (A+B)</b>	<b>23,48,562.00</b>	<b>46,97,123.00</b>




**NOTE - 14 INVENTORIES**

Raw Material	2,03,77,295.00	3,43,31,730.00
Stores and Spare Parts	8,95,500.00	7,83,750.00
Packing Material	2,98,700.00	1,20,400.00
Fuels	-	3,87,213.00
Finished Goods	1,35,45,952.00	96,56,829.00
Stock in Process	6,93,86,020.00	6,61,34,227.00
Scrap & Waste	9,46,660.00	8,97,200.00
<b>TOTAL</b>	<b>10,54,50,127.00</b>	<b>11,23,11,349.00</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	58,30,87,107.89	49,41,18,858.87
B Trade Receivables (others)	7,28,33,140.44	12,47,80,072.08
<b>TOTAL (A+B)</b>	<b>65,59,20,248.33</b>	<b>61,88,98,930.95</b>

**NOTE - 16 CASH AND BANK BALANCES**
**A Balance with Banks**
**(I) Other bank balances**

(i) In Deposits Accounts	33,58,124.00	31,18,416.00
(ii) Others	38,202.25	3,16,287.96

**B Cheques, drafts on hand**

(i) Cheques on hand	-	8,31,872.00
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**C Cash on hand**

	2,35,201.00	2,61,470.00
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<b>TOTAL(A+B+C)</b>	<b>36,31,527.25</b>	<b>45,28,045.96</b>
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**NOTE - 17 SHORT-TERM LOANS AND ADVANCES**

(Unsecured, considered good)

A Loans and advances to Employees	1,36,037.00	1,58,037.00
B Prepaid Expenses	1,03,378.00	94,355.00
C Balances with government authorities		
Vat credit receivable	25,335.00	49,549.97
D Others (Advance to Suppliers)	33,43,493.35	29,58,148.88
<b>TOTAL(A+B+C+D)</b>	<b>36,08,243.35</b>	<b>32,60,090.85</b>

**NOTE - 18 OTHER CURRENT ASSETS**

	27,52,208.70	19,03,331.00
<b>TOTAL</b>	<b>27,52,208.70</b>	<b>19,03,331.00</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 2012-2013 and 2013-14. 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.



# SYBLY INDUSTRIES LIMITED

- (ii) The Trade Tax assessments of the Company for the assessment years 2011-2012, 2012-2013 and 2013-14 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. 700 Lacs, balance unpaid is Rs. 508.30 Lacs

### NOTE - 20 OTHER INCOME

Rental Income	3,00,000.00	3,00,000.00
Interest Received	75,26,789.00	67,29,175.00
Other Income	85,366.40	2,000.00
<b>TOTAL</b>	<b>79,12,155.40</b>	<b>70,31,175.00</b>

### NOTE - 21 COST OF MATERIAL CONSUMED

Raw Material Consumed	20,14,44,457.00	23,44,93,683.00
Purchase of Traded Goods	50,44,70,261.00	78,60,17,461.00
<b>TOTAL</b>	<b>70,59,14,718.00</b>	<b>1,02,05,11,144.00</b>

### NOTE - 22 MANUFACTURING & OPERATING COST

Power & Fuel	3,51,87,351.00	2,99,43,282.00
Packing Material	22,72,971.00	21,66,334.00
Freight Inward	-	33,025.00
Chemicals	1,09,988.20	66,731.00
<b>TOTAL</b>	<b>3,75,70,310.20</b>	<b>3,22,09,372.00</b>

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

#### Closing Stock:

Finished Goods	1,35,45,952.00	96,56,829.00
Stock in Process	6,93,86,020.00	6,61,34,227.00
Scrap & Waste	9,46,660.00	8,97,200.00
	8,38,78,632.00	7,66,88,256.00

#### Opening 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
	7,66,88,256.00	7,10,42,489.00

**Net (increase) / decrease** **71,90,376.00** **56,45,767.00**

### NOTE - 24 EMPLOYEE BENEFIT EXPENSES

Salaries, Wages & Incentives	1,50,74,045.00	1,23,75,426.00
Bonus	3,09,230.00	2,69,184.00
Gratuity	7,41,262.00	6,44,854.00
Provident Fund	3,81,103.00	4,17,899.00
Staff & Labour Welfare	36,599.00	1,13,936.00
<b>TOTAL</b>	<b>1,65,42,239.00</b>	<b>1,38,21,299.00</b>



# SYBLY INDUSTRIES LIMITED

## NOTE - 25 FINANCE COSTS

Interest on :

Term Loans	3,10,500.04	11,26,959.52
Bank Borrowings & Others	1,56,54,434.35	1,85,22,837.00
Bank Charges & Others	5,94,140.85	7,06,378.00
<b>TOTAL</b>	<b>1,65,59,075.24</b>	<b>2,03,56,174.52</b>

## NOTE - 26 OTHER EXPENSES

Repairs - Plant & Machinery	51,98,546.86	27,58,926.51
Repairs - Factory Building	1,16,136.00	63,325.00
Repairs - Others	1,69,100.00	1,25,495.00
Printing & Stationery	1,98,988.00	1,66,781.00
Communication Expenses	1,99,005.62	1,99,149.08
Directors Meeting Expenses	-	7,500.00
Travelling & Conveyance	81,525.68	2,21,092.85
Vehicle Running & Maintenance	3,31,298.17	3,10,135.95
Insurance Charges	2,79,781.00	2,23,349.00
Legal & Professional Charges	3,03,712.00	4,62,577.00
Rates & Taxes	2,26,594.97	1,04,552.00
Auditors Remuneration	89,888.00	90,913.00
Advertisement & Publicity	63,675.00	1,02,865.00
Freight & Forwarding	4,59,530.00	6,52,228.00
Commission on Sales	10,70,258.00	13,11,742.00
Membership & Subscription	6,518.00	5,918.00
Secretarial Expenses	3,60,151.25	3,29,436.00
Charity & Donation	32,100.00	27,500.00
Loss on Sale of Fixed Assets	54,880.00	30,118.00
Loss on Sale of Investments	5,309.95	4,804.00
Expenses written off	23,48,561.00	31,51,615.00
Bad Debts	-	5,05,64,774.00
General Expenses	1,14,817.37	33,633.63
<b>TOTAL</b>	<b>1,17,10,376.87</b>	<b>6,09,48,430.02</b>

## NOTE - 27 EXCEPTIONAL ITEMS

	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## NOTE - 28 EXTRAORDINARY ITEMS

	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</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, 2014.
- (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, 2014
(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 03.05.2014, 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 currency 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. 2,53,785/- include Rs.2,45,770/- paid for Sales Tax demand for the Assessment Year 2009-10; Rs.8,015/- paid for Professional Charges 2011-12.
- 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.



## SYBLY INDUSTRIES LIMITED

- E. The cost records for the financial year 2013-2014 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>29.20</b>	24.95

- 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	
		Current Year	Previous Year
Licensed Capacity	M.Ton	N.A.	N.A.
Installed Capacity	M.Ton	<b>2500</b>	2500
Production	M.Ton	<b>1732.480</b>	1746.156
Purchases of Yarn	M.Ton	-	-
Captive Consumption	M.Ton	-	-
Turnover	M.Ton	<b>1732.502</b>	1753.427
	Rs. (in Lacs)	<b>2376.50</b>	2210.42
Opening Stock	M.Ton	<b>79.702</b>	86.973
	Rs. (in lacs)	<b>96.57</b>	109.97
Closing Stock	M.Ton	<b>79.680</b>	79.702
	Rs. (in lacs)	<b>135.46</b>	96.57

### 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)	<b>4707203</b> (5300691)	<b>4968.40</b> (5988.63)	<b>4707203</b> (5300691)	<b>5430.44</b> (6516.15)	NIL (NIL)	NIL (NIL)
Cloth (Kg.)	NIL (NIL)	NIL (NIL)	NIL (364442.09)	NIL (1846.85)	NIL (364442.09)	NIL (2018.57)	NIL (NIL)	NIL (NIL)
Cloth (Pcs.)	NIL (NIL)	NIL (NIL)	<b>6115</b> (NIL)	<b>76.30</b> (NIL)	<b>6115</b> (NIL)	<b>82.12</b> (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	<b>1792.170</b>	<b>2014.44</b>	1874.260	1977.28
Chemicals	M.Ton	-	-	-	-
Cloth	Kg..	-	-	364442.09	1846.85
Cloth	Mtr.	<b>4707203</b>	<b>4968.41</b>	5300691	5988.63
Cloth	Pcs.	<b>6115</b>	<b>76.29</b>	-	-
			<b>7059.14</b>		<b>9812.76</b>
Indigenous Materials Consumed			<b>7059.14 100%</b>		9812.76 100%
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 (ii) Interest Income	NIL NIL	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. Rashi Mittal
  - Mrs. Shikha Mittal
  - Sybly Techno Fibres Limited (Common KMP Shri M.C.Mittal)
  - 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	429.55	-	-	-	429.55
Unsecured Loans	-	18.94	43.09	(0.90)	61.13
<b>Managerial Remuneration</b>					
Salary/contribution to provident fund	-	29.20	13.95	-	43.15

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 Year's 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 : 30<sup>th</sup> May, 2014

Sd/-  
(CA Hemant Kumar Gupta)  
Partner



# SYBLY INDUSTRIES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Prepared pursuant to Listing Agreement

			31st March 2014 Amount (Rs.)	31st March 2013 Amount (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before Tax and Extraordinary items			5,86,230.06	8,15,33,564.54
<b>Adjustment for:</b>				
Depreciation	1,56,18,960.03		2,91,91,047.00	
Finance Charges	1,59,64,934.39	3,15,83,894.42	1,96,49,796.52	4,88,40,843.52
<b>Adjustment for:</b>				
Rental Income	(3,00,000.00)		(3,00,000.00)	
Interest received	(75,26,789.00)		(67,29,175.00)	
Profit on Sale of Fixed Assets	-	(78,26,789.00)	-	(70,29,175.00)
Adjustment For Previous Year:				
Previous year adjustments	(2,53,785.00)	(2,53,785.00)	(18,263.00)	(18,263.00)
<b>Cash Flow From Extraordinary items</b>				
			-	-
		2,40,89,550.48		(3,97,40,159.02)
<b>Operating Profit before Working Capital Changes</b>				
<b>Adjustment for:</b>				
Trade receivables	(3,70,21,317.38)		6,07,85,640.93	
Loans & Advances	(1,66,83,836.50)		(83,29,027.79)	
Inventories	68,61,222.00		2,32,48,452.00	
Other current assets	(8,48,877.70)		(8,25,185.00)	
Trade Payable	(2,94,87,066.74)		(4,95,80,394.97)	
Short-term borrowings	21,44,370.67		7,04,380.52	
Other current liabilities	(26,07,625.61)		(52,65,968.93)	
Long-term provisions	4,40,10,673.00		3,14,49,979.00	
Short-term provisions	5,39,613.00	(3,30,92,845.26)	4,60,743.00	(5,26,48,618.76)
Cash generated from operations		(90,03,294.78)		1,29,08,459.74
Taxes Paid		7,26,166.00		4,60,062.00
Cash flow from operating activities		(97,29,460.78)		1,24,48,397.74
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Interest received	75,26,789.00		67,29,175.00	
Rental Income	3,00,000.00		3,00,000.00	
Sale of Fixed Assets	3,79,880.00		1,00,118.00	
Purchase/Sale of Investments	1,16,29,133.95		(1,66,29,133.95)	
Purchase of Assets (including Capital Work in progress)	(33,53,046.00)		(1,22,422.00)	
Net Cash used in Investing activities		1,64,82,756.95		(96,22,262.95)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Equity Share Capital (including share application money)	-		-	
Adjustment for Preliminary Expenses	23,48,561.00		31,51,615.00	
Borrowings/(Repayment) of Loans	54,07,483.51		1,31,50,440.87	
Finance Charges	(1,59,64,934.39)		(1,96,49,796.52)	
Deferred tax liabilities	5,59,075.00	(76,49,814.88)	3,57,802.00	(29,89,938.65)
		(8,96,518.71)		(1,63,803.86)
Opening Bal. of Cash and Cash equivalents	44,30,866.96		46,91,849.82	
Closing Bal. of Cash and Cash equivalents	36,31,527.25	(8,96,518.71)	45,28,045.96	(1,63,803.86)

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, 2014

Sd/-  
(CA Hemant Kumar Gupta)  
Partner





**SYBLY INDUSTRIES LTD.**  
**Pawan Puri, Muradnagar, Ghaziabad (U.P.)-201206**  
**CIN - L17111UP1988PLC009594**

**PROXY FORM**  
 [Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
 (Management and Administration) Rules, 2014]

**Form No. MGT-11**  
**26th ANNUAL GENERAL MEETING - September 27th 2014**

Name of the member (s):	
Registered address	
E-mail Id	
Folio No/ DPID- Client Id	

I/ We, being the member(s) of ..... shares of the above named Company, hereby appoint:

1) Name: ..... E-Mail .....

Address:.....

Signature ..... Or failing him / her

2) Name: ..... E-Mail .....

Address:.....

Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **26<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held at the registered office of the Company at Pawan Puri, Muradnagar, Ghaziabad (U.P.)-201206 on Saturday, the 27th day of September, 2014, at 11:30 A.M. or at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolutions	For	Against
	<b>Ordinary Business</b>		
1	Adoption of Balance Sheet, Statement of Profit and Loss and the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 31, 2014		
2	Appoint a Director in place of Mr. Nishant Mittal, who retires by rotation and being eligible offers himself for re-appointment.		
3	Appointment of M/s. V.S. Gupta & Co., Chartered Accountants, as Statutory Auditors of the Company		
	<b>Special Business</b>		
4	Appointment of Mr. Virendra Pratap Mishra as Independent Director		
5	Appointment of Mr. Lallan Tripathi as Independent Director		
6	Approval of Section 180 (1) (a)		
7	Approval of Section 180 (1) (c)		
8	To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013		
9	To approve the Remuneration to be paid to the Cost Auditors		

Signed this.....day of.....2014

Affix Re. 1/-  
Revenue  
Stamp

Signature of the member

Signature of the Proxy Holder(s)

**NOTE:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 26th Annual General Meeting.
- It is optional to put an 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate.
- Please complete all details including detail of member(s) in above box before submission.



# 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 2014
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

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