

SPL INDUSTRIES LTD.

20TH ANNUAL
REPORT
2010-11



SPL INDUSTRIES LTD.

Corporate Profile

Board of Directors

1. Mr. H. R. Gupta - Chairman
2. Mr. Mukesh Aggarwal - Managing Director
3. Mr. Vijay Jindal - Director
4. Mr. Anil Garg - Director

CFO

Mr. Ajay Bansal

Compliance Officer

Mr. B. B. Sharma

Bankers

State Bank Of India

Standard Chartered Bank

Statutory Auditors

M/S Mehra Goel & Co., Chartered Accountants

Share Transfer Agent

Karvy Computershares Pvt. Ltd.

Registered Office

5/66, 3rd Floor, K. C. House,
Padam Singh Road,
Karol Bagh,
New Delhi-110005
Tel : 011-25789729, 25716150

Corporate Office

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

Website

www.spllimited.com

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NOTICE

The 20th Annual General Meeting of the members of **SPL INDUSTRIES LIMITED** will be held on Friday, the 30th day of September, 2011 at 9.00 AM at **INDIA CORPORATE CENTRE, J-2/B-1, MOHAN COOPERATIVE, MATHURA ROAD, NEW DELHI-110044** to transact the following business-

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011 and Balance Sheet as on that date and the Report of Directors and Auditors thereon.
 - To appoint a Director in place of MR. VIJAY JINDAL, who retires by rotation, and being eligible, offers him self for re-appointment.
 - To appoint a Director in place of MR. ANIL GARG, who retires by rotation, and being eligible, offers him self for re-appointment.
 - To appoint Statutory Auditors in place of the retiring Auditors of the Company, as Statutory Auditors of the Company to held office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at the remuneration to be decided by the Board of Directors .
- Members/Proxies are requested to bring their copy of Annual Report to the meeting and are requested not to bring any articles , briefcase, handbags, carry bags etc. as the same will not be allowed to be taken inside the venue. Further the company or any of its officials shall not be responsible for their articles, bags etc. being misplaced, stolen or damaged at the Meeting place.
 - NO GIFT(S) WILL BE DISTRIBUTED AT THE ENSUING 19TH ANNUAL GENERAL MEETING OF YOUR COMPANY.
 - Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts, and to the Company or its Share Transfer Agent in respect of their physical share folios.
 - Members who are holding shares in identical order or names in more than one folio are requested to sent to the company the details of such folios together with the Share Certificates for consolidating their holdings in one folio. The Share Certificates will be returned to the Members after making requisite changes thereon.
 - All documents referred to in the accompanying Notice are open for inspection at the Registered office of the company on all working days except Saturday between 11.00 AM to 1.00PM up to the date of the Annual General Meeting

By order of the Board of Directors
For SPL INDUSTRIES LIMITED

EXPLANATORY STATEMENTS

(Pursuant to Clause 49 of the Listing Agreement read with Section 173(2) of the Companies Act, 1956).

Place : New Delhi
8th August, 2011

(MUKESH AGGARWAL)
Managing Director

Item No.04 of the Notice

The retiring auditors M/S MEHRA GOEL & CO, Chartered Accountants , has expressed their desire not to be re-appointed as statutory auditors of the company due to some personal reasons. Therefore, the company has approached M/S SINGHI CHUGH & KUMAR, Chartered Accountants for appointment as statutory auditors of the company to held office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting. The Company has already received their consent letter to this effect.

By order of the Board of Directors
For SPL INDUSTRIES LIMITED

Notes

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
- The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday , 20th day of September, 2011 to Friday , the 30th day of September, 2011(both days inclusive).
- The relevant Explanatory Statement pursuant to Clause 49 of the Listing Agreement read with Section 173(2) of the Companies Act, 1956 in respect of re-appointment of Directors and the Special Business set out above is mentioned below.

Place : New Delhi
8th August, 2011

(MUKESH AGGARWAL)
Managing Director

**DIRECTORS' REPORT****To the Members of SPL Industries Limited**

The Directors of your Company have pleasure in presenting the 20th Annual Report on the business and operations of the Company and the Audited Financial Accounts for the year ended 31st March, 2011.

Operations

The financial results of the company for the year ending 31st March, 2011 are given below:

(Figures in Rupees)

	2010-11	2009-10
Profit/(Loss) before taxation & Exceptional items	(691,176,920)	(257,931,826)
Exceptional item		
Exchange Loss/(Gain)	(5745052)	164,064,521
Prior Period Adjustment for Exchange Loss	-	34,852,860
Profit on Sale of Subsidiary	-	96,709,988
Profit/(Loss) Before Tax	(685,431,868)	(360,139,219)
Provision for Taxation		
Current Income tax	(26,784,518)	-
Deferred Income Tax	42,220,847	2,820,975
Fringe benefit Tax	-	-
Tax paid for earlier years	-	-
Wealth Tax	77,130	82,434
Profit/(Loss) After Tax	(700,945,327)	(363,042,628)
Add share in profit/loss of minority	(20,838)	
Add share in accumulated loss of minority	(82,777)	
Add/(Less)		
Profit Brought forward from previous year	316,746,411	683,325,447
Transfer from General Reserve	11,624,020	-
Add/less: Adjustment on acquisition/disposal of	-	3,332,794
Subsidiaries	328,370,431	679,892,653
Profit available for Appropriation	(372,574,896)	316,746,411

Dividend

In view of losses and insufficient profits, the Board of Directors of your company has decided not to recommend any dividend to its stakeholders.

Fixed Deposits

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

Consolidated Financial Statements

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

Statutory Disclosures

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

The Statement of employees required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not annexed as there are none of the

Employees drawing salary exceeding the present limits as provided under the said Act .

The Statement containing the necessary information as required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules 1988, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed hereto and forms an integral part of this report.

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

Director's Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956 this is to confirm that:

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

Auditors

M/s Mehra Goel & Co, Chartered Accountants, the statutory auditors of the company, has expressed their desire not to re appoint as statutory auditors of the company. The company has approached M/S SINGHI CHUGH & KUMAR, Chartered Accountants to hold the office of the Statutory Auditors of the company from the conclusion of this AGM until the conclusion of the next AGM. Your company has received their consent in this regard..

Acknowledgement

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

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

By order of the Board of Directors
For SPL INDUSTRIES LIMITED

(MUKESH AGGARWAL)
Managing Director

Place : New Delhi
8th August, 2011



ANNEXURE TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors report for the year ended 31st March, 2011.

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

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

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

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

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

B. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT

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

FOREIGN EXCHANGE EARNING AND OUTGO

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

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

Particulars	Amount in Rs.	
	2010-2011 Rs.	2009-2010 Rs.
Earnings in Foreign Currencies FOB value of Exports	1190817074	2091534167
Expenditure in Foreign Currency	-	-

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERALL VIEW

Your Management is of the opinion of adopting new techniques to sustain in the market by improving its quality and adding value added garments in the overseas markets and adopting cost effective production terminology and improvement in its different functional divisions, so that the targets can be achieved .

INTERNAL CONTROL SYSTEM

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

HUMAN RESOURCES

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

CORPORATE SOCIAL RESPONSIBILITY AND CONSERVATION OF RESOURCES

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

STATEMENT OF CAUTION

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

**REPORT ON CORPORATE GOVERNANCE -2010-2011****Company philosophy on code of governance**

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

Attendance of Directors at the Board Meetings & AGM and number of Companies in which the director is a member of the Board or its Committees as a member or chairperson thereof during the financial year.

Name of the Director & Designation	Category	Board Meetings Held	Board Meetings Attended	No. of Companies in which a Director a Chairman	No. of Committees in which a Member	No. of Board/ Committees in which a Chairperson
Mr. H.R.Gupta	Executive/non independent	17	17	01	01	na
Mr. Vijay Jindal	Executive/non independent	17	17	na	na	na
Mr. Pankaj Garg	Executive/non independent	17	17	na	na	na
Mr. Mukesh Aggarwal	Executive/non independent	17	17	na	1	na
Mr. Anil Garg	Executive/non independent	17	17	na	1	na
Mr. Ram Niwas Jain	Executive/non independent	17	08	na	1	na
Mr. Navneet Singhal	Non Executive/independent	17	15	na	na	na
Mr. Anuj Mittal	Non Executive/independent	17	17	na	1	na
Mr. Sita Ram Sharma	Non Executive/independent	17	17	01	na	na
Mr. Hari Om Gupta	Non Executive/independent	17	17	na	1	na

Date and number of Board Meeting held

The Board meets seventeen times during the year on 05/04/2010,27/04/2010,25/05/2010,29/05/2010,03/06/2010,17/06/2010,04/08/2010,14/08/2010,01/09/2010,23/09/2010,16/11/2010,06/12/2010,31/01/2011/08/02/2011,14/02/2011,15/02/2011 and 24/03/2011.

Code of Conduct

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

Audit Committee

During the year, the Audit Committee consists of Mr. Hari Om Gupta, Mr. Anuj Mittal, the non executive independent Directors and Mr. Mukesh Aggarwal, Director of the Company. The Statutory Auditors, Accounts Manager and Internal auditors of the Company also attended such meetings.

Power, Role and Review of Information by the Audit Committee

The role and terms of reference of the Audit Committee covers the area mentioned under clause 49 of the Listing Agreement and section 292A of the Companies Act,1956 besides other terms as may be referred by the Board of Directors. These interalia includes include review of the company's financial report and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible. The main role of the audit committee is to review annual and quarterly financial statements with the management before submission to the Board and to insure the adequacy of internal control system with the management and to review the company's financial risks/ management policies. In the latest meeting of the Audit Committee, it is observed that the losses on account of exchange difference on outstanding forward contracts entered into to hedge the export debts are only notional as at the year end and considering the uncertainty regarding foreign exchange rate for the future period. In the opinion of the Audit Committee it would not be appropriate to account for the same till the actual realization.

Date and number of Audit Committee Meeting's held

The Audit Committee meets four times during the year under report.

Attendance of Director

Name of Member	Designation	Date/No. of Meeting held	No. of Meeting attended
Mr. HariOm Gupta Chairman	Independent Non Executive Director	30.06.2010,30.07.2010, 30.10.2009 & 29.01.11	04 02
Mr. Anuj Mittal Member	Independent Non Executive Director	-do- 04	04 04
Mr. Mukesh Aggarwal Member	Executive Non Independent Director	-do- 04	04

Subsidiary Companies

During the year the company has one closely held company M/S ELKAY STRIPS LTD and the net worth of the subsidiary company does not exceed 20% of the turnover / net worth of the holding company. The minutes and other periodical information of the subsidiary company is placed before the Board of Directors of the holding company.

Disclosures**Basis of related party transactions**

No transaction of a material nature has been entered into by the Company with the Directors, Senior Management personnel and their relatives that may have a potential conflict with the interest of the company except as disclosed under the related party transactions as per Accounting Standard 18

Composition of the Board of Directors

The total number of Directors on Board of the Company as on 31st March,2011 is eight and has a optimum combination of four Executive Non independent Directors and four Non Executive independent Directors with considerable expertise and experience. None of the Directors on the Board is a member of more than 10 companies and Chairman of more than 5 committees. All the Executive Directors are closely related to each other.

"Related Party Disclosures" issued by the Institute of Chartered Accountants of India which are set out in the annual report.

Disclosure of Accounting Treatment

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

Remuneration of Directors

The remuneration package of the Managing /Whole time Directors is based on their performance and the provisions of the Companies Act, 1956. There is one Remuneration Committee comprising of Mr. Ram Niwas Jain, Mr. Anuj Mittal and Mr. Hari Om Gupta, which as and when required during the year under the chairmanship of Mr. Hari Om Gupta.

Remuneration Policy

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

Detail of Remuneration of Directors

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

Name	Salary (Rs)	Contribution to Provident Fund	House Rent Allowance	Perquisites	Total (Rs)
H.R.Gupta	6,00,000/-pa	nil	nil	nil	6,00,000/-pa
Pankaj Garg	4,50,000/-pa	nil	nil	Nil	4,50,000/-pa
Mukesh Aggarwal	12,00,000/-pa	nil	nil	nil	12,00,000/-pa
Anil Garg	6,00,000/-pa	nil	nil	nil	6,00,000/-pa

Executive Directors are appointed for a period of three years on the terms and conditions as approved by the shareholders from time to time and the remuneration and other perquisites are as per the provisions of the Companies Act,1956 and schedule XIII. The Independent and Non Executive Directors do not get any remuneration except sitting fee on the basis per meeting attended by them.

Management

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

Shareholders Grievance Committee

The Shareholder's Committee consists of Mr. Sita Ram Sharma, Mr. H.R Gupta and Mr. Anil Garg. The said committee normally meets once in a period of three months under the chairmanship of Mr. Sita Ram Sharma, to oversee proper re-dressal of grievance of the shareholders/investor's matters of transfer/transmission of shares, sub division/consolidation and issue of new/duplicate certificates. In the normal course of business, all the complaints of the investors are looked after by the Registrar and Transfer Agent of the company.

Name of Director heading the Share transfer Committee

Mr. Sita Ram Sharma, Director

Number of Complaints received, not solved & pending transfer

All complaints received and replied to the entire satisfaction of the shareholders during the year under review. There were no pending complaints as on 31st March,2011. There is no share transfer or any other correspondence pending for more than fifteen days as on that date.

General Body Meetings

The last three annual General Meetings of the Company were held on 20.09.2010, and 29.09.2009 and 28.09.2008 at ICC,J-2/B-1, Mohan Cooperative, Mathura Road, New Delhi-44.



SPL INDUSTRIES LTD.

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

No such penalty or structure have been imposed on the company since listing of its securities on THE NATIONAL STOCK EXCHANGE OF INDIA LTD. And THE BOMBAY STOCK EXCHANGE LTD. Or the SECURITIES EXCHANGE BOARD OF INDIA (SEBI) or any other statutory authority on any matter related to the Capital Market during the last three years.

Means of Communication

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

General Shareholder Information 20TH Annual General Meeting will be held on 30th day of September, 2011 at 9.00 AM.

Venue INDIA CORPORATE CENTRE J-2/B-1, EXTENSION, MOHAN COOPERATIVE, MATHURA ROAD, NEW DELHI-110044.

Financial Year 2010-2011

Un audited results for quarter ending June, 30th 2010 15th August, 2010
 Un audited results for quarter ending September, 30th 2010 15th November, 2010
 Un audited results for quarter ending December, 31st 2010 15th February, 2011
 Audited results for year ending March, 31st 2010 30th May, 2011

Date of Book Closure

Book closure is from 20th September, 2011 to 30th September, 2011 (both days inclusive)

Listing on Stock Exchange (s)

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

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

Registrar and Transfer Agent:

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

Distribution of shareholding

Sno	Category	Amount	No. of cases	% of cases	Amount	% of Amount
1	1 - 5000		7792	79.14	12265520	4.23
2	5001 - 10000		949	9.64	8178470	2.82
3	10001 - 20000		492	5.00	7699420	2.65
4	20001 - 30000		201	2.04	5121930	1.77
5	30001 - 40000		80	0.81	2898960	1.00
6	40001 - 50000		72	0.73	3426520	1.18
7	50001 - 100000		91	0.92	6769570	2.33
8	100001 & Above		169	1.72	243639650	84.01
	Total		9846	100.00	290000040	100.00

Consolidated Shareholding Pattern as on March 31st, 2011

Category	No. of Cases	Total Shares	% To Equity
CLEARING MEMBERS	07	3984	0.01%
COMPANY PROMOTERS	62	18140004	62.55%
FOREIGN INSTITUTIONAL INVESTORS	01	5000	0.02%
HUF	371	338019	1.17%
BODIES CORPORATES	265	2241474	7.73%
NON RESIDENT INDIANS	89	138747	0.48%
RESIDENT INDIVIDUALS	9051	8132776	28.04%
TOTAL	9846	290000040	100.00%

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of SPL Industries Limited

We have examined the compliance of conditions of Corporate Governance by SPL Industries Limited as at 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange (s).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementations 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.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

Dematerialization of Shares liquidity

Percentage of the Shares of the company in de mat form is given below:

S. No.	Description	Percentage
1	CDSL	09.24%
2	NSDL	34.86%
3	PHYSICAL	55.90%
4	TOTAL	100.00%

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

The Price movement of the Script of the company during the year under report:

NSE/BSE

SPL INDUSTRIES LIMITED(Script Code: 532651)

Script Price list and Comparison for the Period from April 2010 to March 2011

S.NO.	MONTH	OPEN PRICE	HIGH PRICE	LOW PRICE	CLOSE PRICE
1	April, 10	10.95	11.95	10.00	10.30
2	May, 10	10.40	11.00	9.00	9.50
3	June, 09	9.01	10.00	8.31	9.10
4	July, 10	8.85	10.25	8.65	9.39
5	August, 10	9.47	11.45	9.05	9.22
6	September, 10	10.00	10.90	7.75	9.98
7	October, 10	10.00	10.65	7.20	8.51
8	November, 10	9.40	10.00	6.00	7.52
9	December, 10	7.84	8.70	5.30	7.20
10	January, 11	6.40	8.10	5.82	6.03
11	February, 11	6.04	6.78	4.66	4.97
12	March, 11	5.00	5.83	4.51	5.10

Plant Locations

The Plants of the Company are located at:

- SPL INDUSTRIES LIMITED, PLOT NO.21/6, FARIDABAD.
- SPL INDUSTRIES LIMITED, PLOT NO.22/6, FARIDABAD.
- SPL INDUSTRIES LIMITED, PLOT NO.128/24, FARIDABAD

Address for Correspondence

Registered Office:

K.C. HOUSE, 5/66, 3RD FLOOR,
 PADAM SINGH ROAD,
 KAROL BAGH,
 NEW DELHI-110005.

Corporate Office"

Plot No.21 Sector-6
 Faridabad (Haryana)

Declaration

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the period ended March 31, 2011

By order of the Board of Directors
 For **SPL INDUSTRIES LIMITED**

(**MUKESH AGGARWAL**)
 Managing Director

Place : New Delhi
 Date : 8th August, 2011

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, no investor grievance is pending for a period exceeding one month.

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

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

R.K. MEHRA
 Partner
 M.NO : 6102

Place : New Delhi
 Date : June 06, 2011

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

We have audited the attached Balance Sheet of SPL INDUSTRIES LIMITED as on 31st March, 2011 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.

The turnover of the Company has reduced to Rs. 15689.54 lacs for the year ended 31st March 2011 from Rs. 28166.30 lacs for the year ended as on 31st March 2010. The Company has suffered loss after tax of Rs. 6977.12 lacs for the year ended 31st March 2011 as against loss after tax of Rs. 3674.81 lacs for the year ended 31st March 2010. During the previous year the company had permanently closed down its two units and the other one unit has remained partly closed during the year. The results for the year have been prepared on Going Concern basis, however, the future of the company depends upon the strengthening of the marketing division and the infusion of the fund by the promoters of the company.

3(a) Impairment loss had not been worked out / provided in the books for the assets of units closed down during the current/ previous year. Further, impairment test/working has not been carried out for the remaining units of the Company, which constitute a departure from the Accounting Standard – 28 on 'Impairment of Assets' as notified in Companies (Accounting Standard) Rules, 2006. The amount of impairment loss is not ascertained.

3(b) The Company has entered into transactions with companies/firms covered under section 301 of the Companies Act, 1956, which requires permission from Central Government.

3(c) As per information given to us, the management is in process of identifying slow moving / non moving/obsolete stocks, lying as finished goods/ work-in-progress and raw material. The financial effect of such material has not been ascertained by the management.

3(d) Company has made the payment of Rs. 28.50 Lacs as managerial remuneration to the whole time Directors of the Company for the financial year 2010-11, which is contrary to the Board of Directors resolution dated 14-02-2011 stating that due to losses in the Company directors has decided not to draw any remuneration for the year.

4. Further to our comments in the Annexure referred to in paragraph (1) above and subject to our observation in paragraph (2) & (3) above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account, as required by law have been kept by the Company, so far as appears from our examination of those books;
- c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by the report comply with the requirements of Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(3) i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011;

ii) in the case of the Profit and Loss Account, of the loss of the company for the year ended on that date.

iii) in the case of Cash Flow Statement, of the cash flow of the Company for the year ended on that date.

FOR MEHRA GOEL & CO.
Chartered Accountant
(Firm Registration No. 000517N)

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

Place : New Delhi
Dated: June 06, 2011

ANNEXURE**(Referred to in paragraph 1 of our report of even date)**

- i) a) As informed to us, the fixed asset register is under updating.
- b) As informed to us, physical verification of the fixed assets has been conducted by the management during the year.
- c) No substantial part of fixed assets has been disposed off during the year.
- ii) a) As per information & explanations given to us, the inventory of the Company has been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- b) The procedure of physical verification of inventory of the Company followed by the Management is reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on such physical verification as compared to book records.
- iii) As per information & explanations given to us, the company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv) As per information & explanations given to us, the company has not taken any loan, secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, during the current financial year.
- v) In our opinion and according to the information and explanations given to us, the internal control systems of the Company require further strengthening in respect of inventory, fixed assets and for the sale of goods and services. During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.

- vi) In respect of transactions covered under section 301 of the Companies Act, 1956:-
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained u/s 301 of the Companies Act, 1956, have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register have been made at prices which are reasonable having regard to the prevailing market prices at the relevant times.
- vii) To the best of our knowledge, the company has not accepted any deposits covered under section 58A and 58AA or any other relevant provision of the Companies Act, 1956.
- viii) To the best of our knowledge and explanations given to us, internal audit of the Company is carried out by a firm of Chartered Accountants. The internal audit system commensurate with its size and the nature of its business.
- ix) To the best of our knowledge, the Central Government has not prescribed the maintenance of any cost records under Section 209 (1) (d) of the Companies Act, 1956, for the product manufactured by the company.
- x) a) To the best of our knowledge and according to the information and explanations given to us the Company is not regular in depositing undisputed statutory dues of Provident Fund, Employees State Insurance, Income Tax (Tax deducted at source), and is generally regular in depositing Investors Education and Protection Fund, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess, Service Tax and any other statutory dues applicable to it with the appropriate authorities.
- b) According to information and explanations given to us, there were no arrears of outstanding Income Tax, Wealth Tax, Sale Tax, Service Tax, Cess, Custom Duty, Excise Duty and any other statutory dues as at 31.03.2011 for a period of more than six months from the date they became payable except Rs. 8.13 lacs and 0.04 lacs on account of Employee state Insurance and Provident Fund respectively.



- c) To the best of our knowledge and according to information and explanations given to us there are no dues of sales tax / custom duty / wealth tax / excise duty / cess / service tax which have not been deposited on account of any dispute. Disputed statutory dues of Income Tax ,which are not deposited due to disputed mater, are as under: -

Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Period to which amount related	Forum where dispute is pending
1	2	3	4	5
Income Tax Act, 1961	Disallowance Under Section 14A	13.56	F/Y 2007-2008	Commissioner (Appeals)
	80 HHC Disallowance	131.56	F/Y 2001-02 & F/Y 2002-03	High Court(Stay granted)

- | | |
|--|--|
| <p>xi) The Company has incurred cash losses during the financial year covered by our Audit and in the immediate preceding financial year. Its accumulated losses, at the end of the current financial year, not exceed fifty percent of its net worth.</p> <p>xii) The company has defaulted in repayment of dues to Financial Institutions or Banks. In the absence of statement showing due date and date of payment of installments of term loan, we are unable to quantify the amount of delay and period of delay in repayment of term loan and interest thereon.</p> <p>xiii) On the basis of verification of accounts and records maintained by the Company and to the best of our knowledge & belief, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>xiv) The Company is not a chit fund or nidhi / mutual benefit fund / society. Therefore the provision of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.</p> <p>xv) To the best of our knowledge and according to informations given to us, the Company is not dealing or trading in shares, securities and debentures.</p> <p>xvi) To the best of our knowledge and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks/ Financial Institutions.</p> <p>xvii) To the best of our knowledge and according to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.</p> | <p>xviii) According to the Cash Flow Statement and other records examined by us and information & explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investments.</p> <p>xix) According to the information & explanations given to us, the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.</p> <p>xx) According to the information & explanations given to us the Company has not issued any debenture during the year.</p> <p>xxi) To the best of our knowledge and according to information and explanation given to us, the company has not raised and money by public issue during the year.</p> <p>xxii) Based upon the audit procedure performed and information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.</p> |
|--|--|

FOR MEHRA GOEL & CO.
Chartered Accountants
(Firm Registration No. 000517N)

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

Place: New Delhi
Dated: June 06, 2011



SPL INDUSTRIES LTD.

Balance Sheet As at 31st March 2011

(Figures in Rupees)

	SCHEDULE No.	AS AT 31.03.2011	AS AT 31.03.2010
I Sources of Funds			
(1) SHAREHOLDERS' FUND			
(a) Share Capital	1	290000040	290000040
(b) Reserves & Surplus	2	499852026	841716531
(2) Loan Funds	3		
Secured Loans		851068701	935514376
(3) Deferred Tax Liability		43190000	69974518
Total		<u>1684110767</u>	<u>2137205465</u>
II Application Of Funds			
(1) Fixed/Intangible Assets	4		
(a) Gross Block		1365709518	1407753438
(b) Less : Depreciation		<u>788274442</u>	<u>763337483</u>
(c) Net Block		577435076	644415955
(3) Investment	5	35152970	49368879
(4) Current Assets, Loans And Advances			
(a) Inventories	6	497055670	1093258697
(b) Sundry Debtors	7	245093581	422937744
(c) Cash & Bank Balances	8	17911171	40019505
(d) Loans & Advances	9	<u>276703958</u>	<u>498064789</u>
		1036764381	2054280735
Less : Current Liabilities And Provisions	10		
(a) Current Liabilities		319425053	512748739
(b) Provisions		<u>1664090</u>	<u>98111365</u>
		321089143	610860104
Net Current Assets		715675238	1443420631
Profit & Loss Account		<u>355847483</u>	<u>0</u>
Total		<u>1684110767</u>	<u>2137205465</u>
Significant Accounting Policies	15	0	0
Notes To Accounts	16		

Auditors' Report
As Per Our Report Attached

For Mehra Goel & Co.
Chartered Accountants
(Firm registration No. 000517N)

H.R. Gupta
(Chairman Cum Managing Director)

Mukesh Aggarwal
(Director)

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

Vijay Jindal
(Director)

Anil Garg
(Director)

Place : New Delhi
Date : 06th Jun, 2011

SPL INDUSTRIES LTD.



Profit & Loss Account For The Year Ended 31st March, 2011

(Figures in Rupees)

	SCHEDULE No.	AS AT 31.03.2011	AS AT 31.03.2010
Income			
Sales	11	1568954046	2816630019
Other Income	12	4323435	9198322
		<u>1573277481</u>	<u>2825828341</u>
Expenditure			
Manufacturing Administrative & Other Expenses	13	2108514622	2873834739
Financial Charges	14	96278265	135170029
Depreciation		56428174	73652413
		<u>2261221061</u>	<u>3082657181</u>
Profit/(Loss) before taxation & Exceptional Items		(687943580)	(256828840)
Exceptional Items			
Exchange Loss / (Gain)		(5745052)	164064520
Prior Period Adjustment for Exchange Loss		0	34852860
Profit on Sale of Subsidiary		0	91609915
prior period expenses		0	0
Profit/ (Loss) Before Tax		(682198528)	(364136305)
Provision For Taxation			
-- Deferred Income Tax		(26784518)	3262751
-- Income tax paid for earlier year		42220847	0
Wealth Tax		77130	82434
Profit/ (Loss) After Tax		(697711987)	(367481490)
Add/(Less) :			
Profit Brought Forward From Previous Year		330240484	697721974
Transfer from General Reserve		11624020	0
Balance Carried to Balance Sheet		(355847483)	330240484
Basic/Diluted Earning Per Share (Refer Note No. 12 of schedule 16)		(24.06)	(12.67)
Nominal Value of Equity Share	10		10

Auditors' Report
As Per Our Report Attached

For Mehra Goel & Co.
Chartered Accountants
(Firm registration No. 000517N)

H.R. Gupta
(Chairman Cum Managing Director)

Mukesh Aggarwal
(Director)

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

Vijay Jindal
(Director)

Anil Garg
(Director)

Place : New Delhi
Date :06th Jun, 2011



Schedules Forming Part Of Balance Sheet

(Figures in Rupees)

	AS AT 31.03.2011	AS AT 31.03.2010
Schedule - 1 Share Capital		
Authorised		
30,000,000 Equity Shares Of Rs. 10/- Each	300000000	300000000
Issued Subscribed and Paid Up*		
29,000,004 (Previous year 29,000,004) Equity Shares Of Rs.10/-		
Each Fully Paid Up	290000040	290000040
	<u>290000040</u>	<u>290000040</u>
*Above includes 2 equity shares allotted as fully paid up shares without payment being received in cash on amalgamation of SPL Machines Ltd. with the company and 10,000,002 issued as Bonus share by Capitalization of accumulated balance in Profit & Loss Account.		
Schedule - 2 Reserves And Surplus		
Capital Reserve		
At The Commencement and end of The Year	3107174	3107174
Securities Premium Account		
At The Commencement of The Year	496744853	496744853
General Reserve		
At The Commencement and end of The Year	11624020	11624020
Less: Transfer to Profit & Loss Account	(11624020)	0
Profit & Loss Account	<u>0</u>	<u>330240484</u>
	<u>499852026</u>	<u>841716531</u>
Schedule - 3 Loan Funds		
Secured		
From Banks		
- CORPORATE LOAN SBI *	184065976	248005125
- Working Capital Loan *		
In Foreign Currency	87761266	127070544
In Indian Currency	527633380	477989807
- Other Term Loan**	1395979	3250344
Loan From Corporate Bodies**	174341	755823
Term Loan From Financial Institution***		
- CORPORATE LOAN IDBI	42702201	52930331
- Other	7335558	25512402
	<u>851068701</u>	<u>935514376</u>

* 1840.65 Lacs (Previous year 2480.05) and Rs. 5276.33Lacs (Previous year 4730.90 Lacs) are secured by first (exclusive) Charge over factory land & building located at Plot No. 7, Plot No. 22 and Plot No. 39, Sector 6, Faridabad. Rs. 877.61 Lacs (Previous Year 1270.70) are secured by mortgage/ Charge over the property situated at Plot No 128 , Sec - 24 , Faridabad (Haryana) of M/s Elkay Strips Limited and Rs. NIL (Previous Year 49.00 Lacs) are secured by first mortgage and charge on all the company's movable & immovable assets, both present and future, (save and except book debts), pertaining to its unit at plot no 21 , Sector -6 , Faridabad , Haryana. All loans secured by first charge on pari passu basis between the working capital lenders on current assets of the company . All loans are further secured by second charge on fixed assets, both present & future (save and except for mortgages and charges created in favour of IDBI FOR Term Loan) and are guaranteed by personal guarantee of CMD and Jt. Managing Director of the Company.

** Secured by hypothecation of specific vehicles.

*** Secured by first mortgage and charge on all the company's movable assets, both present and future, (save and except book debts), pertaining to its unit at plot no 21 , Sector -6 , Faridabad , Haryana subject to the charge created / to be created in favour of the company's bankers on current assets for securing borrowings for working capital requirements , and charges created for specific equipments in favour of banks/IDBI, ranking pari passu with the charges created and /or to be created in favour of existing term lenders. The loan is further secured by personal guarantee of CMD and Jt. Managing Director of the Company.

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



Schedules Forming Part of Balance Sheet

SCHEDULE - 4 FIXED/INTANGIBLE ASSETS

(Figures in Rupees)

ASSETS	Gross Block			Depreciation			Net Block			
	AS AT 01.04.10	ADDITIONS	SALE/ WRITEOFF	AS AT 31.03.2011	UP TO 01.04.10	FOR THE YEAR FOR THE YEAR	Written Back On Sale	Up TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
TANGIBLE ASSETS										
LAND	109,481,676	-	-	109,481,676	-	-	-	-	109,481,676	109,481,676
BUILDING	190,530,040	-	-	190,530,040	49,624,616	6,363,703	-	55,988,319	134,541,722	140,905,424
PLANT & MACHINERY	1,021,426,330	4,000,108	39,422,008	986,004,430	663,574,042	42,411,772	27,431,167	678,554,647	306,776,429	357,852,288
VEHICLES	26,814,143	260,000	3,473,503	23,600,640	12,321,524	2,435,489	1,534,325	13,222,888	10,377,952	14,492,619
FURNITURE & FIXTURE	26,837,197	74,971	2,766,005	24,146,163	14,332,300	1,458,457	1,595,632	14,195,125	9,951,041	12,504,897
OFFICE EQUIPMENTS	30,555,159	561,844	896,038	30,220,965	21,412,341	3,746,919	546,801	24,612,459	6,281,858	9,142,818
INTANGIBLE ASSETS										
COMPUTER SOFTWARE	2,108,889	-	383,288	1,725,601	2,072,659	11,834	383,288	1,701,205	24,396	36,230
TOTAL	1,407,753,438	4,896,923	46,940,842	1,365,709,515	763,337,483	56,428,174	31,491,213	788,274,443	577,435,074	644,415,955
PREVIOUS YEAR	1,412,817,574	8,737,390	13,801,530	1,407,753,438	698,331,136	73,652,413	8,646,088	763,337,483	644,415,955	

**Schedules Forming Part Of Balance Sheet**

(Figures in Rupees)

	AS AT 31.03.2011	AS AT 31.03.2010
Schedule - 5 Investment		
(Fully Paid up - Other Than Trade)		
Long Term , Unquoted		
Elkay International Ltd.	-	6665000
NIL (Previous Year 6,66,500) Equity Shares of Rs. 10/- Each		
Sadhu Forging Ltd.	-	7221000
NIL (Previous Year 7221) Equity Shares of Rs.100/- Each		
Investment In Subsidiary Company		
Elkay Strips Ltd.	34315170	34315170
255364 Equity Shares of Rs. 100/- Each		
(A)	<u>34315170</u>	<u>48201170</u>
Current, Quoted *		
NIL (Previous Year 24410.123) Units of HDFC Floating rate income fund	-	249404
NIL (Previous Year 100000) Units of UTI Infrastructure Advantage fund	-	1000000
44706.499 (Previous Year NIL) units of UTI Infrastructure fund -Divident plan	853000	0
	<u>853000</u>	<u>1249404</u>
Less: Diminution in value of Investments	(15200)	(81695)
(B)	<u>837800</u>	<u>1167709</u>
(A+B)	<u>35152970</u>	<u>49368879</u>
* Aggregate Market Value of Quoted Investments	837800	1167709
Schedule - 6 Inventory		
(As Taken, Valued And Certified By The Management)		
Raw Material	81803613	146943433
Stores & Spares	3273856	5083505
Fuel & Furnace Oil	436363	1124750
Work in Progress	284104771	579585115
Packing Material	0	5222504
Finished Goods	127437068	355197372
Scrap	0	102018
	<u>497055670</u>	<u>1093258697</u>
Schedule - 7 Sundry Debtors		
(Unsecured)		
Debts Outstanding Over Six Months		
- Considered Good	143436342	109459386
- Considered Doubtful	38921963	0
	<u>182358305</u>	<u>109459386</u>
- Less Provision for Doubtful Debts	38921963	0
	<u>143436342</u>	<u>109459386</u>
Others Considered Good*	101657239	313478358
	<u>245093581</u>	<u>422937744</u>
* Includes Rs 1450261/- (Previous Year Rs.21533778/-) Due from M/s Sadhu Auto Parts Pvt. Ltd. in which two directors of the company are Director/Member		
Schedule - 8 Cash and Bank Balances		
Cash on Hand	670880	653897
Balance With Scheduled Banks		
- in Current Accounts	7043357	11198113
- in Fixed Deposit Accounts *	10196834	28167395
Balance With Post Office		
- Saving Account**	100	100
	<u>17911171</u>	<u>40019505</u>
* Including Interest Accrued Thereon Rs.NIL (Previous Year Rs. 689040/-).		
** Maximum Balance During the year Rs.100/- (Previous Year Rs. 100/-).		



Schedules Forming Part Of Balance Sheet

(Figures in Rupees)

	AS AT 31.03.2011	AS AT 31.03.2010
Schedule - 9 Loans And Advances		
(Unsecured, Considered Good)		
Advances Recoverable in Cash Or in Kind or for Value To be Received	144533078	189126358
Loan & Advances	391827	8771653
Security Deposit *	30291191	30304023
Export Benefit Receivable	79693175	129830124
Balance With Excise Department	14527	14527
Centvat Receivable	10517520	12129763
Advance Wealth / Income Tax	11262640	127888341
	<u>276703958</u>	<u>498064789</u>
* Includes Rs 275 lacs (P.Y Rs 275 Lacs) paid to subsidiary company as rent security.		
Schedule - 10 Current Liabilities And Provisions		
Current Liabilities		
Sundry Creditors	206047949	418342507
Book Overdraft	10094382	19733162
Interest Accrued but not Due on Loans	567573	776216
Advance From Custmors	81540847	0
Other Liabilities	21174301	73896854
	A <u>319425053</u>	<u>512748739</u>
Provisions		
Retirement Benefits	1586960	12539508
Provision for Taxation including Wealth Tax	77130	85571857
	B <u>1664090</u>	<u>98111365</u>
	A+B <u>321089143</u>	<u>610860104</u>
SPL Industries Ltd.		
Schedules Forming Part Of Profit & Loss Account		
Schedule - 11 Sales		
Sale Export	1170326547	2138589212
Sale Domestic	53534649	273541007
Processing Charges	255968526	169637062
Export Incentives	89124324	234862738
	<u>1568954046</u>	<u>2816630019</u>
Schedule - 12 Other Income		
Interest*	1496417	3230901
Profit on Sale of Fixed Assets	884183	537838
Dividend from non-trade current investment	0	9233
Profit on Sale of non-trade current investment	0	200256
Provision for Diminution in Investment-Written Back	0	3303068
Other Income	1942835	1917026
	<u>4323435</u>	<u>9198322</u>
*Tax Deducted at Source Rs 122707/- (Previous Year Rs. 262520/-).		

**Schedules Forming Part Of Profit & Loss Account**

(Figures in Rupees)

	SCHEDULE No.	AS AT 31.03.2011	AS AT 31.03.2010
Schedule - 13 Manufacturing, Administrative And Other Expenses			
Raw Material Consumed		675798948	1095096603
Store Consumed		9605336	20558120
Salary & Wages		161797531	242579856
Directors' Remuneration		2850000	3520000
Welfare Expenses		4189463	6094146
Contribution To P.F. and Other Funds		18631477	27632089
Power & Fuel		140421357	151510359
Job Work Charges		248154638	423409456
Repair & Maintenance			
- Plant & Machinery		22713159	30162228
- Building		1843387	4360192
- Others		1957636	3739219
Advertisement & Publicity		510293	159194
Travelling & Conveyance		5052363	14314142
Printing & Stationery		2231647	4507896
Postage Telegram and Telephone		4882358	12893383
Insurance		2295561	2762896
Auditors Remuneration			
- Audit Fees		970640	1180210
- Tax Audit Fees		132360	220600
- Other Services		0	4800
Legal & Professional Charges		1788224	2349163
Rent		300000	4790460
Rates & Taxes		2028104	2316435
Vehicle Running & Maintenance		1600024	3723049
Sales Promotion		2937430	6776955
Selling Expenses		135659408	202780055
Miscellaneous Expenditure		22107987	65379637
Diminution in value of current investment		15200	0
Loss On Sale Of investment		4599200	911175
Loss On Sale Of Fixed Assets		1700365	1805769
Provision for doubtful debts		37876173	6427968
Advance/Debtors written off		70521686	7869697
	A	1585171955	2349835752
Add/(Less) : Decrease/(Increase) in Stock			
Opening Stock			
- Finished Goods		355197372	647341324
- Work In Progress		579585115	810960197
- Scrap		102018	581970
	B	934884505	1458883491
Closing Stock			
- Finished Goods		127437068	355197372
- Work In Progress		284104771	579585115
- Scrap		0	102018
	C	411541839	934884504
	D (B-C)	523342666	523998987
	A+D	2108514622	2873834739
Schedule - 14 Financial Charges			
Interest			
- Term Loans		34012795	26860274
- Others		52800173	82003496
Bank & Financial Charges		9465297	26306259
		96278265	135170029



SCHEDULE- 16. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2. USE OF ESTIMATES

The preparation of financial statements require estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statement and the reported amount of revenue and the expenses during the reporting period . Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

3. FIXED ASSETS

Fixed assets are stated at cost net of Modvat/Cenvat/VAT wherever availed, less accumulated depreciation. Cost of fixed assets comprises purchase price, duties, levies, borrowing cost and any directly attributable cost of bringing the assets to its working condition for the intended use. Advance paid towards the acquisition of fixed assets and the cost of assets not ready to put to use before the year end, are disclosed under capital work in progress.

4. INTANGIBLE ASSETS

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

5. IMPAIRMENT OF ASSETS

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

6. DEPRECIATION

Depreciation on all plant and machinery is provided on the Written Down value method at the rate and in the manner prescribed in schedule XIV to the Companies Act 1956.

Depreciation on other fixed assets is provided on straight Line Method at the rate and in the manner prescribed in schedule XIV to the Companies Act 1956.

Depreciation is charged on pro-rata basis for assets purchased / sold during the year. Individual assets costing Rs. 5000/- or less are depreciated in full, in the year of purchase. Depreciation on incremental cost arising on account of translation of foreign currency liabilities (capitalized up to 31st March, 2007) for acquisition of fixed assets is provided as aforesaid over the residual life of the respective assets.

7. INVESTMENTS

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

8. INVENTORY VALUATION

Inventories are valued at lower of cost or net realizable value except scrap, which is valued at net realizable value. The cost is determined by using First in First out (FIFO) method.

Finished goods & work in progress includes costs of conversion & other costs incurred in bringing the inventories to their present location & condition.

9. SALES

Sales are net of sales tax.

10. PROCESSING CHARGES

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

11. PURCHASE OF RAW MATERIALS:

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

12. BORROWING COST:

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

13. DIVIDEND INCOME:

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

14. CLAIMS:

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

15. FOREIGN CURRENCY TRANSACTIONS

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

16. INCOME TAX

Provision for current income tax is made after taking credit for allowances and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the company accepts the said liabilities.

In accordance with the Accounting standard 22 – 'Accounting for Taxes on income', the deferred tax for timing differences between the book & tax profit is accounted for using the tax rates and the tax laws that have been enacted or substantially enacted as of the balance sheet date.

Deferred tax assets arising from temporary timing difference are recognized to the extent there is virtual certainty that the assets can be realized in future.

17. EMPLOYEE'S BENEFITS

i. Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which related service is rendered.

ii. The company has defined contribution plan for post retirements benefits, namely, Employee Provident Fund Scheme administered through provident fund commissioner and the company's contribution are charged to revenue every year.

iii. Company's contribution to state plans namely Employees State Insurance Fund is charged to revenue every year.

iv. The company has defined benefit plans namely Leave encashment / Compensated absence and Gratuity, the liability for which is determined on the basis of an Actuarial valuation at the end of the year. Gratuity Trust is administered through Life Insurance Corporation of India.

v. Termination benefits are recognized as an expense immediately.

vi. Gain or Loss arising out of actuarial evaluation is recognized immediately in the profit and loss account as income or expense.

18. VAT

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

19. PROVISION AND CONTINGENT LIABILITIES

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

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

20. FINANCIAL DERIVATIVE AND HEDGING TRANSACTION

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

SCHEDULE- 17 NOTES TO ACCOUNTS

1. CONTINGENT LIABILITIES

(Rs. In Lacs)

	As At 31.03.2011	As At 31.03.2010
(i) Bank Guarantee for A.E.P.C. and Custom Duty	0.51	0.51
(ii) Bills Discounted	99.00	1060.07
(iii) Outstanding Letter of Credit (Net of Margin money (P.Y. 167.24 Lacs))	NIL	NIL
(iv) Income Tax Act 1961 (disallowances)	145.12	418.36
(v) Disputed Liability towards Provident Fund and E.S.I (Net of paid under protest)	NIL	15.32
(vi) Disputed Liability towards Sales Tax (Net of paid under protest)	NIL	71.83
(vii) Surety given to Sales Tax Department for third party	1.00	1.00



2. In case of default in repayment of principal amount of the term loans taken from IDBI or interest thereon IDBI has a right to convert at par at its option 100% of the defaulted amount into fully paid up equity shares of the company. The balance of aforesaid loans as at 31.03.2011 is Rs.73.35 Lacs. (As at 31.03.2010 is Rs. 255.12 Lacs)
3. Remuneration Paid to Directors (Including Managing Director)

(Rs. In Lacs)		
	As At 31.03.2011	As At 31.03.2010
Salary & Allowances	28.50	35.20

Note: It does not include:-

- (1) Provisions for contribution to employee retirement / post retirement and other employee benefits which are based on actuarial valuations done on an overall company basis.
- (2) Insurance premium paid under Group Medical policy in which separate premium paid for executive directors is not separately available.
4. The Company has given securities of Rs.275 lacs (Previous Year Rs. 275 lacs) and invested Rs.343.15 lacs (Previous Year Rs. 343.15 lacs) in the equity share capital of M/S Elkay Strips Ltd., Subsidiary Company which has negative NAV but the market value of land and building is high.
5. The company has disposed off the equity shares of:
M/s Elkay International Ltd. On December 19,2010 (40,000 shares) & on February 03 2011 (6,26,500 shares) at Rs. 21.33 Lacs, based on the Valuation report of M/s. Diwan P.N. Chopra.
M/s Sadhu Forging Ltd. On December 19,2010 (4,814 shares) & on January 20,2011 (2407 shares) at face value.
6. Interest income includes Rs. 1.16 Lacs (Previous Year Rs 15.73 Lacs) on loans to body corporate, Rs.13.80 Lacs (Previous Year Rs. 11.36 Lacs) on fixed deposit with bank.
7. In some cases, the company has received intimation from micro & small enterprises under "The micro, small and medium Enterprises Development Act 2006". The amount remaining unpaid as at 31st March 2011 was Rs.Nil (Previous year Rs.2.29 Lacs) No payments beyond the appointed date were noticed. No interest was paid or payable under the act.

10. Statement of Transactions with Related Parties

(I) Relationships

Subsidiaries	Associates	Enterprises over which Key Management Personnel and their relative are able to exercise significant influence	Key Management Personnel (KMP)	Relatives of Key Management Personnel
Elkay Strips Ltd. (From 7th Feb, 2010)	Elkay Strips Ltd. (Upto 6th Feb, 2010)	M/s Elkay Telelinks Ltd.	Sh H R Gupta	Ms Punita Jindal
M/s Sadhu Auto Parts Pvt Ltd (Formerly known as SPL Overseas)	Sh Vijay Jindal	Ms Nikita Garg		
		M/s Elkay International Ltd.	Sh Mukesh Aggrawal	Mr. Praveen Garg
		M/s. Sadhu Forging Ltd.	Sh Pankaj Garg	Ms Sunita Garg
			Sh Anil Garg	
			Sh. Praveen Garg (Upto 30 Sep, 2009)	
			Sh. Nishant Aggarwal (Upto 30 Sep, 2009)	

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

8. Segment Information:

a) Primary Segment Reporting by Business Segment:

Primary business segment of the company is sale of cotton knitted garments and made ups i.e. T-Shirts, Bed Sheets etc, which in the context of Accounting Standard 17 on "Segment Reporting" as notified in Companies (Accounting Standard) Rules, 2006.

b) Secondary Segment Reporting (By Geographical Segments):

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

(Rs.In Lacs)

		Current Year	Previous Year
(i)	Sales to Overseas Market	11703.26	21385.89
(ii)	Sales to Domestic Market	3095.03	4431.78
		14798.30	25817.67
(i)	Export debtors	2501.56	3393.23
(ii)	Domestic debtors	338.60	836.14
		2840.15	4229.37

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

9. Unhedged Foreign Currency Exposure Outstanding as on 31.3.2011

(Amount in Lacs)

	Assets	Foreign Currency	Equivalent INR
(i)	Receivables	49.45	223.22

SPL INDUSTRIES LTD.



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

(Rs in Lacs)										
Transactions	2010-2011					2009-2010				
	Subsidiaries	Associate	Enterprise over which key management personnel and their relative are able to exercise significance influence	Key Management personnel and their relatives	Total	Subsidiaries	Associates	Enterprise over which key management personnel and their relative are able to exercise significance influence	Key Management personnel and their relatives	Total
Purchase of capital goods										
Elkay Strips Ltd.	.31				.31					
Elkay Telelinks Ltd.								0.47		0.47
Total (A)	.31				.31			0.47		0.47
Purchase/Job Work										
Elkay Strips Ltd.	.80				.80					
Elkay Telelinks Ltd.								4.84		4.84
Total (B)	.80				.80			4.84		4.84
Sale of Goods & Job work										
Elkay International Ltd.			100.05		100.05					
Elkay Strips Ltd.	60.34				60.34					
Elkay Telelinks Ltd.			.66		.66			0.18		0.18
Sadhu Auto Parts Pvt Ltd.			.16		.16			0.71		0.71
Total (C)	60.34		100.87		161.21			0.89		0.89
Rent										
Mode Prints Ltd.						3.00				3.00
Elkay Strips Ltd	3.00				3.00	0.87	5.13			6.00
Elkay Telelinks Ltd								31.10		31.10
Elkay International Ltd.								7.80		7.80
Total (D)	3.00				3.00	3.87	5.13	38.90	0.00	25.00
Paid By Co. on their behalf										
Mode Prints Ltd.						1.85				1.85
Sadhu Auto Parts Pvt Ltd.										
Elkay Strips Ltd						0.64				0.64
Total(E)						2.49				2.49
Managerial Remuneration										
Mr. H. R. Gupta				6.00	6.00				7.80	7.80
Mr. Vijay Jindal									6.00	6.00
Mr. Praveen Garg									3.00	3.00
Mr. Mukesh Aggarwal				12.00	12.00				6.00	6.00
Mr. Nishant Aggarwal									3.00	3.00
Mr. Pankaj Garg				4.50	4.50				5.40	5.40
Mr. Anil Garg				6.00	6.00				4.00	4.00
Total (F)				28.50	28.50	0.00	0.00	0.00	35.20	35.20
Salary to KMP Relatives										
Ms Punita Jindal				1.25	1.25				2.75	2.75
Ms Nikita Garg				1.75	1.75				4.20	4.20
Ms Richa Jindal									0.20	0.20



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(Rs in Lacs)										
Transactions	2010-2011					2009-2010				
	Subsidiaries	Associate	Enterprise over which key management personnel and their relative are able to exercise significance influence	Key Management personnel and their relatives	Total	Subsidiaries	Associates	Enterprise over which key management personnel and their relative are able to exercise significance influence	Key Management personnel and their relatives	Total
Ms Kiran Aggarwal									2.00	2.00
Ms Suditi Garg									0.90	0.90
Ms Swati Aggarwal									4.00	4.00
Ms Shashi Aggarwal									4.00	4.00
Mr. Praveen Garg				2.50	2.50				3.00	3.00
Ms Sunita Garg				2.50	2.50				6.00	6.00
Total (G)				8.00	8.00	0.00	0.00	0.00	27.05	27.05
Interest Received										
Elkay Telelinks Ltd.										
Total(H)										
Amount Recoverable										
Elkay Strips Ltd	281.74				281.74		275.00			275.00
Elkay International Ltd.			2.49		2.49					
Elkay Telelinks Ltd.			.81		.81			6.25		6.25
Mode Prints Ltd.										
Sadhu Auto Parts Pvt Ltd.								215.37		215.37
Total (I)	281.74		3.30		285.04	0.00	275.00	221.62	0.00	496.62
Amount Payble										
Elkay International Ltd.								7.02		7.02
Sadhu Auto Parts Pvt Ltd.			14.50		14.50					
Ms Punita Jindal									0.17	0.17
Ms Nikita Garg									0.34	0.34
Ms Richa Jindal										
Ms Kiran Aggarwal										
Ms Swati Aggarwal										
Ms Shashi Aggarwal										
Ms Sunita Garg									5.52	5.52
Mr. H. R. Gupta										
1.16										0.92
Mr. Vijay Jindal										0.92
Mr. Praveen Garg										0.92
Mr. Mukesh Aggarwal										0.92
Mr. Nishant Aggarwal										0.69
Mr. Pankaj Garg										
Total (J)			14.50		14.50	5.08	0.00	7.02	0.95	13.05
Loans and Advance Given										
Elkay Strips Ltd										0.30
Total (k)							0.30			0.30



11. Deferred Tax

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

(Rs. In Lacs)

	AS at 31.03.2011	AS at 31.03.2010
(1) Deferred liability on account of:		
Timing difference between book & tax depreciation	798.98	876.64
	798.98	876.64
(2) Deferred Assets on account of:		
Disallowance under section 43B	NIL	56.99
Loss under Income Tax Act	367.08	119.90
	367.08	176.89
Net Deferred Tax Liability	431.90	699.75

12. Calculation of Earning Per Share

a) Weighted Average number of Equity Shares		
Number of equity share at the commencement of the year (Nos.)	2,90,00,004	2,90,00,004
b) Net profit/ (Loss) available for Equity Share holders	(69,77,11,987)	(36,74,81,490)
c) Basic & Diluted earning per share (b/a) (Rs.)	(24.06)	(12.67)

13. In compliance with the accounting standards 15 (revised 2005) "Employee Benefits" The company has got the employee benefits evaluated from actuarial valuer.

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

A. Provident Fund

During the year the Company has recognized Rs. 183.70 Lacs in the Profit and Loss account.

B. State Plans

Employer's contribution to Employee State insurance.

Employer's contribution to Welfare Fund.

During the year the Company has recognized Rs. 62.00 Lacs in the Profit and Loss accounts.

C. Defined Benefit Plans

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

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

i) Actuarial Assumptions (Rs. In Lacs)

	Current Year		Previous Year	
	Leave Encashment / Compensated Absence	Employee Gratuity Fund	Leave Encashment / Compensated Absence	Employee Gratuity Fund
Discount Rate (per annum)	8.00%	8.00%	7.60%	7.60%
Rate of increase in compensation levels	6%	6%	6%	6%
Rate of return on plan assets.	-	8.15%	-	8.65%
Expected Average remaining working lives of employees (years)	24 Years	24 Years	26 Years	26 Years

ii) Change in the obligation during the year

	Current Year		Previous Year	
	Leave Encashment / Compensated Absence	Employee Gratuity Fund	Leave Encashment / Compensated Absence	Employee Gratuity Fund
Present value obligation (Opening Balance)	100.55	132.00	116.42	115.28
Interest cost	5.81	8.09	6.49	6.94
Past Service cost	NIL	0.79	NIL	NIL
Current service cost	13.95	5.83	24.05	24.57
Curtailement cost	NIL	NIL	NIL	NIL
Settlement cost	NIL	NIL	NIL	NIL
Benefits Paid (out of own funds+plan assets)	(89.15)	(37.86)	(58.47)	(28.10)
Actuarial (gain)/ loss on Obligations	(1.23)	(45.95)	12.06	13.31
Present value obligation (Closing Balance)	29.93	62.90	100.55	132.00

iii) **Change in fair value plan Assets**

(Rs. In Lacs)

	Current Year	Previous Year
	Employee Gratuity Fund	Employee Gratuity Fund
Fair value of Plan Assets (Opening Balance)	107.16	70.22
Expected return on Plan Assets	7.40	6.84
Contributions	.25	41.58
Benefits Paid (out of plan assets)	36.08	(11.25)
Actuarial gain/ (loss) on Obligations	0	(0.23)
Fair value of Plan Assets (Closing Balance)	78.74	107.16

iv) **Reconciliation of Present value of Defined Benefit obligation and Fair value of Assets**

	Leave Encashment / Compensated Absence	Employee Gratuity Fund	Leave Encashment / Compensated Absence	Employee Gratuity Fund
Present value obligation (Closing Balance)	29.93	62.90	100.55	132.00
Fair value of Plan Assets (Closing Balance)	-	78.74	-	107.16
Funded Status (asset)	-	(15.84)	100.55	24.84
Present value of un-funded obligation (Closing Balance)	29.93	-	-	-
Un-funded Actuarial (gains)/ losses	-	-	-	-
Un-funded Net Asset/ (Liability) recognised in Balance Sheet.	(29.93)	-	(100.55)	(24.84)

v) **Expenses recognised in Profit and Loss Account**

	Leave Encashment / Compensated Absence	Employee Gratuity Fund	Leave Encashment / Compensated Absence	Employee Gratuity Fund
Current service cost	13.95	5.83	24.06	24.57
Past Service cost	-	.79	-	-
Interest cost	5.81	8.09	6.49	6.94
Expected return on Plan Assets	-	(7.40)	-	(6.84)
Curtailement cost	-	-	-	-
Settlement cost	-	-	-	-
Net Actuarial (gain)/ loss recognised during the year	(1.23)	(45.95)	12.06	13.54
Total Expense recognised in Profit and Loss Account	18.53	(38.64)	42.61	38.21

14. In opinion of Board of Director; Fixed Assets, Currents Assets, Loans and Advances have a value on realization in ordinary course of business at least equal to the amount at which they are stated in Balance- Sheet and the provision for all the liability have been made in the books of accounts, which have been relied upon by the Auditors.
15. Personal accounts are subject to adjustment / reconciliation / confirmation.
16. Previous year figures have been regrouped/ rearranged, wherever considered necessary.

Auditors' Report
As Per Our Report Attached

For Mehra Goel & Co.
Chartered Accountants
(Firm registration No. 000517N)

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

H.R. Gupta
(Chairman Cum Managing Director)

Vijay Jindal
(Director)

Mukesh Aggarwal
(Director)

Anil Garg
(Director)

Place : New Delhi
Date : 06th Jun, 2011

SPL INDUSTRIES LTD.



CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE PERIOD ENDED 31ST MARCH, 2011

	Year ended 31.03.2011 (Rs. In Lacs)	Year ended 31.03.2010 (Rs. In Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and before/prior period/extra ordinary items	(6,821.99)	(3,326)
Adjustment for :		
Depreciation/Amortisation	564.28	737
Provision for retirement benefit	(109.53)	(36)
Interest and financial charges	962.78	1,430
(Profit)/ Loss on Sale of Fixed Assets (Net)	8.16	13
(Profit)/ Loss on Sale of Investment (Net)	45.98	(909)
Provision for diminution of Investment	0.15	(33)
Provision for tax/Tax for Earlier years		33
Bad Debts/provision for doubtful debts	1,064.56	64
Deferred Tax liability		
Dividend Received on non trade Current Investment	-	-
Profit on sale of non trade Current Investment	-	-
Interest Income on Loan to Body Corporates	(1.16)	(17)
Interest Income on Loan other to Body Corporates	(13.80)	-
Exchange Fluctuation	(57.45)	293
Operating Profit Before Working Capital Change	(4,358.00)	(1,751)
Adjustment for :		
(Increase)/Decrease in Trade and Other Receivable	1,788.81	(965)
(Increase)/Decrease in Inventories	5,962.03	5,694
Increase/(Decrease) in Trade Payable	(1,915.90)	(533)
Cash Generated from operations	1,476.93	2,444
Direct Taxes Paid	(114.07)	(205)
Cash Flow before prior period & Extraordinary items	1,362.86	2,239
Prior Period Items	-	(349)
Net Cash (Used in) From Operating Activities	1,362.86	1,891
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets(Including capital work in progress) & Intangible Assets	(48.97)	(85)
Sale/Damage of Fixed Assets	146.33	39
Interest Income on Loan to Body Corporates	7.46	17
Interest Income on Loan other to Body Corporates	24.54	
Sale of Investment	104.55	1,359
Dividend Received on non trade Current Investment	-	-
Purchase of investment	(8.53)	(75)
Refund of Advance for Investment		
(Increase)/Decrease in Loan to Body Corporates	-	133
Net Cash (Used in) /from investing activities	225.39	1,388
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital Including Share Premium		-
Capital Subsidy Received		
Repayment of Long Term Borrowings	(947.80)	(1,089)
Proceed from Long Term Borrowings	-	3,246
Short-term borrowing (Net)	103.34	(4,235)
Interest Paid	(964.87)	(1,435)
Exchange Fluctuation		33
Net Cash (Used in)/from Financing Activities	(1,809.33)	(3,478)
Net increase (decrease) in Cash and Cash equivalents (A+B+C)	(221.08)	(199)
Cash and Cash equivalents at beginning of the Year	400.20	599
Add: Cash and cash equivalents received on AQUISITION OF SUBSIDIARY		-
Less: Cash and cash equivalents on Disposal OF SUBSIDIARY		-
Cash and Cash equivalents at the end of the Period/Year	179.11	400
	179.11	400

NOTES

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

Auditors' Report
As Per Our Report Attached

For Mehra Goel & Co.
Chartered Accountants

H.R.GUPTA
(Chairman Cum M D)

MUKESH AGGARWAL
Director

R.K. Mehra
(Partner)
M.No. 6102
FRN : 000517N

Anil Garg
Director

Vijay Jindal
Director

Place : New Delhi
Date : 06th Jun, 2011



Balance Sheet Abstracts & Company's General Business Profile

I. Registration Details

Registration No.

6	2	7	4	4
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 State Code

5	5
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 Balance Sheet Date

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2	0	1	1
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II. Capital Raised during the year (Amount in Rupees Thousands)

Public Issue

		N	I	L		
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 Right Issue

		N	I	L		
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 Bonus Issue

		N	I	L		
--	--	---	---	---	--	--

 Private Placement

		N	I	L		
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III. Position of Mobilisation and Deployment of Funds (Amount in Rupees Thousands)

Total Liabilities <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>6</td><td>8</td><td>4</td><td>1</td><td>1</td><td>0</td><td>7</td><td>6</td><td>7</td></tr></table>	1	6	8	4	1	1	0	7	6	7	Total Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>6</td><td>8</td><td>4</td><td>1</td><td>1</td><td>0</td><td>7</td><td>6</td><td>7</td></tr></table>	1	6	8	4	1	1	0	7	6	7
1	6	8	4	1	1	0	7	6	7												
1	6	8	4	1	1	0	7	6	7												
Sources of Funds	Application of Funds																				
Paid-up Capital <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>9</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>4</td><td>0</td></tr></table>	2	9	0	0	0	0	0	4	0	Net Fixed Assets Including C. WIP) <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>5</td><td>7</td><td>7</td><td>4</td><td>3</td><td>5</td><td>0</td><td>7</td><td>6</td></tr></table>	5	7	7	4	3	5	0	7	6		
2	9	0	0	0	0	0	4	0													
5	7	7	4	3	5	0	7	6													
Reserves & Surplus <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>4</td><td>9</td><td>9</td><td>8</td><td>5</td><td>2</td><td>0</td><td>2</td><td>6</td></tr></table>	4	9	9	8	5	2	0	2	6	Investments <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td>3</td><td>5</td><td>1</td><td>5</td><td>2</td><td>9</td><td>7</td><td>0</td></tr></table>		3	5	1	5	2	9	7	0		
4	9	9	8	5	2	0	2	6													
	3	5	1	5	2	9	7	0													
Deferred Tax Liability <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>4</td><td>3</td><td>1</td><td>9</td><td>0</td><td>0</td><td>0</td></tr></table>			4	3	1	9	0	0	0	Net Current Assets <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>7</td><td>1</td><td>5</td><td>6</td><td>7</td><td>5</td><td>2</td><td>3</td><td>8</td></tr></table>	7	1	5	6	7	5	2	3	8		
		4	3	1	9	0	0	0													
7	1	5	6	7	5	2	3	8													
Secured Loans <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>8</td><td>5</td><td>1</td><td>0</td><td>6</td><td>8</td><td>7</td><td>0</td><td>1</td></tr></table>	8	5	1	0	6	8	7	0	1	Profit/Loss Account <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>5</td><td>5</td><td>8</td><td>4</td><td>7</td><td>4</td><td>8</td><td>3</td></tr></table>	3	5	5	8	4	7	4	8	3		
8	5	1	0	6	8	7	0	1													
3	5	5	8	4	7	4	8	3													
Unsecured Loans <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>N</td><td>I</td><td>L</td><td></td><td></td><td></td><td></td></tr></table>			N	I	L					Miscellaneous Expenditure <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>N</td><td>I</td><td>L</td><td></td><td></td><td></td><td></td></tr></table>			N	I	L						
		N	I	L																	
		N	I	L																	

IV. Performance of Company (Amount in Rupees Thousands)

Turnover <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>5</td><td>7</td><td>3</td><td>2</td><td>7</td><td>7</td><td>4</td><td>8</td><td>1</td></tr></table>	1	5	7	3	2	7	7	4	8	1	Total Expenditure <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>2</td><td>6</td><td>1</td><td>2</td><td>2</td><td>1</td><td>0</td><td>6</td><td>1</td></tr></table>	2	2	6	1	2	2	1	0	6	1				
1	5	7	3	2	7	7	4	8	1																
2	2	6	1	2	2	1	0	6	1																
Profit/Loss before tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>+</td><td>-</td><td></td><td>6</td><td>8</td><td>7</td><td>9</td><td>4</td><td>3</td><td>5</td><td>8</td><td>0</td></tr></table>	+	-		6	8	7	9	4	3	5	8	0	Profit/Loss after tax <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>+</td><td>-</td><td></td><td>6</td><td>9</td><td>7</td><td>7</td><td>1</td><td>1</td><td>9</td><td>8</td><td>7</td></tr></table>	+	-		6	9	7	7	1	1	9	8	7
+	-		6	8	7	9	4	3	5	8	0														
+	-		6	9	7	7	1	1	9	8	7														
& Exceptional items																									
Earning per share (in Rs) <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>N</td><td>I</td><td>L</td><td></td><td></td><td></td><td></td><td></td></tr></table>			N	I	L						Dividend Rate (%) <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>N</td><td>I</td><td>L</td><td></td><td></td><td></td><td></td><td></td></tr></table>			N	I	L									
		N	I	L																					
		N	I	L																					

V. Generic Names of Three Principal Products / Services of the Company (As per monetary terms)

Item Code No. (ITC Code)

6	1	0	9
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 to

6	1	1	1
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 Product Description

T	-	S	H	I	R	T	S		B	A	B	I	E	S		G	A	R	M	E	N	T	S		O	F	
C	O	T	T	O	N																						

Item Code No. (ITC Code)

6	0	0	2
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 Product Description

K	N	I	T	T	E	D		F	A	B	R	I	C		O	F		C	O	T	T	O	N				
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By Order of the Board
For and on behalf of the Board
For SPL Industries Ltd.

H.R. Gupta
(Chairman & Managing Director)

MUKESH AGGARWAL
DIRECTOR

Place: New Delhi
Date: June 30th, 2011

Vijay Jindal
Director

ANIL GARG
DIRECTOR



SPL INDUSTRIES LTD.

STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT 1956, RELATING TO SUBSIDIARY COMPANY

1. Name of the Subsidiary Company	ELKAY STRIPS LTD.
2. Period ending for the Subsidiary	31st March, 2011.
3. Number of shares held by M/S SPL Industries Ltd., in its subsidiary company at the end of the period.	255364
4. Extent of Interest of Holding Company at the end of the financial year of the subsidiary Company	95.68%
5. The net aggregate amount of the subsidiary company profit/loss so far as it concerns the members of the holding company.	95.68%
(a) Dealt within the accounts of the holding company amounting to(in Rs.)	-
(i) for the subsidiary period ending	-
(ii) for the previous financial year of the subsidiary company.	-
(b) Not dealt with in the accounts of the subsidiary company amounting to (in Rs)	
(i) for the subsidiary period ending	NIL
(ii) for the previous financial year of the subsidiary company.	NIL

By Order of the Board
For and on behalf of the Board
For SPL Industries Ltd.

H.R. Gupta
(Chairman & Managing Director)

MUKESH AGGARWAL
DIRECTOR

Place: New Delhi
Date: June 30th, 2011

Vijay Jindal
Director

ANIL GARG
DIRECTOR

AUDITORS REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of SPL Industries Ltd.

We have examined the attached consolidated Balance Sheet of SPL Industries Limited, and its subsidiary (collectively the group) as at 31st March 2011 and the consolidated profit & Loss Account for the year ended annexed thereto and the Consolidated Cash Flow statement for the year ended on the date.

These consolidated 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. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiary, whose financial statements reflect total assets/Liabilities of Rs. 281.24. lacs as at 31st March, 2011, total revenue of Rs.227.99 lacs and net cash outflow amounting to Rs 1.04 lacs. The other auditors whose reports have been furnished to us have audited these financial statements, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors.

1. The turnover of the Group has reduced to Rs 15896.31 lacs for the year ended 31st March 2011 from Rs. 28166.30 lacs for the year ended as on 31st March 2010. The Group has suffered loss after tax of Rs 7009.45 lacs for the year ended 31st March 2011 as against loss after tax of Rs. 3630.43 lacs for the year ended 31st March 2010. During the previous year the Group had permanently closed down its two units and the other one unit has remained partly closed during the year. The results for the year have been prepared on Going Concern basis, however, the future of the Group depends upon the strengthening of the marketing division and the infusion of the fund by the promoters of the company/ Group.
2. (a) Impairment loss had not been worked out / provided in the books for the assets of units closed down during the current/ previous year. Further, impairment test/working has not been carried out for the remaining units of the SPL Industries Ltd., which constitute a departure from the Accounting Standard – 28 on 'Impairment of Assets' as notified in Companies (Accounting Standard) Rules, 2006. The amount of impairment loss is not ascertained.
2. (b) The SPL Industries Ltd. has entered into transactions with companies/firms covered under section 301 of the Companies Act, 1956, which requires permission from Central Government.
2(c) As per information given to us, the management is in process of identifying slow moving/non moving/obsolete stocks, lying as finished goods/ work-in-progress and raw material. The financial effect of such material has not been ascertained by the management.
2. (d) SPL Industries Ltd. has made the payment of Rs. 28.50 Lacs as managerial remuneration to the whole time Directors of the Company for the financial year 2010-11, which is contrary to the Board of Directors resolution dated 14-02-2011 stating that due to losses in the Company directors has decided not to draw any remuneration for the year.
3. Further to our comments in the Annexure referred to in paragraph (1) above and subject to our observation in paragraph (2) & (3) above, the effect of which is not ascertained, we report that:
3. (a) We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, as notified in companies (Accounting Standard) Rules , 2006 and on the basis of the separate audited financial statements of the Company and its Subsidiary included in the consolidated financial statements.
3. (b) On the basis of the information and explanations given to us and on the consideration of separate audit reports on individual audited statements of the Company, and its subsidiary, we are of the opinion that said consolidated accounts 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 group and its subsidiary as at 31st March 2011 ;
 - (b) in the case of Consolidated Profit and Loss Account, of the Consolidated loss of the group for the year then ended; and
 - (c) in the case of Consolidated Cash Flow statement, of the consolidated Cash Flow of the group for the year then ended.

For Mehra Goel & Co.
Chartered Accountants
(Firm Registration No. 000517N)

R.K. Mehra
Partner
M.No: 6102

Dated: June 06, 2011
Place: New Delhi



SPL INDUSTRIES LTD.

Consolidated Balance Sheet As At 31st March, 2011

(Figures in Rupees)

	SCHEDULE No.	AS AT 31.03.2011	AS AT 31.03.2010
I Sources of Funds			
(1) SHAREHOLDERS' FUND			
(a) Share Capital	1	290,000,040	290,000,040
(b) Reserves & Surplus	2	499,852,027	828,222,457
(2) Loan Funds	3		
Secured Loans		851,068,701	935,514,376
(3) Deferred Tax Liability (Refer Note no. 10 of Sch-17)		44,624,942	71,409,460
Total		<u>1,685,545,710</u>	<u>2,125,146,333</u>
II Application Of Funds			
(1) Fixed/Intangible Assets	4		
(a) Gross Block		1,416,225,175	1,458,269,091
(b) Less : Depreciation		815,322,844	788,881,358
(c) Net Block		600,902,331	669,387,733
(3) Investment	5	837,800	15,053,709
(4) Goodwill on consolidation		23,218,972	23,218,972
(5) Current Assets, Loans And Advances			
(a) Inventories	6	497,055,670	1,093,258,697
(b) Sundry Debtors	7	244,573,853	422,937,746
(c) Cash & Bank Balances	8	20,202,434	42,415,260
(d) Loans & Advances	9	251,756,800	472,255,617
		1,013,588,757	2,030,867,321
Less :Current Liabilities And Provisions			
(a) Current Liabilities	10	323,912,957	515,270,039
(b) Provisions		1,664,090	98,111,365
		325,577,047	613,381,403
Net Current Assets		688,011,710	1,417,485,918
Profit & Loss Account		372,574,896	-
Total		<u>1,685,545,710</u>	<u>2,125,146,333</u>
Significant Accounting Policies	15		
Notes To Accounts	16		
Cash Flow Statement	17		

Auditors' Report
As Per Our Report Attached

For Mehra Goel & Co.
Chartered Accountants
(Firm registration No. 000517N)

H.R. Gupta
(Chairman Cum Managing Director)

Mukesh Aggarwal
(Director)

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

Vijay Jindal
(Director)

Anil Garg
(Director)

Place : New Delhi
Date : 06th Jun, 2011

SPL INDUSTRIES LTD.



Consolidated Profit & Loss Account For The Year Ended 31st March, 2011

(Figures in Rupees)

	SCHEDULE No.	Year Ended 31.03.2011	Year Ended 31.03.2010
Income			
Sales	11	1,583,734,795	2,816,630,019
Other Income	12	6,146,629	9,170,565
		<u>1,589,881,423</u>	<u>2,825,800,584</u>
Expenditure			
Manufacturing Administrative & Other Expenses	13	2,126,790,859	2,865,648,896
Financial Charges	14	96,334,782	143,045,002
Depreciation		57,932,702	75,309,855
T/F From Revaluation Reserve		-	(271,343)
		<u>2,281,058,343</u>	<u>3,083,732,410</u>
Profit/(Loss) before taxation & Exceptional Items		(691,176,920)	(257,931,826)
Exceptional Items			
Exchange Loss / (Gain)		(5,745,052)	164,064,521
Prior Period Adjustment for Exchange Loss		-	34,852,860
Profit on Sale of Subsidiary		-	96,709,988
Profit/ (Loss) Before Tax		<u>(685,431,868)</u>	<u>(360,139,219)</u>
Provision For Taxation			-
-- Current Income Tax		(26,784,518)	-
-- Deferred Income Tax		42,220,847	2,820,975
-- Fringe benefit Tax		-	-
Tax Paid for Earlier Years		-	-
-- Wealth Tax		77,130	82,434
Profit/ (Loss) After Tax		<u>(700,945,327)</u>	<u>(363,042,628)</u>
Add share in profit/loss of minority			(20,838)
Add share in Accumulated loss of minority			(82,777)
Add/(Less) :			
Profit Brought Forward From Previous Year		316,746,411	683,225,447
Transfer from General Reserve		11,624,020	-
Add/Less: Adjustment on acquisition/disposal of subsidiaries			3,332,794
		328,370,431	679,892,653
Profit Available for Appropriation		<u>(372,574,896)</u>	<u>316,746,411</u>
APPROPRIATIONS			
Balance Carried to Balance Sheet		<u>(372,574,896)</u>	<u>316,746,411</u>
		<u>(372,574,896)</u>	<u>316,746,411</u>
Basic/Diluted Earning Per Share (Refer Note No. 10 of Sch- 16)		(24.17)	(12.52)
Nominal Value of Equity Share		10	10
Significant Accounting Policies	15		
Notes To Accounts	16		

Auditors' Report
As Per Our Report Attached

For Mehra Goel & Co.
Chartered Accountants
(Firm registration No. 000517N)

H.R. Gupta
(Chairman Cum Managing Director)

Mukesh Aggarwal
(Director)

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

Vijay Jindal
(Director)

Anil Garg
(Director)

Place : New Delhi
Date : 06th Jun, 2011

**Schedules Forming Part Of Balance Sheet**

(Figures in Rupees)

	AS AT 31.03.2011	AS AT 31.03.2010
Schedule - 1 Share Capital		
Authorised		
30,000,000 Equity Shares Of Rs. 10/- Each	340,000,000	30,000,000
Issued Subscribed and Paid Up*		
29,000,004 (Previous year 29,000,004) Equity Shares Of Rs.10/- Each Fully Paid Up	290,000,040	290,000,040
	<u>290,000,040</u>	<u>290,000,040</u>
*Above includes 2 equity shares allotted as fully paid up shares without payment being received in cash on amalgamation of SPL Machines Ltd. with the company and 10,000,002 issued as Bonus share by Capitalization of accumulated balance in Profit & Loss Ac		
Schedule - 2 Reserves And Surplus		
Capital Reserve		
At The Commencement and end of The Year	3,107,174	3,107,174
Securities Premium Account		
At The Commencement of The Year	496,744,853	496,744,853
General Reserve		
At The Commencement and end of The Year	11,624,020	11,624,020
Less: Transfer to Profit & Loss Account	<u>(11,624,020)</u>	-
	-	11,624,020
Revaluation Reserve		
Fixed Assets Revaluation Reserve	-	12,765,395
Less : 1/3 to P/L	<u>(11,624,020)</u>	271,343
	11,624,020	12,494,052
Less: Adjustment on Disposal of Subsidiary	-	(12,494,052)
Profit & Loss Account		
	-	316,746,411
	<u>499,852,027</u>	<u>828,222,457</u>
Schedule - 3 Loan Funds		
Secured		
From Banks		
- CORPORATE LOAN SBI *	184,065,976	248,005,125
- Working Capital Loan *	-	-
In Foreign Currency	87,761,266	127,070,544
In Indian Currency	527,633,380	477,989,807
- Other Term Loan**	1,395,979	3,250,344
Loan From Corporate Bodies**	174,341	755,823
Term Loan From Financial Institution***	-	-
CORPORATE LOAN IDBI	42,702,201	52,930,331
Other	7,335,558	25,512,402
	<u>851,068,701</u>	<u>935,514,376</u>

* 1840.65 Lacs (Previous year 2480.05) and Rs. 5276.33Lacs (Previous year 4730.90 Lacs) are secured by first (exclusive) Charge over factory land & building located at Plot No. 7, Plot No. 22 and Plot No. 39, Sector 6, Faridabad. Rs. 877.61 Lacs (Previous Year 1270.70) are secured by mortgage/ Charge over the property situated at Plot No 128 , Sec - 24 , Faridabad (Haryana) of M/s Elkay Strips Limited and Rs. NIL (Previous Year 49.00 Lacs) are secured by first mortgage and charge on all the company's movable & immovable assets, both present and future, (save and except book debts), pertaining to its unit at plot no 21 , Sector -6, Faridabad, Haryana. All loans secured by first charge on pari passu basis between the working capital lenders on current assets of the company . All loans are further secured by second charge on fixed assets, both present & future (save and except for mortgages and charges created in favour of IDBI FOR Term Loan) and are guaranteed by personal guarantee of CMD and Jt. Managing Director of the Company.

*** Secured by first mortgage and charge on all the company's movable assets, both present and future, (save and except book debts), pertaining to its unit at plot no 21 , Sector -6 , Faridabad, Haryana subject to the charge created / to be created in favour of the company's bankers on current assets for securing borrowings for working capital requirements , and charges created for specific equipments in favour of banks/IDBI, ranking pari passu with the charges created and /or to be created in favour of existing term lenders. The loan is further secured by personal guarantee of CMD and Jt. Managing Director of the Company.



Schedules Forming Part Of Balance Sheet
SCHEDULE - 4 FIXED/INTANGIBLE ASSETS

(Figures in Rupees)

ASSETS	Gross Block			Depreciation			Net Block			
	AS AT 01.04.10	ADDITIONS	SALE/ WRITEOFF	AS AT 31.03.2011	UPTO 01.04.10	FOR THE YEAR FOR THE YEAR	Written Back On Sale	Up TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
TANGIBLE ASSETS										
LAND	109,481,676	-	-	109,481,676	-	-	-	-	109,481,676	109,481,676
BUILDING	190,530,040	-	-	190,530,040	49,624,616	6,363,703	-	55,988,319	134,541,722	140,905,424
PLANT & MACHINERY	1,021,426,330	4,000,108	39,422,008	986,004,430	663,574,042	42,411,772	27,431,167	678,554,647	306,776,429	357,852,288
VEHICLES	26,814,143	260,000	3,473,503	23,600,640	12,321,524	2,435,489	1,534,325	13,222,888	10,377,952	14,492,619
FURNITURE & FIXTURE	26,837,197	74,971	2,766,005	24,146,163	14,332,300	1,458,457	1,595,632	14,195,125	9,951,041	12,504,897
OFFICE EQUIPMENTS	30,555,159	561,844	896,038	30,220,965	21,412,341	3,746,919	546,801	24,612,459	6,281,858	9,142,818
INTANGIBLE ASSETS										
COMPUTER SOFTWARE	2,108,889	-	383,288	1,725,601	2,072,659	11,834	383,288	1,701,205	24,396	36,230
TOTAL	1,407,753,438	4,896,923	46,940,842	1,365,709,515	763,337,483	56,428,174	31,491,213	788,274,443	577,435,074	644,415,955
PREVIOUS YEAR	1,412,817,574	8,737,390	13,801,530	1,407,753,438	698,331,136	73,652,413	8,646,068	763,337,483	644,415,955	



Schedules Forming Part Of Balance Sheet

(Figures in Rupees)

	AS AT 31.03.2011	AS AT 31.03.2010
Schedule - 5 Investment		
(Fully Paid up - Other Than Trade)		
Long Term, Unquoted		
Elkay International Ltd.	-	6,665,000
Nil (Previous year 666500 of 10/- each)		
Sadhu Forging Ltd.	-	7,221,000
Nil (Previous year 7221 of 100/- each)		
(A)	<u>-</u>	<u>13,886,000</u>
Current, Quoted *		
Nil (Previous Year 23499.941) Units of HDFC Floating rate income fund	-	249,404
Nil (Previous Year 100000) Units of UTI Infrastructure Advantage fund	-	1,000,000
44706.499 (Previous Year NIL) units of UTI Infrastructure fund - Dividend plan	853,000	-
	853,000	1,249,404
Less: Diminution in value of Investments	(15,200)	(81,695)
(B)	<u>837,800</u>	<u>1,167,709</u>
Advance for Share Capital	(C)	-
(A+B+C)	<u>837,800</u>	<u>15,053,709</u>
* Aggregate Market Value of Quoted Investments	837,800	1,167,709
Schedule - 6 Inventory		
(As Taken, Valued And Certified By The Management)		
Raw Material	81,803,613	146,943,433
Stores & Spares	3,273,856	5,083,505
Fuel & Furnace Oil	436,363	1,124,750
Work in Progress	284,104,771	579,585,115
Packing Material	-	5,222,504
Finished Goods	127,437,068	355,197,372
Scrap	-	102,018
	<u>497,055,670</u>	<u>1,093,258,697</u>
Schedule - 7 Sundry Debtors		
(Unsecured, Considered Good)		
Debts Outstanding Over Six Months	142,752,668	109,459,386
Others*	101,821,185	313,478,360
	<u>244,573,853</u>	<u>422,937,746</u>
* Includes Rs. 1450261/- (Previous Year Rs.21533778/-) Due from M/s Sadhu Auto Parts Pvt. Ltd. in which two directors of the company are Director/Member.		
Schedule - 8 Cash & Bank Balances		
Cash on Hand	866,520	658,728
Balance With Scheduled Banks		
- in Current Accounts	7,089,261	11,539,319
- in Fixed Deposit Accounts	12,246,552	30,217,113
Balance With Post Office		
- Saving Account	100	100
	<u>20,202,434</u>	<u>42,415,260</u>



Schedules Forming Part Of Balance Sheet

(Figures in Rupees)

	AS AT 31.03.2011	AS AT 31.03.2010
Schedule - 9 Loans & Advances		
(Unsecured, Considered Good)		
Advances Recoverable in Cash Or in Kind or for Value To be Received	145,159,134	189,582,005
Loan & Advances	391,827	8,771,653
Security Deposit	3,762,446	3,775,278
Export Benefit Receivable	80,354,780	129,830,124
Balance With Excise Department	14,527	14,527
Centvat Receivable	10,517,567	12,129,810
Advance Wealth / Income Tax	11,556,519	128,152,220
	<u>251,756,800</u>	<u>472,255,617</u>
Schedule - 10 Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors	209,202,031	420,844,367
Book Overdraft	10,094,382	19,733,162
Interest Accrued but not Due on Loans	567,573	776,216
Advance From Customers	81,540,847	
Other Liabilities	22,508,123	73,916,294
	<u>A</u> <u>323,912,957</u>	<u>515,270,039</u>
Provisions		
Retirement Benefits	1,586,960	12,539,508
Provision for Taxation including Wealth Tax	77,130	85,571,857
	<u>B</u> <u>1,664,090</u>	<u>98,111,365</u>
	A+B <u>325,577,047</u>	<u>613,381,404</u>
	Year Ended 31.03.2011	Year Ended 31.03.2010
Schedule - 11 Sales		
Sale Export	1,190,817,074	2,138,589,212
Sale Domestic	51,657,342	273,541,007
Processing Charges	252,136,055	169,637,062
Export Incentives	89,124,324	234,862,738
	<u>1,583,734,795</u>	<u>2,816,630,019</u>
Schedule - 12 Other Income		
Interest	1,496,417	3,378,144
Profit on Sale of Fixed Assets	884,183	537,838
Dividend from non-trade current investment	-	9,233
Profit on Sale of non-trade current investment	-	200,256
Provision for Diminution in Investment-Written Back	-	3,303,068
Other Income	3,766,029	1,742,026
	<u>6,146,629</u>	<u>9,170,565</u>



Schedules Forming Part Of Profit & Loss Account

(Figures in Rupees)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Schedule - 13 Manufacturing, Administrative & Other Expenses		
Raw Material Consumed	687,833,566	1,095,096,603
Store Consumed	9,606,376	20,558,120
Salary & Wages (Refer Note- 12 of Sch-17)	163,113,821	242,579,856
Directors' Remuneration	2,850,000	3,520,000
Welfare Expenses	4,198,524	6,094,146
Contribution To P.F. and Other Funds	18,677,385	27,632,089
Power & Fuel	140,421,357	151,510,359
Job Work Charges	250,226,235	423,409,456
Repair & Maintenance		
- Plant & Machinery	22,713,159	30,162,228
- Building	1,844,097	4,683,257
- Others	1,980,877	3,739,219
Advertisement & Publicity	510,293	159,194
Travelling & Conveyance	5,279,139	14,314,142
Printing & Stationery	2,296,884	4,507,896
Postage Telegram and Telephone	4,897,898	12,893,383
Insurance	2,366,134	2,818,561
Auditors Remuneration		
- Audit Fees	1,000,640	1,221,150
- Tax Audit Fees	132,360	220,600
- Other Services	-	4,800
Legal & Professional Charges	1,951,502	2,374,363
Rent	-	3,715,460
Rates & Taxes	2,270,638	2,630,419
Vehicle Running & Maintenance	1,677,561	3,723,049
Sales Promotion	3,076,395	6,776,955
Selling Expenses	137,515,610	202,780,055
Miscellaneous Expenditure	22,295,117	65,379,637
Diminution in value of current investment	15,200	-
Loss On Sale Of investment	4,599,200	911,175
Loss On Sale Of Fixed Assets	1,700,365	1,805,769
Provision for doubtful debts	37,876,173	6,427,968
Advance/Debtors written off	70,521,686	7,869,697
	A	
	<u>1,603,448,193</u>	<u>2,349,519,606</u>
Add/(Less) : Decrease/(Increase) in Stock		
Opening Stock		
- Finished Goods	355,197,372	647,341,324
- Work In Progress	579,585,115	810,960,197
- Scrap	102,018	581,970
	B	
	<u>934,884,505</u>	<u>1,458,883,491</u>
Closing Stock		
- Finished Goods	127,437,068	355,197,372
- Goods in Transit	-	-
- Work In Progress	284,104,771	579,585,115
- Scrap	-	102,018
	C	
	<u>411,541,839</u>	<u>934,884,504</u>
	D (B-C)	
	<u>523,342,666</u>	<u>523,998,987</u>
	A+D	
	<u><u>2,126,790,859</u></u>	<u><u>2,873,518,593</u></u>
Schedule - 14 Financial Charges		
Interest		
-- Term Loans	34,012,795	26,860,274
-- Others	52,800,173	82,003,496
Bank & Financial Charges	9,521,814	26,311,535
	<u>96,334,782</u>	<u>135,175,305</u>



SPL INDUSTRIES LTD.

SCHEDULE- 15. SIGNIFICANT ACCOUNTING POLICIES

1. **BASIS OF CONSOLIDATION**

The consolidated financial statements relate to SPL Industries Ltd. (the company) and Mode Prints Ltd. (up to December 17,2009) and Elkay Strips (from February 7,2010), subsidiaries of the company.

A. **BASIS OF ACCOUNTING**

- i. The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company i.e. year ended March 31, 2010.
- ii. The financial statements of the Company and subsidiary companies have been prepared in accordance with the applicable Accounting Standards and generally accepted accounting principles.

B. **PRINCIPALES OF CONSOLIDATION**

The consolidated financial statements related SPL Industries Ltd and its subsidiaries companies.

- i. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 –“Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- ii. The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital reserve as the case may be.
- iii. Minority interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- iv. Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
- v. In case of associates where the company directly or indirectly through subsidiaries holds more than 20 % of equity, investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23- “Accounting for investments in associates in consolidated financial statements” issued by the Institute of Chartered Accountants of India.
- vi. The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profit & losses resulting from transactions between the company and its associates to the extent of its extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.
- vii. The difference between the cost of investment in the associates and the new share of net assets at the unit of acquisition of share in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

2. **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

3. **USE OF ESTIMATES**

The preparation of financial statements require estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statement and the reported amount of revenue and the expenses during the reporting period . Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

4. **FIXED ASSETS**

Fixed assets are stated at cost net of Modvat/Cenvat/VAT wherever availed, less accumulated depreciation. Cost of fixed assets comprises purchase price, duties, levies, borrowing cost and any directly attributable cost of bringing the assets to its working condition for the intended use. Advance paid towards the acquisition of fixed assets and the cost of assets not ready to put to use before the year end, are disclosed under capital work in progress.

5. **INTANGIBLE ASSETS**

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

6. **IMPAIRMENT OF ASSETS**

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

7. **DEPRECIATION**

Depreciation on all plant and machinery is provided on the Written Down value method at the rate and in the manner prescribed in schedule XIV to the Companies Act 1956.

Depreciation on other fixed assets is provided on straight Line Method at the rate and in the manner prescribed in schedule XIV to the Companies Act 1956.

Depreciation is charged on pro-rata basis for assets purchased / sold during the year. Individual assets costing Rs. 5000/- or less are depreciated in full, in the year of purchase. Depreciation on incremental cost arising on account of translation of foreign currency liabilities (capitalized up to 31st March, 2007) for acquisition of fixed assets is provided as aforesaid over the residual life of the respective assets.

8. **INVESTMENTS**

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

9. **INVENTORY VALUATION**

Inventories are valued at lower of cost or net realizable value except scrap, which is valued at net realizable value. The cost is determined by using First in First out (FIFO) method.

Finished goods & work in progress includes costs of conversion & other costs incurred in bringing the inventories to their present location & condition.

10. **SALES**

Sales are net of sales tax.

11. **PROCESSING CHARGES**

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

12. **PURCHASE OF RAW MATERIALS:**

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

13. **BORROWING COST:**

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

14. **DIVIDEND INCOME:**

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

15. **CLAIMS:**

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

16. **FOREIGN CURRENCY TRANSACTIONS**

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

17. **INCOME TAX**

Provision for current income tax is made after taking credit for allowances and exemptions. In case of matters under appeal, due to disallowance or otherwise, provision is made when the company accepts the said liabilities.

In accordance with the Accounting standard 22 – ‘Accounting for Taxes on income’, the deferred tax for timing differences between the book & tax profit is accounted for using the tax rates and the tax laws that have been enacted or substantially enacted as of the balance sheet date.

Deferred tax assets arising from temporary timing difference are recognized to the extent there is virtual certainty that the assets can be realized in future.

18. **EMPLOYEE'S BENEFITS**

- i. Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which related service is rendered.
- ii. The company has defined contribution plan for post retirements benefits, namely, Employee Provident Fund Scheme administered through provident fund commissioner and the company's contribution are charged to revenue every year.
- iii. Company's contribution to state plans namely Employees State Insurance Fund is charged to revenue every year.



- iv. The company has defined benefit plans namely Leave encashment / Compensated absence and Gratuity, the liability for which is determined on the basis of an Actuarial valuation at the end of the year. Gratuity Trust is administered through Life Insurance Corporation of India.
- v. Termination benefits are recognized as an expense immediately.
- vi. Gain or Loss arising out of actuarial evaluation is recognized immediately in the profit and loss account as income or expense.

19. VAT

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

20. PROVISION AND CONTINGENT LIABILITIES

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

2. CONTINGENT LIABILITIES

	As At 31.03.2011	As At 31.03.2010
(i) Bank Guarantee for A.E.P.C. and Custom Duty	0.51	0.51
(ii) Bills Discounted	99.00	1060.07
(iii) Outstanding Letter of Credit (Net of Margin money (P.Y. 167.24 Lacs))	NIL	NIL
(iv) Income Tax Act 1961 (disallowances)	145.12	418.36
(v) Disputed Liability towards Provident Fund and E.S.I (Net of paid under protest)	NIL	15.32
(vi) Disputed Liability towards Sales Tax (Net of paid under protest)	NIL	71.83
(vii) Surety given to Sales Tax Department for third party	1.00	1.00

- 3. In case of default in repayment of principal amount of the term loans taken from IDBI or interest thereon IDBI has a right to convert at par at its option 100% of the defaulted amount into fully paid up equity shares of the company. The balance of aforesaid loans as at 31.03.2011 is Rs.73.35 Lacs. (As at 31.03.2010 is Rs. 255.12 Lacs)

- 4. Remuneration Paid to Directors (Including Managing Director)

(Rs. In Lacs)

	As At 31.03.2011	As At 31.03.2010
Salary & Allowances	28.50	35.20

Note: It does not include:-

- (1) Provisions for contribution to employee retirement / post retirement and other employee benefits which are based on actuarial valuations done on an overall company basis.
- (2) Insurance premium paid under Group Medical policy in which separate premium paid for executive directors is not separately available.

- 5. The company has disposed off the equity shares of:

M/s Elkay International Ltd. On December 19,2010 (40,000 shares) & on February 03 2011 (6,26,500 shares) at Rs. 21.33 Lacs, based on the Valuation report of M/s. Diwan P.N. Chopra.

M/s Sadhu Forging Ltd. On December 19,2010 (4,814 shares) & on January 20,2011 (2407 shares) at face value.

- 6. Interest income includes Rs. 1.16 Lacs (Previous Year Rs 15.73 Lacs) on loans to body corporate, Rs.13.80 Lacs (Previous Year Rs. 11.36 Lacs) on fixed deposit with bank.
- 7. In some cases, the company has received intimation from micro & small enterprises under "The micro, small and medium Enterprises Development Act 2006". The amount remaining unpaid as at 31st March 2011 was Rs.Nil (Previous year Rs.2.29 Lacs) No payments beyond the appointed date were noticed. No interest was paid or payable under the act.
- 8. The losses applicable to minority has exceeded the minority interest in equity of the subsidiary by Rs. 2.43 lacs (P.Y. Rs.1.03 lacs) as at 31st march 2011. The same has been adjusted with the majority interest in consolidated profit and loss account.

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

21. FINANCIAL DERIVATIVE AND HEDGING TRANSACTION

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

SCHEDULE- 16 NOTES TO ACCOUNTS

- 1. The Subsidiary Company considered in the consolidated financial statements is:

Name of the Subsidiaries	Country of Incorporation	Proportion of Ownership Interest
Elkay Strips Ltd (From 7-02-2010)	India	95.68%

(Rs. In Lacs)

9. Segment Information:

a) Primary Segment Reporting by Business Segment:

Primary business segment of the company is sale of cotton knitted garments and made ups i.e. T-Shirts, Bed Sheets etc, which in the context of Accounting Standard 17 on "Segment Reporting" as notified in Companies (Accounting Standard) Rules , 2006 .

b) Secondary Segment Reporting (By Geographical Segments):

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

(Rs.In Lacs)

	Current Year	Previous Year
(i) Sales to Overseas Market	11908.16	21385.89
(ii) Sales to Domestic Market	3096.12	4431.78
	15004.28	25817.67
(i) Export debtors	2503.20	3393.23
(ii) Domestic debtors	338.60	836.14
	2841.80	4229.37

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

- 10. Unhedged Foreign Currency Exposure Outstanding as on 31.3.2011

(Amount in Lacs)

Assets	Foreign Currency	Equivalent INR
(i) Receivables	49.49	224.86



11. Statement of Transactions with Related Parties

(I) Relationships			
Associates	Enterprises over which Key Management Personnel and their relative are able to exercise significant influence	Key Management Personnel (KMP)	Relatives of Key Management Personnel
Elkay Strips Ltd. (Upto 6th Feb, 2010)	M/s Elkay Telelinks Ltd.	Sh H R Gupta	Ms Punita Jindal
	M/s Sadhu Auto Parts Pvt Ltd (Formerly known as SPL Overseas)	Sh Vijay Jindal	Ms Nikita Garg
	M/s Elkay International Ltd.	Sh Mukesh Aggrawal	Mr. Praveen Garg
	M/s. Sadhu Forging Ltd.	Sh Pankaj Garg	Ms Sunita Garg
		Sh Anil Garg	
		Sh. Praveen Garg (Upto 30 Sep, 2009)	
		Sh. Nishant Aggarwal (Upto 30 Sep, 2009)	

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

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

(Rs in Lacs)

Transactions	2010-2011					2009-2010				
	Subsidiaries	Associate	Enterprise over which key management personnel and their relative are able to exercise significant influence	Key Management personnel and their relatives	Total	Subsidiaries	Associates	Enterprise over which key management personnel and their relative are able to exercise significant influence	Key Management personnel and their relatives	Total
Purchase of capital goods										
Elkay Telelinks Ltd.								0.47		0.47
Total(A)	0				0			0.47		0.47
Purchase/Job Work										
Elkay Telelinks Ltd.								4.84		4.84
Total(B)	0				0			4.84		4.84
Sale of Goods & Job work										
Elkay International Ltd.			100.05		100.05					
Elkay Telelinks Ltd.			.66		.66			0.18		0.18
Sadhu Auto Parts Pvt Ltd.			.16		.16			0.71		0.71
Total(C)	0		100.87		100.87			0.89		0.89
Rent										
Elkay Strips Ltd							5.13			5.13
Elkay Telelinks Ltd								31.10		31.10
Elkay International Ltd.								7.80		7.80
Total(D)	0				0		5.13	38.90	0.00	44.03
Paid By Co. on their behalf										
Sadhu Auto Parts Pvt Ltd.										
Elkay Strips Ltd							0.64			0.64
Total(E)							0.64			0.64
Managerial Remuneration										
Mr. H. R. Gupta				6.00	6.00				7.80	7.80
Mr. Vijay Jindal									6.00	6.00
Mr. Praveen Garg									3.00	3.00
Mr. Mukesh Aggarwal				12.00	12.00				6.00	6.00



SPL INDUSTRIES LTD.

(Rs in Lacs)

Transactions	2010-2011					2009-2010				
	Subsidiaries	Associate	Enterprise over which key management personnel and their relative are able to exercise significance influence	Key Management personnel and their relatives	Total	Subsidiaries	Associates	Enterprise over which key management personnel and their relative are able to exercise significance influence	Key Management personnel and their relatives	Total
Ms Shashi Aggarwal									4.00	4.00
Mr. Praveen Garg				2.50	2.50				3.00	3.00
Ms Sunita Garg				2.50	2.50				6.00	6.00
Total(G)				8.00	8.00	0.00	0.00	0.00	27.05	27.05
Interest Received										
Elkay Telelinks Ltd.										
Total(H)										
Amount Recoverable										
Elkay International Ltd.			2.49		2.49					
Elkay Telelinks Ltd.			.81		.81			6.25		6.25
Mode Prints Ltd.										
Sadhu Auto Parts Pvt Ltd.								215.37		215.37
Total(I)	0		3.30		3.30	0.00	.00	221.62	0.00	221.62
Amount Payble										
Elkay International Ltd.								7.02		7.02
Sadhu Auto Parts Pvt Ltd.			14.50		14.50					
Ms Punita Jindal									0.17	0.17
Ms Nikita Garg									0.34	0.34
Ms Richa Jindal										
Ms Kiran Aggarwal										
Ms Swati Aggarwal										
Ms Shashi Aggarwal										
Ms Sunita Garg									5.52	5.52
Mr. H. R. Gupta										1.16
Mr. Vijay Jindal										0.92
Mr. Praveen Garg										0.92
Mr. Mukesh Aggarwal										0.92
Mr. Nishant Aggarwal										0.92
Mr. Pankaj Garg										0.69
Total (J)			14.50		14.50	5.08	0.00	7.02	0.95	13.05
Loans and Advance Given										
Elkay Strips Ltd							0.30			0.30
Total (k)							0.30			0.30



12. Deferred Tax

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

(Rs. In Lacs)

	AS at 31.03.2011	AS at 31.03.2010
(1) Deferred liability on account of:		
Timing difference between book & tax depreciation	813.33	890.99
	813.33	890.99
(2) Deferred Assets on account of:		
Disallowance under section 43B	NIL	56.99
Loss under Income Tax Act	367.08	119.90
	367.08	176.89
Net Deferred Tax Liability	446.25	714.10

13. Calculation of Earning Per Share

a) Weighted Average number of Equity Shares		
Number of equity share at the commencement of the year (Nos.)	2,90,00,004	2,90,00,004
b) Net profit/ (Loss) available for Equity Share holders	(700945327)	(36,30,42,629)
c) Basic & Diluted earning per share (b/a) (Rs.)	(24.17)	(12.52)

14. In compliance with the accounting standards 15 (revised 2005) "Employee Benefits" The company has got the employee benefits evaluated from actuarial valuer.

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

A. Provident Fund

During the year the Company has recognized Rs. 183.95 Lacs in the Profit and Loss account.

B. State Plans

Employer's contribution to Employee State insurance.

Employer's contribution to Welfare Fund.

During the year the Company has recognized Rs. 62.19 Lacs in the Profit and Loss accounts.

C. Defined Benefit Plans

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

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

i) Actuarial Assumptions

(Rs. In Lacs)

	Current Year		Previous Year	
	Leave Encashment /Compensated Absence	Employee Gratuity Fund	Leave Encashment /Compensated Absence	Employee Gratuity Fund
Discount Rate (per annum)	8.00%	8.00%	7.60%	7.60%
Rate of increase in compensation levels	6%	6%	6%	6%
Rate of return on plan assets.	-	8.15%	-	8.65%
Expected Average remaining working lives of employees (years)	24 Years	24 Years	26 Years	26 Years

(Rs. In Lacs)

ii)

Change in the obligation during the year				
Present value obligation (Opening Balance)	100.55	132.00	116.42	115.28
Interest cost	5.81	8.09	6.49	6.94
Past Service cost	NIL	0.79	NIL	NIL
Current service cost	13.95	5.83	24.05	24.57
Curtailment cost	NIL	NIL	NIL	NIL
Settlement cost	NIL	NIL	NIL	NIL
Benefits Paid (out of own funds+plan assets)	(89.15)	(37.86)	(58.47)	(28.10)
Actuarial (gain)/ loss on Obligations	(1.23)	(45.95)	12.06	13.31
Present value obligation (Closing Balance)	29.93	62.90	100.55	132.00



iii)	Change in fair value plan Assets			(Rs. In Lacs)	
		Current Year		Previous Year	
			Employee Gratuity Fund		Employee Gratuity Fund
	Fair value of Plan Assets (Opening Balance)		107.16		70.22
	Expected return on Plan Assets		7.40		6.84
	Contributions		.25		41.58
	Benefits Paid (out of plan assets)		36.08		(11.25)
	Actuarial gain/ (loss) on Obligations		0		(0.23)
	Fair value of Plan Assets (Closing Balance)		78.74		107.16

iv)	Reconciliation of Present value of Defined Benefit obligation and Fair value of Assets				
		Leave Encashment /Compensated Absence	Employee Gratuity Fund	Leave Encashment /Compensated Absence	Employee Gratuity Fund
	Present value obligation (Closing Balance)	29.93	62.90	100.55	132.00
	Fair value of Plan Assets (Closing Balance)	-	78.74	-	107.16
	Funded Status (asset)	-	(15.84)	100.55	24.84
	Present value of un-funded obligation (Closing Balance)	29.93	-	-	-
	Un-funded Actuarial (gains)/ losses	-	-	-	-
	Un-funded Net Asset/ (Liability) recognised in Balance Sheet.	(29.93)	-	(100.55)	(24.84)

v)	Expenses recognised in Profit and Loss Account				
	Current service cost	13.95	5.83	24.06	24.57
	Past Service cost	-	.79	-	-
	Interest cost	5.81	8.09	6.49	6.94
	Expected return on Plan Assets	-	(7.40)	-	(6.84)
	Curtailment cost	-	-	-	-
	Settlement cost	-	-	-	-
	Net Actuarial (gain)/ loss recognised during the year	(1.23)	(45.95)	12.06	13.54
	Total Expense recognised in Profit and Loss Account	18.53	(38.64)	42.61	38.21

Note :- Disclosure under AS-15 (Revised) as above are of parent company only, as post employment benefits are not applicable to subsidiary Company.

15. In opinion of Board of Director; Fixed Assets, Currents Assets, Loans and Advances have a value on realization in ordinary course of business at least equal to the amount at which they are stated in Balance- Sheet and the provision for all the liability have been made in the books of accounts, which have been relied upon by the Auditors.
16. Personal accounts are subject to adjustment / reconciliation / confirmation.
17. Previous year figures have been regrouped/ rearranged, wherever considered necessary.

Auditors' Report
As Per Our Report Attached

For Mehra Goel & Co.
Chartered Accountants
(Firm registration No. 000517N)

H.R. Gupta
(Chairman Cum Managing Director)

Mukesh Aggarwal
(Director)

R.K. Mehra
(Partner)
M.No. 6102
FRN : 000517N

Vijay Jindal
(Director)

Anil Garg
(Director)

Place : New Delhi
Date : 06th Jun, 2011



SPL INDUSTRIES LTD.

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

ATTENDANCE SLIP

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

I hereby record my presence at the **20th ANNUAL GENERAL MEETING** of the Company held on Friday, the 30th day of September, 2011 at 9.00 AM at India Corporate Centre, J-2/B-1, Mohan Cooperative, Mathura Road, New Delhi-110044

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



SPL INDUSTRIES LTD.

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

PROXY

I/We of

In the district of being a Member //Members of the above named Company, hereby appoint..... of

in the district of or failing him/her

of in the district of

as my / our Proxy to attend and vote for me/us and on my/our behalf at **20th ANNUAL GENERAL MEETING** of the Company held on Friday, the 30th day of September, 2011 at 9.00 AM at India Corporate Centre, J-2/B-1, Mohan Cooperative, Mathura Road, New Delhi-110044, and at any adjournment thereof.

Signed this day of 2011.

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

Signature _____

Affix
 Re. 1.00
 Revenue
 Stamp

- Note :** 1) The Proxy must be returned so as to reach the Regd. Office: 5/66, 3rd Floor, K.C. House, Padam Singh Road, Karol Bagh, New Delhi-110005, not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.
 2) A Proxy need not to be a Member of the Company.



U.S.P.

To



SPL INDUSTRIES LTD.

Regd. Office:
5/66, 3rd Floor, K.C. House, Padam Singh Road, Karol Bagh, New Delhi-110005
Tel: 011-25789729, 25716150