



**19<sup>th</sup>**  
**ANNUAL REPORT**  
**2012-2013**

# SIMPLEX PAPERS LIMITED

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## Board of Directors

Shri S.M.Soni  
Shri O.D.Purohit  
Shri D.C.Shrimali  
Shri Girish Bagri (resigned w.e.f.25.10.2012)  
Ms. Sita Laxman  
Shri Shekher R Singh (appointed w.e.f.19.01.2013)

## Auditors

M/s.Vijay Rungta & Co.  
Chartered Accountants  
Mumbai

## Bankers

State Bank of India, Mumbai

## Registered Office

30, Keshavrao Khadye Marg,  
Sant Gadge Maharaj Chowk,  
Mumbai - 400 011  
Tel. : 23082951

## Share Transfer Agent

Freedom Registry Limited  
Plot No.101/102,19th Street,  
MIDC,Satpur,  
Nashik - 422 007  
Tel.:0253-2354032  
Fax :0253-2351126  
Email: support@freedomregistry.in

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Annual General Meeting of the Company will be held on Wednesday, the 7th August, 2013 at 1.00 P.M. or soon after the conclusion of the Annual General Meeting of Simplex Mills Company Limited convened on the same day, whichever is later at M.C.Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400001

## NOTICE

NOTICE is hereby given that the Nineteenth **Annual General Meeting** of the Members of **Simplex Papers Limited** will be held on Wednesday, the 7th August, 2013 at 1.00 P.M. or soon after the conclusion of the Annual General Meeting of Simplex Mills Company Limited convened on the same day, whichever is later at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400001 to transact the following businesses :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri S. M. Soni, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Sita Laxman, who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** Shri Shekher R Singh, who was appointed as an Additional Director of the Company with effect from 19th January, 2013 by the Board of Directors and who holds office up to the date of the forthcoming Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 (the Act) read with Article 182(a) of the Articles of Association of the Company and in respect of whom the Company has received a notice from a Member under Section 257 of the Act proposing his candidature for the office of a Director be and is hereby appointed as Director of the Company, whose office shall be liable to retirement by rotation."

For and on behalf of the Board of Directors

**S.M.Soni**  
Director

Mumbai, 15th May, 2013

### Registered Office:

30, Keshavrao Khadye Marg,  
Sant Gadge Maharaj Chowk,  
Mumbai-400 011

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Explanatory Statement pursuant to the provision of Section 173(2) of the Companies Act, 1956, in respect of **Item No. 5** of the Notice dated 15th May 2013 is appended hereto.
3. The information as required pursuant to Clause 49 of the Listing Agreement about Directors proposed to be appointed / re-appointed are given in Annexure to this Notice.

# SIMPLEX PAPERS LIMITED

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4. The Members/Proxy holders are requested to bring their duly filled Attendance Slip along with their copy of the Annual Report in the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 1st August, 2013, to Wednesday, the 7th August, 2013 (both days inclusive) for the purpose of the Nineteenth Annual General Meeting or any adjournment thereof.
6. The Members who hold shares in physical form are requested to notify any change in their address to the Company's Share Transfer Agent, Freedom Registry Limited, having its office at Plot No. 101/102, 19th Street, MIDC, Satpur, Nashik - 422 007. The Members who hold shares in dematerialized form are requested to notify any change in their address to their respective Depository Participants.
7. Corporate Members intending to send their Authorized Representatives to attend and vote at the Meeting are requested to ensure that the Authorized Representative carries a duly certified true copy of their Board Resolution.

## EXPLANATORY STATEMENT

As required by Section 173 (2) of the Companies Act, 1956 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under **Item No. 5** of the accompanying Notice dated 15th May, 2013.

### Item No. 5

Shri Shekher R Singh was appointed as an Additional Director of the Company with effect from 19th January, 2013 by the Board under Section 260 of the Act read with Article 182(a) of the Articles of Association of the Company. In terms of Section 260 of the Act, Shri Shekher R Singh holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director.

A notice under Section 257 of the Act has been received from a Member signifying the intention to propose appointment of Shri Shekher R Singh as a Director of the Company.

A brief profile of Shri Shekher R Singh is given in the Annexure to the Notice.

None of the Directors except Shri Shekher R Singh is concerned or interested in the said Resolution.

The Board of Directors recommend the Ordinary Resolution at Item No. 5 of the Notice for the appointment of Shri Shekher R Singh as a Director for your approval.

For and on behalf of the Board of Directors

**S.M.Soni**  
Director

Mumbai, 15th May, 2013

**Registered Office:**  
30, Keshavrao Khadye Marg,  
Sant Gadge Maharaj Chowk,  
Mumbai-400 011

Additional information pursuant to Clause 49 of the Listing Agreement, with regard to Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting:

**Brief Resume of the Directors**

<b>Name of Director</b>	<b>Shri S.M.Soni</b>	<b>Ms.Sita Laxman</b>	<b>Shri Shekher R Singh</b>
<b>Date of Birth</b>	30.04.1933	14.10.1972	25.03.1984
<b>Date of Appointment</b>	01.12.2006	08.06.2009	19.01.2013
<b>Experience in specific functional areas</b>	He has more than 54 years experience in the field of Textile Industry.	Experience in marketing field	An Associate Member of The Institute of Company Secretaries of India having more than 7 years of experience in the field of Company Law, Legal and SEBI matters.
<b>Qualification</b>	M.Com., L L.B. and LTI	B.Com.	ACS, LL.B. and PGDSL
<b>Directorships held in other Companies</b>	Simplex Mills Company Limited	1. Simplex Mills Company Limited 2. Shrinathji Flour Mills Private Limited	Simplex Mills Company Limited
<b>Committee positions held in other Companies</b>	<b>Member of Audit Committee:</b>  Simplex Mills Company Limited  <b>Member of Shareholders'/Investors' Grievance Committee:</b>  Simplex Mills Company Limited	Nil	<b>Member of Audit Committee:</b>  Simplex Mills Company Limited
<b>Equity Shares held in Simplex Papers Limited</b>	Nil	Nil	Nil

# SIMPLEX PAPERS LIMITED

## NINETEENTH REPORT OF THE BOARD OF DIRECTORS

To,  
The Members,

Your Directors present the Annual Report, together with the Audited Accounts for the year ended 31st March, 2013.

### FINANCIAL RESULTS

(in ₹)

	2012-13	2011-12
Profit before Depreciation, Finance Costs, Taxation and Prior Period Expenses	<b>25,45,307</b>	25,35,183
Less: Depreciation	<b>49,37,693</b>	50,14,285
Less: Finance Costs	<b>13,16,663</b>	18,68,955
Less: Prior Period Expenses	<b>5,04,987</b>	-
Loss before Tax	<b>(42,14,036)</b>	(43,48,057)
Less: Current Tax	-	-
Loss after Tax for the year	<b>(42,14,036)</b>	(43,48,057)
Balance brought forward from previous year	<b>(24,69,52,321)</b>	(24,26,04,264)
Balance carried forward	<b>(25,11,66,357)</b>	(24,69,52,321)

### DIVIDEND

In view of losses, your Directors regret their inability to propose any dividend.

### OPERATIONS

The Paper plant at Gondia, Maharashtra is not in operation and there was no manufacturing activity during the year under review. The Company continued its trading activity of paper during the year. The total turnover of the Company is ₹ 1,87,82,723/- and has incurred a loss of ₹ 42,14,036/- during the year. The loss is on account of depreciation provided during the year.

### FIXED DEPOSITS

The Company has not accepted or renewed any fixed deposits during the year.

### DIRECTORS

Shri Girish Bagri resigned as Director of the Company with effect from 25th October, 2012. The Board places on record its appreciation for the valuable services rendered by Shri Girish Bagri during his tenure as a Director of the Company.

Shri Shekher R Singh, was appointed by the Board as an Additional Director of the Company with effect from 19th January, 2013 under Section 260 of the Companies Act, 1956 (the Act) read with Article 182(a) of the Articles of Association of the Company. Shri Shekher R Singh holds office up to the date of forthcoming Annual General Meeting and, being eligible, offers himself for appointment as a Director at the said meeting.

Shri S.M.Soni and Ms.Sita Laxman, Directors of the Company who retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

None of the Directors is disqualified under Section 274 (1) (g) of the Act.

### AUDITORS

M/s. Vijay Rungta & Co., Chartered Accountants, Mumbai, retire as Auditors of the Company and are eligible for re-appointment. The Company has received a letter from M/s. Vijay Rungta & Co., Chartered Accountants, Mumbai, expressing their willingness and eligibility to act as Statutory Auditors of the Company under Section 224(1B) of the Act, if appointed.

## **COST AUDIT**

As there was no production during the year 2012-13, no cost audit required to be carried out.

## **PARTICULARS OF EMPLOYEES**

During the year, there was no employee in receipt of remuneration as prescribed under Section 217(2A) of the Act read with the Companies (Particulars of Employees) Amendment Rules, 2011.

## **CORPORATE GOVERNANCE**

The Company has complied with the mandatory provisions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchange. A separate report on Corporate Governance alongwith the requisite Auditors' Certificate is annexed and forms part of this Annual Report.

## **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review the Company has not carried out any manufacturing activity and hence the Directors have nothing to report under Section 217(1)(e) of the Act read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

## **SECRETARIAL COMPLIANCE CERTIFICATE**

Secretarial Compliance Certificate received from M/s. Manish Ghia & Associates, Practicing Company Secretaries, Mumbai, as required under Section 383A of the Act for the financial year 2012-13 is annexed and forming part of this Annual Report.

## **STOCK EXCHANGE**

The Company's equity shares are listed at BSE Limited and the Annual Listing Fees for the year 2013-14 has been paid.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Act on the basis of information placed before them, the Directors state that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. appropriate accounting policies have been selected and applied consistently, and the judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the loss of the Company for the said period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis.

## **ACKNOWLEDGMENT**

Your Directors place on record their appreciation for the assistance and support extended by all government authorities, financial institutions, banks, consultants, solicitors and shareholders of the company.

For and on behalf of the Board of Directors

**S.M.Soni**

**Sita Laxman**  
Directors

Mumbai, 15th May, 2013

## COMPLIANCE CERTIFICATE

### FORM [SEE RULE 3]

Corporate Identity No. : L21010MH1994PLC078137  
Authorised Share Capital : ₹15,00,00,000/-

To,  
The Members,  
**Simplex Papers Limited**  
30, Keshavrao Khadye Marg,  
Sant Gadge Maharaj Chowk,  
Mumbai - 400 011

We have examined the registers, records, books and papers of Simplex Papers Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company, for the financial year ended on 31st March, 2013 (the financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Maharashtra, Mumbai within the time as prescribed under the Act and the rules made there under. The Company has not filed any documents with the Regional Director, Central Government, Company Law Board or any other authorities prescribed under the Act.
3. The Company, being a Public Limited Company, has the minimum prescribed paid-up share capital. As on 31st March, 2013, the paid-up capital of the Company was ₹ 3,00,14,750/- and the restrictive provisions of Section 3(1) (iii) of the Act are not applicable.
4. The Board of Directors duly met 4 (four) times on 14th May, 2012, 13th August, 2012, 29th October, 2012 and 31st January, 2013 and as per information and explanation given by the management, proper notices were given and the proceedings were properly recorded and signed, including the circular resolution passed in the minutes book maintained for the purpose.
5. The Company has closed its Register of Members from 7th August, 2012 to 13th August, 2012 (both days inclusive) during the financial year and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended 31st March, 2012 was held on 13th August, 2012 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the minutes book maintained for the purpose.
7. No Extraordinary General Meeting of the Company was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act during the financial year.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling under the purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, Members or the Central Government.



12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The Company:
  - i) has not made any allotment of securities during the financial year and has delivered all the share certificates on lodgment thereof for transfer in accordance with the provisions of the Act.
  - ii) was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year.
  - iii) was not required to post warrants for dividend to the members of the Company as no dividend was declared during the financial year.
  - iv) does not have any amounts lying on account of unclaimed dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon.
  - v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of retiring director was duly made. Mr. Girish Bagri resigned from the post of Director with effect from 25th October, 2012 and Mr. Shekher R Singh was appointed as an Additional Director with effect from 19th January, 2013. Except as mentioned above, there was no appointment of director or alternate director or directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole-selling agent during the financial year.
17. The Company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares / debentures / other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares or debentures; hence the question of redemption of the same does not arise.
22. There were no transaction, which necessitates the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits / unsecured loans falling within purview of Section 58A and Section 58AA of the Act during the financial year.
24. The amount borrowed by the Company during the financial year under review was within the borrowing limits of the Company as per the resolution passed under Section 293(1) (d) of the Act in a duly convened Annual General Meeting held on 14th September, 1995.
25. The Company has not made any loans and investments or given any guarantees or provided securities to other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of its registered office from one State to another during the financial year.

# SIMPLEX PAPERS LIMITED

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27. The Company has not altered the provisions of the Memorandum of Association with respect to its objects during the financial year.
28. The Company has not altered the provisions of the Memorandum of Association with respect to its name during the financial year.
29. The Company has not altered the provisions of the Memorandum of Association with respect to its share capital during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any amount as security from its employees during the financial year.
33. The Company was not required to deposit any amount with any authority under Section 418 of the Act during the financial year.

For **Manish Ghia & Associates**  
Company Secretaries

**Manish L.Ghia**  
Partner  
M.No.FCS 6252  
C.P.No.3531

Mumbai, 15th May, 2013

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## Annexure - A

### Registers as maintained by the Company

1. Register of Members u/s.150 of the Act.
2. Register of Index of Members u/s.151 of the Act.
3. Register and Returns u/s.163 of the Act.
4. Minutes Book of General Meeting and Board Meetings u/s.193 of the Act.
5. Register of Contracts, Companies and Firms in which Directors are interested u/s.301 of the Act.
6. Register of Directors u/s.303 of the Act.
7. Register of Directors' Shareholding u/s.307 of the Act.
8. Register of Shareholders' Attendance.
9. Register of Transfer / Transmission of Shares.

## Annexure – B

**Forms and Returns as filed by the Company during the financial year ended on 31st March, 2013:**

**A) With the Registrar of Companies, Maharashtra, Mumbai**

Sr. No.	e-Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing, whether requisite additional fee paid Yes / N.A.
1.	66	383A	Compliance Certificate for the financial year ended 31st March, 2012.	16.08.2012	Yes	N.A.
2.	20B	159 (1)	Schedule - V (Annual Return) for the Annual General Meeting held on 13th August, 2012.	01.10.2012	Yes	N.A.
3.	32	303 (2)	Particulars of resignation of Mr. Girish Bagri from the post of Director w.e.f. 25th October, 2012.	29.10.2012	Yes	N.A.
4.	23AC & 23ACA XBRL	220(1)	Schedule - VI (Annual Accounts) for the financial year ended 31st March, 2012.	15.01.2013	Yes	N.A.
5.	32	303 (2)	Particulars of appointment of Mr. Shekher R Singh as an Additional Director w.e.f. 19th January, 2013.	12.02.2013	Yes	N.A.

**B) With the Office of the Regional Director, Mumbai : Nil.**

**C) With the Office of the Ministry of Corporate Affairs (Central Government) at Delhi : Nil.**

**D) With any other Authorities as prescribed under the Act : Nil.**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Indian Paper Industry has recently moved up to the 11th position in production. It is however highly fragmented. As per estimates, there are more than 1,000 paper mills in India. There are three segments in the entire Industry, other than newsprint segment, viz., (i) large integrated mills, using bamboo and hardwood and large mills using waste paper / recycled fiber, (ii) medium mills using agricultural residues and (iii) small / medium mills using waste paper / recycled fibers. The Paper Industry is an important industrial sector having a bearing on the socio-economic development of the Country. The Industry mirrors the Country's economic growth. It is also an important contributor to greening India through Social Forestry Programme.

The Indian Paper Industry is a thriving industry and is expected to grow well in the years to come. The uses of paper cannot be ignored and this awareness is bound to bring about the changes in the paper industry for the betterment. The demand of paper and paper products grow and match with the GDP growth. The Government's trust on education, rising level of literacy and several other factors have led to increasing demand for paper in recent years. The per capita consumption of paper and boards in India is lowest among the major developing countries and hence, paper market development in India seems strong.

Paper Industry in India has made a steady growth and is ranked as the 15th largest industry in the world and accounts for about 1.6 percent of the world's production of paper and paperboard. India is the fastest growing market for paper globally and it presents an exciting scenario, paper consumption is poised for a big leap forward in sync with the economic growth and is estimated to touch 13.95 million tons by 2015-16. The industry provides employment to more than 0.12 million people directly and 0.34 million people indirectly.

### **OPPORTUNITIES AND THREATS**

The Paper Industry in India has reasonably bright prospect in coming years. The rapid change in the life style of both rural and urban Indian, specifically in the strong middle class. The next generation paper industry will see large new investments in the contemporary technology. Indian manufacturers are making huge capital investments to replace old machineries and are adopting latest technologies to improve production efficiency and to ensure an uninterrupted supply of raw materials. As per industry estimates, paper production are likely to grow at a Compound Annual Growth Rate (CAGR) of 8.4 percent while paper consumption will grow at a CAGR of 9 percent till 2013-14.

Increase in raw materials, energy and finance costs have put enormous pressure on the cost of production. To bring down the cost pressure, focus is on innovative measures in the entire supply chain management. Increasing use of recycled papers for paper manufacturing paves the way for greater production. Increasing imports of low priced paper products from countries like China and Indonesia have made it difficult for small and medium sized manufacturing units to sustain their revenue growth.

Indian industry seeks to make a transition to be globally competitive. The development faces several more challenges which can be iterated as readiness to face global competition, economies of scale, modernization of mills, capacity constraints, productivity/quality improvement, creation of robust raw material base, environmental up gradation and green technologies, mechanism for collection, sorting, grading and utilization of recyclable waste paper.

### **RISKS AND CONCERNS**

The key challenges to Paper Industry includes high input costs and shortage of raw materials, technological factors such as threat from digital media, viz. internet and smart phones, and low rate of paper recycle in the country, besides the policies of central/state governments.

The industry in the last few decades faced with a number of challenges, particularly in the areas namely obsolescence of technology, non availability of good quality of fibrous raw materials and highly skilled and job specific manpower.

Growth of paper industry in India has been constrained due to high cost of production caused by inadequate availability and high cost of raw materials, power cost and concentration of mills in one particular area and also environmental problems. However, Government is taking the initiative to formulate the policy measures to remove the bottlenecks of availability of raw materials and infrastructure development.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has proper and adequate system of internal control system to ensure maintenance of proper accounting records, their accuracy and that all the assets are safeguarded from loss or damage.

#### **PERFORMANCE**

The Paper plant at Gondia, Maharashtra is not in operation and there was no manufacturing activity during the year under review. The Company continued its trading activity of paper during the year. The total turnover of the Company is ₹ 187.83 lacs and has incurred a loss of ₹ 42.14 lacs during the year. The loss is on account of depreciation provided during the year.

#### **CAUTIONARY STATEMENT**

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results, could, however differ materially from those expressed or implied.

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is aimed to enhance the confidence among shareholders, customers, employees and ensuring a long term relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct, in all the activities of the Company. Your company has complied with requirements of the corporate governance code, disclosure requirements of which are given below.

### 2. BOARD OF DIRECTORS

#### a) Composition

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March, 2013, the Board comprises of five Non-Executive Directors.

None of the Directors on the Board is a Member on more than ten Committees and the Chairman in more than five Committees, across all Companies in which they are Directors.

#### b) Attendance at Board meetings and the last Annual General Meeting (AGM)

During the year under review, 4 (four) Board Meetings were held. The dates on which the said meetings were held are as follows:

14th May, 2012, 13th August, 2012, 29th October, 2012 and 31st January, 2013.

Details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2012-2013 and at the last AGM, their Directorships in other companies and Chairmanship/ Membership in committees are as follows:

Name	Category	Attendance at Board Meetings		Directorships in other Public Limited Companies	Chairmanship / Membership in Committees* (including Company)		Attendance at AGM held on 13th August, 2012
		Held	Attended		Chairmanship	Membership	
Shri S.M.Soni	Independent Non-Executive	4	4	1	-	4	Yes
Shri O.D.Purohit	Independent Non-Executive	4	4	4	4	-	Yes
Shri D.C.Shrimali	Non-Executive	4	2	-	-	-	No
<sup>1</sup> Shri Girish Bagri	Independent Non-Executive	4	2	1	-	2	Yes
Ms.Sita Laxman	Independent Non-Executive	4	4	1	-	-	Yes
<sup>2</sup> Shri Shekher R Singh	Non-Executive	4	1	1	-	2	N.A.

\* Committee positions only of the Audit Committee and Shareholders'/Investors' Grievance Committee have been considered.

<sup>1</sup> Ceased to be a Director w.e.f. 25th October, 2012.

<sup>2</sup> Appointed as an Additional Director w.e.f. 19th January, 2013.

### 3. AUDIT COMMITTEE

During the year ended 31st March, 2013, 4 (four) Audit Committee meetings were held. The dates on which the said meetings were held are as follows:

14th May, 2012, 13th August, 2012, 29th October, 2012 and 31st January, 2013.

The composition of the Audit Committee and the number of meetings attended by each member during the year ended 31st March, 2013 is as follows:

Name of the Member	Designation	No. of Meetings attended
Shri O.D.Purohit	Chairman	4
Shri S.M.Soni	Member	4
<sup>1</sup> Shri Girish Bagri	Member	2
<sup>2</sup> Shri Shekher R Singh	Member	1

<sup>1</sup> Resigned from the Board and consequently ceased to be a Member w.e.f. 25th October, 2012.

<sup>2</sup> Appointed as an Additional Director and consequently inducted as a Member w.e.f. 31st January, 2013.

The Audit Committee comprises of three members out of which two are Independent Directors and one is a Non-Executive Director having good knowledge of Finance, Accounts and Company Law.

The Audit Committee, as and when considers appropriate, invites the Statutory Auditors and Internal Auditors at the meetings of the Committee.

The terms of reference of this Committee includes those specified under Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956 (the Act). The brief description of terms of reference is as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment/re-appointment/replacement, if required, of Statutory Auditors, fixation of audit fees and approval of payments for any other services.
- Reviewing with management, the annual financial statements before submission to the Board for approval with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement are included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Act.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions.
  - Qualifications in draft audit report.
- Reviewing with management, quarterly financial statements before submission to the Board for approval.
- Reviewing performance of Statutory and Internal Auditors, adequacy of the internal control systems.

# SIMPLEX PAPERS LIMITED

- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Discussion with Internal Auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
- Reviewing the Company's financial and risk management policies.

## 4. REMUNERATION COMMITTEE

The Company does not have Remuneration Committee at present.

The Directors are not paid any remuneration except sitting fees for attending meetings of the Board of Directors of the Company.

**Details of remuneration paid to Directors during the year ended 31st March, 2013:**

(Amount in ₹)

Name	Salary, Perquisites & Allowances	Sitting fees
Shri S.M.Soni	Nil	2,000/-
Shri O.D.Purohit	Nil	2,000/-
Shri D.C.Shrimali	Nil	1,000/-
Shri Girish Bagri	Nil	1,000/-
Ms. Sita Laxman	Nil	2,000/-
Shri Shekher R Singh	Nil	500/-

**Details of shares of the Company held by Non-Executive Directors are as under:**

Name	No. of Equity Shares held
Shri O.D.Purohit	24
Shri Girish Bagri	44

## 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

During the year ended 31st March, 2013, 4(four) Shareholders' / Investors' Grievance Committee meetings were held. The dates on which the said meetings were held are as follows:

14th May, 2012, 13th August, 2012, 29th October, 2012 and 31st January, 2013.

Name of the Member	Designation	No. of Committee Meetings Attended
Shri O.D.Purohit	Chairman	4
Shri S.M.Soni	Member	4

The Committee meets as and when required, to deal with the matters relating to monitoring and redressal of complaints from shareholders relating to transfer of shares, non receipt of Annual Reports, etc.

Shri Ramlal Kachhawa is Compliance Officer of the Company.



## Investor relations

The following table shows the nature of complaints received from the Shareholders during the year ended 31st March, 2013, all of which have been resolved during the year.

Nature of Complaints	No. of Complaints
Mis-spelt of name in the share certificates	2
Non-receipt of share certificates	2
Others	1

There are no Shareholders complaints pending as at 31st March, 2013.

## 6. GENERAL BODY MEETINGS

### Location, Time and Date of the AGM's held during the last three years:

Financial Year	Date of AGM	Time	Location of the Meeting
2009 – 2010	11.08.2010	12.00 Noon	M.C.Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001
2010 – 2011	12.08.2011	01.00 P.M.	M.C.Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001
2011 – 2012	13.08.2012	01.00 P.M.	M.C.Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001

### Special Resolutions

AGM	Date of AGM	Special resolution
16 <sup>th</sup>	11.08.2010	No Special Resolution was passed.
17 <sup>th</sup>	12.08.2011	No Special Resolution was passed.
18 <sup>th</sup>	13.08.2012	No Special Resolution was passed.

No special resolution was put through Postal ballot at the last AGM nor is proposed at the forthcoming AGM.

Resume and other information regarding the Director seeking re-appointment as required by Clause 49 (IV)(G)(i) of the Listing Agreement has been given in the Notice of the AGM annexed to the Annual Report.

## 7. DISCLOSURES

### a) Related party transactions

Related party transactions are defined as transactions of the Company of material nature with promoters, Directors or with their relatives, its subsidiaries etc. that may have potential conflict with the interest of the Company at large.

Details on material significant related party transactions are given in the appended financial statements under notes to financial statements.

### b) Compliance by the Company

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authorities.

### c) Whistle-blower policy

Though there is no formal Whistle-blower policy, the Company takes cognizance of complaints made and

suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken.

**d) Code of Conduct**

The Company has laid down a code of conduct for the Directors and Senior Management Personnel of the Company. The code has been posted on the website of the Company. A declaration to the effect that the Directors and Senior Managerial Personnel have adhered to the same, signed by the Director of the Company, forms part of this report.

The certificate from Statutory Auditors of the Company on compliance of Clause 49 of the Listing Agreement by the Company is also annexed to this report.

**e) Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**f) Disclosure of Risk Management**

The Company has a procedure to inform the Board about the risk assessment and minimization procedures. The Board of Directors periodically reviews the risk management framework of the Company.

**g) CEO / CFO Certification**

As per requirement of Clause 49 of the Listing Agreement, the certificate from Shri D. C. Shrimali, Director, on the financial statements of the Company for the year ended 31st March, 2013 was placed before the Board.

**h) Review of Directors' Responsibility Statement**

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

## **8. MEANS OF COMMUNICATION**

- a. The quarterly, half-yearly, nine months and full year results are published in Business Standard (English edition) and Mumbai Lakshadweep / Apla Mahanagar (Regional editions).
- b. The Company has its own website i.e. [www.simplex-group.com](http://www.simplex-group.com) and has been uploading financial results and quarterly shareholding pattern of the Company along with other relevant information useful to investors on the website.
- c. At present, the Company does not make presentation to Institutional Investors and Analysts.
- d. The Management Discussion and Analysis is given separately in this Annual Report.

## **9. CODE FOR PREVENTION OF INSIDER TRADING**

The Company has adopted a Code for Prevention of Insider Trading in the shares of the Company which is in line with the Model Code as prescribed by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended. The said code, inter-alia prohibits purchase/sale of shares of the Company by Directors and Employees while in possession of unpublished price sensitive information in relation to the Company.

## 10. GENERAL INFORMATION FOR SHAREHOLDERS

i.	<b>Date, Time and Venue of forthcoming AGM</b>	Date : 7th August, 2013 Time : 1.00 P.M. or soon after the conclusion of the Annual General Meeting of Simplex Mills Company Limited convened on the same day, whichever is later. Venue : M.C.Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001
ii.	<b>Financial Calendar (2013-2014)</b>	i) First Quarterly Results - Upto 15th August, 2013 ii) Second Quarterly Results- Upto 15th November, 2013 iii) Third Quarterly Results - Upto 15th February, 2014 iv) Annual Results - Upto 30th May, 2014
iii.	<b>Date of Book Closure</b>	From Thursday, the 1st August, 2013 to Wednesday, the 7th August, 2013 (both days inclusive)
iv.	<b>Dividend payment date</b>	N.A.
v.	<b>Listing on Stock Exchanges</b>	BSE Limited (BSE) P. J. Towers, Dalal Street, Fort, Mumbai-400 001
vi.	<b>Stock Code ISIN</b>	533019 INE456H01011

### vii. Market Price Data

The monthly high and low quotations of shares traded on the BSE from April, 2012 to March, 2013 are as follows:

Month	Volume (No. of shares)	Price (₹)		BSE Sensex	
		High	Low	High	Low
April, 2012	3,101	7.14	5.88	17,664.10	17,010.16
May, 2012	1,235	7.49	5.88	17,432.33	15,809.71
June, 2012	1,185	7.73	6.20	17,448.48	15,748.98
July, 2012	725	7.98	7.13	17,631.19	16,598.48
August, 2012	111	8.00	7.61	17,972.54	17,026.97
September, 2012	111	10.20	7.99	18,869.94	17,250.80
October, 2012	53	10.50	9.70	19,137.29	18,393.42
November, 2012	1,084	10.89	9.90	19,372.70	18,255.69
December, 2012	45	10.00	9.51	19,612.18	19,149.03
January, 2013	2,813	9.04	5.90	20,203.66	19,508.93
February, 2013	1,630	6.30	5.43	19,966.69	18,793.97
March, 2013	531	6.59	6.28	19,754.66	18,568.43

### viii. Share Transfer Agent

Freedom Registry Limited  
Plot No. 101/102, 19th Street,  
MIDC, Satpur, Nashik - 422 007  
Phone : (0253) 2354032 Fax : (0253) 2351126  
E-mail: support@freedomregistry.in

### ix. Share Transfer System

All shares sent or transferred in physical form are registered by the Share Transfer Agent within 30 days of the lodgment, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed and confirmations are given to the respective Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited within 15 days.

# SIMPLEX PAPERS LIMITED

## x. Shareholding Pattern as at 31st March, 2013

Category	Number of shares held	Percentage of Shareholding
<b>(A) Shareholding of Promoter and Promoter Group</b>	<b>21,62,286</b>	<b>72.04</b>
<b>(B) Public shareholding</b>		
<b>(1) Institutions</b>		
(a) Mutual Funds/ UTI	357	0.01
(b) Financial Institutions/ Banks	4,843	0.16
(c) Insurance Companies	4,64,347	15.47
<b>(2) Non-Institutions</b>		
(a) Bodies Corporate	13,800	0.47
(b) Individuals -		
i. holding nominal share capital up to ₹ 1 lac.	3,48,606	11.61
ii. holding nominal share capital in excess of ₹ 1 lac.	-	-
(c) Non Residents	7,195	0.24
(d) Directors and their Relatives	41	0.00
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>8,39,189</b>	<b>27.96</b>
<b>TOTAL (A)+(B)</b>	<b>30,01,475</b>	<b>100.00</b>

## Distribution of shareholding as on 31st March, 2013

Category	Number of Shareholders	Percentage of Total Number of Shareholders	Total Number of Shares	Percentage of Total Number of Shares
1 to 500	5,448	97.65	2,42,443	8.08
501 to 1,000	75	1.34	54,340	1.81
1,001 to 5,000	45	0.81	86,439	2.88
5,001 to 10,000	0	0.00	0	0.00
10,001 & above	11	0.20	26,18,253	87.23
<b>Total</b>	<b>5,579</b>	<b>100.00</b>	<b>30,01,475</b>	<b>100.00</b>

## xi. Dematerialization of shares and liquidity

About 94.49 percent shares have been dematerialized as on 31st March, 2013. The Equity shares of the Company are traded on BSE Limited.

The Company has paid the Listing fees for the year 2013 - 2014 to the BSE on which its shares are listed.

## xii. Outstanding ADRS, GDRS, Warrants or any convertible instruments, conversion date and impact on Equity

The Company has not issued any ADRs, GDRs, warrants or any convertible instruments.

## xiii. Plant

Village - Changer,   
Post- Satona,   
Balaghat Road,   
Taluka & District - Gondia- 441614   
Maharashtra.

**xiv. Address for Investor Correspondence**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address or any other query relating to shares, please write to:

Simplex Papers Limited  
30, Keshavrao Khadye Marg,  
Sant Gadge Maharaj Chowk,  
Mumbai - 400 011  
Tel. : (022) 2308 2951  
Fax : (022) 2307 2773  
E-mail : papers@simplex-group.com  
Website : www.simplex-group.com

**OR** Freedom Registry Limited  
**Registered Office**  
Plot No.101/102, 19th Street,  
MIDC, Satpur, Nashik- 422007  
Tel. : (0253) 2354032  
Fax : (0253) 2351126  
E-mail : support@freedomregistry.in

**Liasioning Office**  
104, BaySide Mall,  
35C, M.M.Malviya Marg, Tardeo Road,  
Haji Ali, Mumbai- 400034  
Tel.: (022) 23525589

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**DECLARATION UNDER CLAUSE 49 (I) (D) (ii) OF THE LISTING AGREEMENT**

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed adherence to and compliance with the code of conduct for the year ended 31st March, 2013.

For **Simplex Papers Limited**

**S.M.Soni**  
Director

Mumbai, 15th May, 2013

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**CERTIFICATE OF COMPLIANCE FROM THE AUDITORS**

To the Members of **Simplex Papers Limited**

We have examined the records concerning Compliance of the conditions of Corporate Governance by Simplex Papers Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said company with the BSE Limited.

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

In our opinion and based on the information and explanations given to us and the representations made by the management and to the best of our knowledge and belief, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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 **Vijay Rungta & Co.**  
Chartered Accountants  
(Firm Registration No.111427W)

**Ajay Rungta**  
Partner  
Membership No.F-40333

Mumbai, 15th May, 2013

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF SIMPLEX PAPERS LIMITED**

#### **Report on the Financial Statements**

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

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Vijay Rungta & Co.**  
Chartered Accountants  
(Firm Registration No.111427W)

**Ajay Rungta**  
Partner

Membership No.F-40333

Mumbai, 15th May, 2013

## **ANNEXURE TO AUDITORS' REPORT**

[Referred to in Paragraph 1 of our report of even date to the members of Simplex Papers Limited on the financial statements for the year ended 31st March, 2013]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanation given to us, during the year, the management conducted physical verification of certain fixed assets in accordance with its policy of physical verification in a phased manner. In our opinion, such frequency is reasonable having regard to the size of the Company and the nature of its fixed assets. As explained to us, the discrepancies noticed on physical verification as compared to book records maintained, were not material and have been properly dealt with in the books of account.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) As explained to us, management conducted physical verification of stocks of raw materials, finished goods and stores and spares at reasonable intervals during the year, as also as at the balance sheet date.
- (b) In our opinion, and according to the information and explanations given to us, the procedures followed by the management for physical verification of inventory during the year, are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) On the basis of our examination of inventory records, we are of the opinion that the Company has maintained proper records of inventory. Discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.

# SIMPLEX PAPERS LIMITED

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- (iii) The Company has not granted / taken any loans, secured or unsecured to/from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to information and explanation given to us, during the year under report, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets, and for the sale of goods. Further, on the basis of our examination of books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, transactions (other than those already dealt with in paragraph (iii) above) made pursuant to contracts or arrangements referred to in (v)(a) above and exceeding the value of ₹ five hundred thousand in respect of each party during the year, have been made at prices which are reasonable having regard to the market prices prevailing at that time, where available.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, to which the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other provisions of the Companies Act, 1956 or the rules framed there under apply.
- (vii) The Company has no internal audit system during the period covered under audit.
- (viii) We have broadly reviewed the books of account maintained by the Company relating to the manufacture of paper products, pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate and complete.
- (ix) (a) According to the information and explanations given to us, the Company was regular during the year in depositing undisputed statutory dues including Provident fund, Income tax, Customs duty and Excise duty with the appropriate authorities. According to the information and explanation given to us, as at the balance sheet date, the Company has not deposited undisputed Sales tax dues of ₹ 1,50,000/-, which remained unpaid for a period exceeding six months from the date on which they were payable on account of the following disputes pending before authorities:
- (b) According to the information and explanation given to us, as at the balance sheet date, the Company has not deposited dues of Excise duty aggregating ₹17,55,63,684/- and Sales tax aggregating ₹ 2,54,78,954/-, on account of the following disputes pending before authorities:

## Excise duty

Period to which dues relate	Pending before	(in ₹)
1994-99	Honbl'e High Court, Mumbai	16,36,72,492
1991-92	CESTAT	1,02,549
1999-00	Deputy Commissioner	1,16,70,273
2005-06	Commissioner, (Appeals)	1,18,370
	<b>Total</b>	<b>17,55,63,684</b>



### Sales tax

Period to which dues relate	Pending before	(in ₹)
2004-05	Joint Commissioner, Appeal (BST)	16,49,315
2003-04	Joint Commissioner, Appeal (CST)	1,06,99,462
2004-05	Joint Commissioner, Appeal (CST)	1,31,30,177
	<b>Total</b>	<b>2,54,78,954</b>

- (x) The accumulated losses of the Company have exceeded fifty percent of its net worth as at the end of the year covered by our audit. The Company has not incurred cash losses during the year under report and in the immediately preceeding financial year.
- (xi) According to the information and explanations given to us, the Company has not committed default in repayment of dues in respect of its bank borrowings except in respect of the unsecured Sales Tax loan from a state financial institution, aggregating ₹47,58,522/- as at the balance sheet date, which is due for more than six months.
- (xii) In our opinion, and according to the information and explanations given to us, during the year under report, the Company has not granted any loans or advances against security by way of pledge of shares and securities; accordingly, the provisions of clause (xii) of paragraph 4 of the said Order are not applicable.
- (xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society and accordingly, the provisions of clause (xiii) of paragraph 4 of the said Order are not applicable.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities and other investments as its principal business, and accordingly, the provisions of clause (xiv) of paragraph 4 of the said Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, as at the balance sheet date, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company did not avail any term loans during the year under report. Accordingly, the provisions of clause (xvi) of paragraph 4 of the said Order are not applicable.
- (xvii) In our opinion, and according to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, prima facie, funds raised on a short-term basis have not been used for long-term investments.
- (xviii) According to the information and explanations given to us, during the year under report, the Company did not make any preferential allotment of shares to parties listed in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any debentures during the year under report.
- (xx) During the year under report, the Company did not raise any money through a public issue; consequently, the provisions of clause (xx) of paragraph 4 of the Order are not applicable.
- (xxi) To the best of our knowledge and belief, and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year under report.

For **Vijay Rungta & Co.**  
Chartered Accountants  
(Firm Registration No.111427W)

**Ajay Rungta**  
Partner

Membership No.F-40333

Mumbai, 15th May, 2013

# SIMPLEX PAPERS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As at 31.03.2013 ₹	As at 31.03.2012 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
Share capital	2	3,00,44,750	3,00,44,750
Reserves and surplus	3	(5,77,08,216)	(5,34,94,180)
		<u>(2,76,63,466)</u>	<u>(2,34,49,430)</u>
<b>2. Current Liabilities</b>			
Short-term borrowings	4	15,32,52,754	15,85,22,666
Trade payables		3,45,241	4,29,305
Other current liabilities	5	1,24,66,053	1,81,94,931
		<u>16,60,64,048</u>	<u>17,71,46,902</u>
<b>TOTAL</b>		<u><b>13,84,00,582</b></u>	<u><b>15,36,97,472</b></u>
<b>II ASSETS</b>			
<b>1. Non-Current Assets</b>			
Fixed assets			
Tangible assets	6	11,41,76,655	12,60,90,495
Non-current investments	7	12,000	12,000
Long-term loans and advances	8	42,26,055	32,34,999
		<u>11,84,14,710</u>	<u>12,93,37,494</u>
<b>2. Current Assets</b>			
Trade receivables	9	1,02,57,355	1,18,27,696
Inventories	10	65,45,986	74,25,606
Cash and cash equivalents	11	17,81,704	36,74,478
Short-term loans and advances	12	10,48,303	8,87,782
Other current assets	13	3,52,524	5,44,416
		<u>1,99,85,872</u>	<u>2,43,59,978</u>
<b>TOTAL</b>		<u><b>13,84,00,582</b></u>	<u><b>15,36,97,472</b></u>

### NOTES FORMING PART OF FINANCIAL STATEMENTS 1 to 28

As per our report of even date attached

For **Vijay Rungta & Co.**  
Chartered Accountants  
(Firm Registration No.111427W)

**Ajay Rungta**  
Partner  
Membership No. F- 40333  
Mumbai, 15th May, 2013

For and on behalf of the Board

**S.M.Soni**  
**Sita Laxman**  
Directors

Mumbai, 15th May, 2013

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

	Note	2012-13 ₹	2011-12 ₹
<b>I Revenue from operations</b>	<b>14</b>	<b>1,87,82,723</b>	4,60,36,674
<b>II Other income</b>	<b>15</b>	<b>44,12,770</b>	27,24,599
<b>III Total Revenue (I+II)</b>		<b>2,31,95,493</b>	4,87,61,273
<b>IV Expenses</b>			
Purchase of stock-in-trade	16	1,78,53,447	4,38,25,968
Changes in inventories of stock-in-trade and finished goods	16	7,98,500	1,29,000
Finance costs	17	13,16,663	18,68,955
Depreciation	6	49,37,693	50,14,285
Other expenses	18	19,98,239	22,71,122
Prior period items		5,04,987	-
<b>Total Expenses</b>		<b>2,74,09,529</b>	5,31,09,330
<b>V Loss before tax</b>		<b>(42,14,036)</b>	(43,48,057)
Current tax		-	-
<b>VI Loss for the period</b>		<b>(42,14,036)</b>	(43,48,057)
<b>Earnings per equity share (Face value of share ₹ 10/- each)</b>			
Basic		(1.40)	(1.45)
Diluted		(1.40)	(1.45)

NOTES FORMING PART OF FINANCIAL STATEMENTS 1 to 28

As per our report of even date attached

For **Vijay Rungta & Co.**  
Chartered Accountants  
(Firm Registration No.111427W)

**Ajay Rungta**  
Partner  
Membership No. F- 40333  
Mumbai, 15th May, 2013

For and on behalf of the Board

**S.M.Soni**  
**Sita Laxman**  
Directors

Mumbai, 15th May, 2013

# SIMPLEX PAPERS LIMITED

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

	2012-13 ₹	2011-12 ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>LOSS BEFORE TAX</b>	<b>(42,14,036)</b>	<b>(43,48,057)</b>
Adjustment for :		
Depreciation	49,37,693	50,14,285
Finance costs	13,16,663	18,68,955
Interest income	(16,29,165)	(6,23,181)
Reversal of impairment loss	(1,892)	-
Profit on sale of fixed assets	(5,21,210)	(77,008)
	<b>41,02,089</b>	<b>61,83,051</b>
<b>OPERATING (LOSS) / PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(1,11,947)</b>	<b>18,34,994</b>
<b>(Increase)/Decrease in :</b>		
Trade payables	(84,064)	(40,24,557)
Other current liabilities	(70,45,542)	2,52,170
Trade receivables	15,70,341	(52,84,585)
Inventories	8,79,620	1,53,400
Short-term loans, advances and other current assets	(9,90,567)	(11,54,622)
	<b>(56,70,212)</b>	<b>(1,00,58,194)</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(57,82,159)</b>	<b>(82,23,200)</b>
Direct taxes paid	(1,61,010)	(59,578)
<b>NET CASH (USED IN) OPERATING ACTIVITIES (A)</b>	<b>(59,43,169)</b>	<b>(82,82,778)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of fixed assets	74,99,250	1,66,667
Interest received	18,21,057	78,765
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES (B)</b>	<b>93,20,307</b>	<b>2,45,432</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Net change in borrowings	(52,69,912)	1,24,27,922
Interest paid	-	(18,68,955)
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES (C)</b>	<b>(52,69,912)</b>	<b>1,05,58,967</b>

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

	2012-13 ₹	2011-12 ₹
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b> (A+B+C)	<b>(18,92,774)</b>	25,21,621
<b>CASH AND CASH EQUIVALENTS - AT START OF THE YEAR</b>	<b>36,74,478</b>	11,52,857
<b>CASH AND CASH EQUIVALENTS - AT END OF THE YEAR</b>	<b>17,81,704</b>	36,74,478
<b>Cash and cash equivalents comprise of :</b>	<b>As on 31-Mar-13</b>	<b>As on 31-Mar-12</b>
Cash on hand	<b>29,906</b>	20,431
Balances with scheduled banks :		
- in Current accounts	<b>15,19,185</b>	21,71,405
- in Unpaid fractional shares current account	<b>15,113</b>	15,142
- in Fixed deposit account as margin money	<b>2,17,500</b>	2,17,500
- Term deposit	<b>-</b>	12,50,000
	<b>17,81,704</b>	36,74,478

### NOTES FORMING PART OF FINANCIAL STATEMENTS 1 to 28

As per our report of even date attached

For **Vijay Rungta & Co.**  
Chartered Accountants  
(Firm Registration No.111427W)

**Ajay Rungta**  
Partner  
Membership No. F- 40333  
Mumbai, 15th May, 2013

For and on behalf of the Board

**S.M.Soni**  
**Sita Laxman**  
Directors

Mumbai, 15th May, 2013

# SIMPLEX PAPERS LIMITED

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### CORPORATE INFORMATION

Simplex Papers Limited (the Company) is in manufacturing and trading of different types of papers. The Company is a Public Limited Company and is listed on BSE Limited.

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### (i) Basis of preparation :

These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) on the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standard) Rules, 2006, provisions of the Companies Act, 1956 and guidelines issued by Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied.

The Company adopts accrual basis in the preparation of the accounts except insurance claims and sales tax refunds.

##### (ii) Revenue recognition :

Sales of goods are recognized on dispatch of goods to customers, or when substantial risks and rewards of ownership are transferred by the Company. Sales are inclusive of excise duty and exclude sales tax / VAT.

##### (iii) Tangible fixed assets :

All fixed assets (including assets taken on hire purchase) are carried at cost. The cost of fixed assets includes expenses incidental to acquisition. Interest on specific borrowings, obtained for the purposes of acquiring fixed assets is capitalised upto the date of commissioning of the assets.

##### (iv) Capital work-in-progress :

Capital Work-in-progress is carried at cost. Cost comprises direct costs, related incidental expenses and interest on borrowings.

##### (v) Investments :

Long term Investments are valued at cost less provision for permanent diminution in value of such investments.

##### (vi) Inventories :

Stores and spare parts are valued at cost. Process stock is valued at estimated cost. Raw materials are valued at cost or market rate, whichever is lower. Finished product is valued at cost or market rate whichever is lower. Plantations that have grown up and are in saleable conditions (i.e. ready to sale) as on the balance sheet date have been recognized as stock in trade and valued at market price.

##### (vii) Borrowing costs :

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

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### **(viii) Depreciation :**

Depreciation has been provided on all fixed assets (excluding furniture and fixtures) on straight-line method and on furniture and fixtures on the written down value basis at rates prescribed in Schedule XIV to the Companies Act, 1956.

### **(ix) Retirement benefits :**

The liability on account of gratuity and leave encashment is based on actuarial valuation. The Company's contribution to provident fund, family pension fund and superannuation fund are charged to the Statement of profit and loss as incurred.

### **(x) Deferred taxation :**

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty of realization, except for unabsorbed depreciation and business loss, in respect of which deferred tax is recognized only if the Company is virtually certain of having sufficient taxable income in future against which the loss/depreciation can be set off.

### **(xi) Impairment of assets :**

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

### **(xii) Provisions and contingent liabilities :**

Provisions are recognised in respect of probable obligations, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

### **(xiii) Use of estimates :**

The preparation of financial statements in accordance with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of financial statements and the reported amount of expenses of the year. Actual results could differ from these estimates. Any revision to such accounting estimates is recognized in the accounting period in which such revision takes place.

# SIMPLEX PAPERS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 ₹	31.03.2012 ₹
<b>2. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,50,00,000 Equity shares of ₹10/- each	<b>15,00,00,000</b>	15,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
30,01,475 (Previous year 30,01,475) Equity shares of ₹10/- each fully paid up	<b>3,00,14,750</b>	3,00,14,750
Add : Forfeited shares account	<b>30,000</b>	30,000
<b>Total Issued, subscribed and fully paid up share capital</b>	<b>3,00,44,750</b>	3,00,44,750

### a. Reconciliation of the shares outstanding at the beginning and at the end of the period

Particulars	31.03.2013		31.03.2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	30,01,475	3,00,14,750	30,01,475	3,00,14,750
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>30,01,475</b>	<b>3,00,14,750</b>	30,01,475	3,00,14,750

### b. Terms/rights attached to the equity shares

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

### c. Details of the shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Simplex Realty Limited	14,71,000	49.01	14,71,000	49.01
Life Insurance Corporation of India	3,87,439	12.91	3,87,439	12.91
Shreelekha Global Finance Limited	2,52,553	8.41	2,52,553	8.41
New Textiles Private Limited	2,50,847	8.36	2,50,847	8.36



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 ₹	31.03.2012 ₹
<b>3. RESERVES AND SURPLUS</b>		
<b>GENERAL RESERVE</b>	<b>19,34,58,141</b>	<b>19,34,58,141</b>
<b>(SURPLUS) IN THE STATEMENT OF PROFIT AND LOSS</b>		
Opening balance	(24,69,52,321)	(24,26,04,264)
Loss for the year	(42,14,036)	(43,48,057)
<b>Closing balance</b>	<b>(25,11,66,357)</b>	<b>(24,69,52,321)</b>
<b>Total Reserves and Surplus</b>	<b>(5,77,08,216)</b>	<b>(5,34,94,180)</b>
<b>4. SHORT-TERM BORROWINGS</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
(Unsecured, repayable on demand)	₹	₹
Interest free loan from related party	14,33,52,754	14,33,72,666
Inter corporate deposits from related parties	99,00,000	1,51,50,000
	<b>15,32,52,754</b>	<b>15,85,22,666</b>
<b>5. OTHER CURRENT LIABILITIES</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	₹	₹
<b>Other Liabilities</b>		
Interest free sales tax loan from Government of Maharashtra (The above unsecured sales tax loan from a state financial institution is due for more than six months)	47,58,522	47,58,522
Advance received against sale of building	-	17,50,000
Advance from customers	3,38,345	4,29,406
Unpaid fractional shares entitlement	15,113	15,142
Unpaid salaries/wages	22,13,126	22,13,126
Gratuity payable	18,40,343	18,40,343
Electricity payable	-	46,52,872
Interest accrued on inter corporate deposits	8,54,618	29,047
Interest free deposits received from customers	16,56,422	16,56,422
<b>Other payables</b>		
Tax deducted at source	50,465	69,888
Water charges	2,70,200	2,70,200
Liabilities for expenses	2,92,610	2,65,228
Value added tax (VAT)	1,76,289	2,44,735
	<b>1,24,66,053</b>	<b>1,81,94,931</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

## 6. TANGIBLE ASSETS

(In ₹)

	GROSS BLOCK			DEPRECIATION				IMPAIRMENT LOSS			NET BLOCK	
	As at 1st April, 2012	Additions during the year	Deductions during the year	As at 31st March, 2013	Upto 31st March, 2012	Provided during the year	On Deductions during the year	Upto 31st March, 2013	On Deductions during the year	Upto 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Land												
Freehold Leasehold	2,25,000	-	-	2,25,000	-	-	-	-	-	-	2,25,000	2,25,000
	88,00,000	-	-	88,00,000	-	-	-	-	-	-	88,00,000	88,00,000
Buildings	7,69,82,465	-	79,00,000	6,90,82,465	1,46,19,402	9,47,023	9,45,313	1,46,21,112	2,65,08,446	2,65,08,446	2,79,52,907	3,58,54,617
Plant, Machinery and Electrical Installations	18,44,31,814	-	35,634	18,43,96,180	5,50,50,386	39,09,672	12,282	5,89,47,776	4,85,35,598	4,85,33,706	7,69,14,698	8,08,45,830
Furniture and Fixtures	6,07,092	-	-	6,07,092	4,34,720	26,847	-	4,61,567	-	-	1,45,525	1,72,372
Vehicles	6,00,000	-	-	6,00,000	4,07,324	54,151	-	4,61,475	-	-	1,38,525	1,92,676
<b>Total</b>	<b>27,16,46,371</b>	<b>-</b>	<b>79,35,634</b>	<b>26,37,10,737</b>	<b>7,05,11,832</b>	<b>49,37,693</b>	<b>9,57,595</b>	<b>7,44,91,930</b>	<b>7,50,44,044</b>	<b>7,50,42,152</b>	<b>11,41,76,655</b>	<b>12,60,90,495</b>
Previous Year	27,18,96,371	-	2,50,000	27,16,46,371	6,56,57,888	50,14,285	1,60,341	7,05,11,832	7,50,44,044	-	7,50,44,044	

## Note:

The Lease in respect of Leasehold Land at Gondia, Maharashtra has expired. As per the terms of agreement, the lease is renewable and the company has made necessary application for renewal of lease with the Collector of Gondia.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 ₹	31.03.2012 ₹
<b>7. NON-CURRENT INVESTMENTS</b>		
National Savings Certificates		
Deposited with authorities	12,000	12,000
	<b>12,000</b>	12,000
	31.03.2013 ₹	31.03.2012 ₹
<b>8. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Security deposits	42,26,055	32,34,999
	<b>42,26,055</b>	32,34,999
	31.03.2013 ₹	31.03.2012 ₹
<b>9. TRADE RECEIVABLES - (SHORT-TERM)</b>		
(Unsecured, considered good)		
Outstanding not more than six months	1,02,57,355	1,18,27,696
	<b>1,02,57,355</b>	1,18,27,696
	31.03.2013 ₹	31.03.2012 ₹
<b>10. INVENTORIES</b>		
(As valued and certified by the management)		
Finished goods - Plantation	3,65,000	11,63,500
Stores and spare parts	61,80,986	62,62,106
	<b>65,45,986</b>	74,25,606
<b>Mode of valuation</b>		
Stores and spare parts are valued at cost. Plantations that have grown up and are in saleable conditions (i.e. ready to sale) as on the balance sheet date have been recognized as stock-in-trade and valued at market price.		
	31.03.2013 ₹	31.03.2012 ₹
<b>11. CASH AND CASH EQUIVALENTS</b>		
Balances with banks		
In current accounts	15,19,185	21,71,405
In fixed deposit as margin money	2,17,500	2,17,500
Term deposit	-	12,50,000
Cash on hand	29,906	20,431
Earmarked balance with bank	15,113	15,142
	<b>17,81,704</b>	36,74,478

# SIMPLEX PAPERS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	31.03.2013 ₹	31.03.2012 ₹
<b>12. SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advance income tax (net of provisions for taxation)	4,81,940	3,20,930
Prepaid expenses	3,67,314	3,68,927
Other advances	1,124	-
Balances with government authorities	1,97,925	1,97,925
	<b>10,48,303</b>	<b>8,87,782</b>
	31.03.2013 ₹	31.03.2012 ₹
<b>13. OTHER CURRENT ASSETS</b>		
Interest receivable	3,52,524	5,44,416
	<b>3,52,524</b>	<b>5,44,416</b>
	2012-13 ₹	2011-12 ₹
<b>14. REVENUE FROM OPERATIONS</b>		
<b>Revenue from operations</b>		
Sale of products		
Manufactured goods	-	60,799
Traded goods	1,87,01,603	4,59,51,549
Stores	81,120	24,400
<b>Revenue from operations (gross)</b>	<b>1,87,82,723</b>	<b>4,60,36,748</b>
Less: Excise duty	-	74
<b>Revenue from operations (net)</b>	<b>1,87,82,723</b>	<b>4,60,36,674</b>
<b>Details of products sold</b>		
Manufactured goods		
Writing paper	-	60,799
Traded goods		
Craft paper	1,87,01,603	4,59,51,549

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13 ₹	2011-12 ₹
<b>15. OTHER INCOME</b>		
Interest received		
On bank deposits	33,025	28,845
From others	15,96,140	5,94,336
Profit on sale of fixed assets	5,21,210	77,008
Sundry balances written back	-	189
Reversal of impairment loss	1,892	-
Sundry sales (including scraps, etc.)	22,60,503	20,24,221
	<u>44,12,770</u>	<u>27,24,599</u>
	2012-13 ₹	2011-12 ₹
<b>16. INCREASE/(DECREASE) IN INVENTORIES</b>		
<b>Closing stock</b>		
Traded goods	-	-
Finished goods	3,65,000	11,63,500
	<u>3,65,000</u>	<u>11,63,500</u>
<b>Less: Opening stock</b>		
Traded goods	-	-
Finished goods	11,63,500	12,92,500
	<u>11,63,500</u>	<u>12,92,500</u>
<b>Decrease in stock</b>	<u>(7,98,500)</u>	<u>(1,29,000)</u>
<b>Purchase of traded goods</b>		
Craft paper	<u>1,78,53,447</u>	<u>4,38,25,968</u>
<b>Details of Inventory</b>		
Finished goods		
Plantation	3,65,000	11,63,500
	<u>3,65,000</u>	<u>11,63,500</u>
	2012-13 ₹	2011-12 ₹
<b>17. FINANCE COSTS</b>		
Interest expense		
On Inter corporate deposits	13,07,569	18,68,955
On others	9,094	-
	<u>13,16,663</u>	<u>18,68,955</u>

# SIMPLEX PAPERS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13 ₹	2011-12 ₹
<b>18. OTHER EXPENSES</b>		
Stores and spare parts consumed	1,50,710	1,24,190
Insurance	2,35,318	3,56,718
Rates and taxes	5,60,820	5,61,790
Travelling and conveyance expenses	24,964	46,490
Director's sitting fees	8,500	8,500
Advertisements	39,214	34,826
Postage, stationery and printing	69,711	72,094
Bank charges	789	6,436
Motor maintenance	79,410	97,310
Professional fees	5,99,018	8,08,784
Sundry expenses	1,84,841	1,09,040
Auditors' remuneration		
Audit fees	33,708	33,708
Tax audit fees	11,236	11,236
	<b>19,98,239</b>	<b>22,71,122</b>

- 19. Contingent liabilities not provided for :** (in ₹)
- | Particulars                                      | 31.03.2013   | 31.03.2012   |
|--|--------------|--------------|
| (a) Appeals filed in respect of disputed demands |              |              |
| i) Central Excise                                | 17,55,63,684 | 17,55,63,684 |
| ii) Sales Tax                                    | 2,54,78,954  | 2,54,78,954  |
| (b) Other claims                                 | 75,66,830    | 1,24,58,953  |
- 20.** During the year, the Company has trading activity in paper. There was no production during the year as the production is under suspension due to non-availability of required raw materials. The management is evaluating various alternative viz. different raw materials mix to start the production at the earliest.
- 21.** The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
- 22.** The Company continues to carry the inventory of Plantations that have grown up and are in saleable condition (i.e. ready to sale). As on the balance sheet date, plantations have been recognized as stock in trade and valued at market price amounting to ₹3,65,000/- (Previous year ₹11,63,500/-).
- 23.** The net worth of the Company has been eroded due to continuous loss and impairment loss of fixed assets.
- 24.** As there are no employees in the company, the provisions relating to Accounting Standard (AS-15) (Revised) Employee Benefits, are not applicable.
- 25.** Earnings per share (EPS) is calculated by dividing the profit / (loss) attributable to the equity share holders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except when the results would be anti-dilutive.

Particulars	2012-13	2011-12
(a) Loss after tax - ₹	(42,14,036)	(43,48,057)
(b) Weighted average number of shares	30,01,475	30,01,475
(c) Face value of shares (₹ per share)	10/-	10/-
(d) Basic EPS - ₹	(1.40)	(1.45)
(e) Diluted EPS - ₹	(1.40)	(1.45)

26. The Company's activities are classified as belonging to a single business segment of manufacture and trading in Paper products. The Company's operations are largely limited to India.

27. Related Party Disclosure (as identified by the management) :

(In ₹)

Name of Related Party	Type of Related Party	Description of the nature of the transactions	Volume of transactions during 2012-13	Volume of transactions during 2011-12	As on 31.03.13 Receivable/ (Payable)	As on 31.03.12 Receivable/ (Payable)
Simplex Realty Ltd.	Controlling Company	Loan (repaid)	(19,912)	(19,173)	(14,33,52,754)	(14,33,72,666)
Simplex Mills Company Ltd.	Common Directors	Loan taken Loan (repaid)	-	77,93,530 (78,12,050)	-	-
Shreelekha Global Finance Ltd.	Common Director	Loan taken Loan (repaid) Interest paid	- (10,50,000) 8,43,481	87,00,000 - 6,47,151	(76,50,000) - -	(87,00,000) - -
The Nav Bharat Refrigeration and Industries Ltd.	Common Director	Loan taken Loan (repaid) Interest paid	- (38,50,000) 4,58,526	65,00,000 (31,00,000) 6,97,442	(22,50,000) - -	(61,00,000) - -
Lucky Vyapaar and Holdings Pvt. Ltd.	Group Company	Loan taken Loan (repaid) Interest paid	- (3,50,000) 5,562	83,50,000 (80,00,000) 4,92,088	- - -	(3,50,000) - -

28. Previous Year Figures :

The financial statements for the year ended 31st March, 2013 are prepared as per Revised Schedule VI. The previous year figures have been reclassified to conform to this year's classification, wherever necessary to conform current year's presentation.

As per our report of even date attached

For **Vijay Rungta & Co.**  
Chartered Accountants  
(Firm Registration No.111427W)

**Ajay Rungta**  
Partner  
Membership No. F- 40333  
Mumbai, 15th May, 2013

For and on behalf of the Board  
**S.M.Soni**  
**Sita Laxman**  
Directors

Mumbai, 15th May, 2013

Notes





Registered Office: 30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Mumbai - 400 011

## ATTENDANCE SLIP

I hereby record my presence at the 19th ANNUAL GENERAL MEETING held at M.C.Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400001 on Wednesday, the 7th day of August, 2013 at 1.00 P.M. or soon after the conclusion of the Annual General Meeting of Simplex Mills Company Limited convened on the same day, whichever is later.

DP. ID. No. \_\_\_\_\_

Client I.D.No. \_\_\_\_\_

Folio No. \_\_\_\_\_

Full Name of Member \_\_\_\_\_

Signature \_\_\_\_\_

Full Name of Proxy (in Block Letters) \_\_\_\_\_

Signature \_\_\_\_\_

- 1) Members / Proxy holders are requested to bring the attendance slip duly completed when they come to the Meeting and hand them over at the entrance after affixing their signatures on them.
- 2) Members / Proxy holders should bring their copy of the Annual Report for reference at the Meeting.



Registered Office: 30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Mumbai - 400 011

## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
\_\_\_\_\_ being a member(s) 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 and to vote for me / us on my / our behalf at the 19th ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 7th day of August, 2013 at 1.00 P.M. or soon after the conclusion of the Annual General Meeting of Simplex Mills Company Limited convened on the same day, whichever is later at M.C.Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400001

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signed by the said,

DP. ID. No. \_\_\_\_\_

Client I.D. No. \_\_\_\_\_

Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Affix  
Re. 1.00  
Revenue  
Stamp  
(Signature)

Notes:

- 1) The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.
- 2) The Proxy need not be a Member.

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