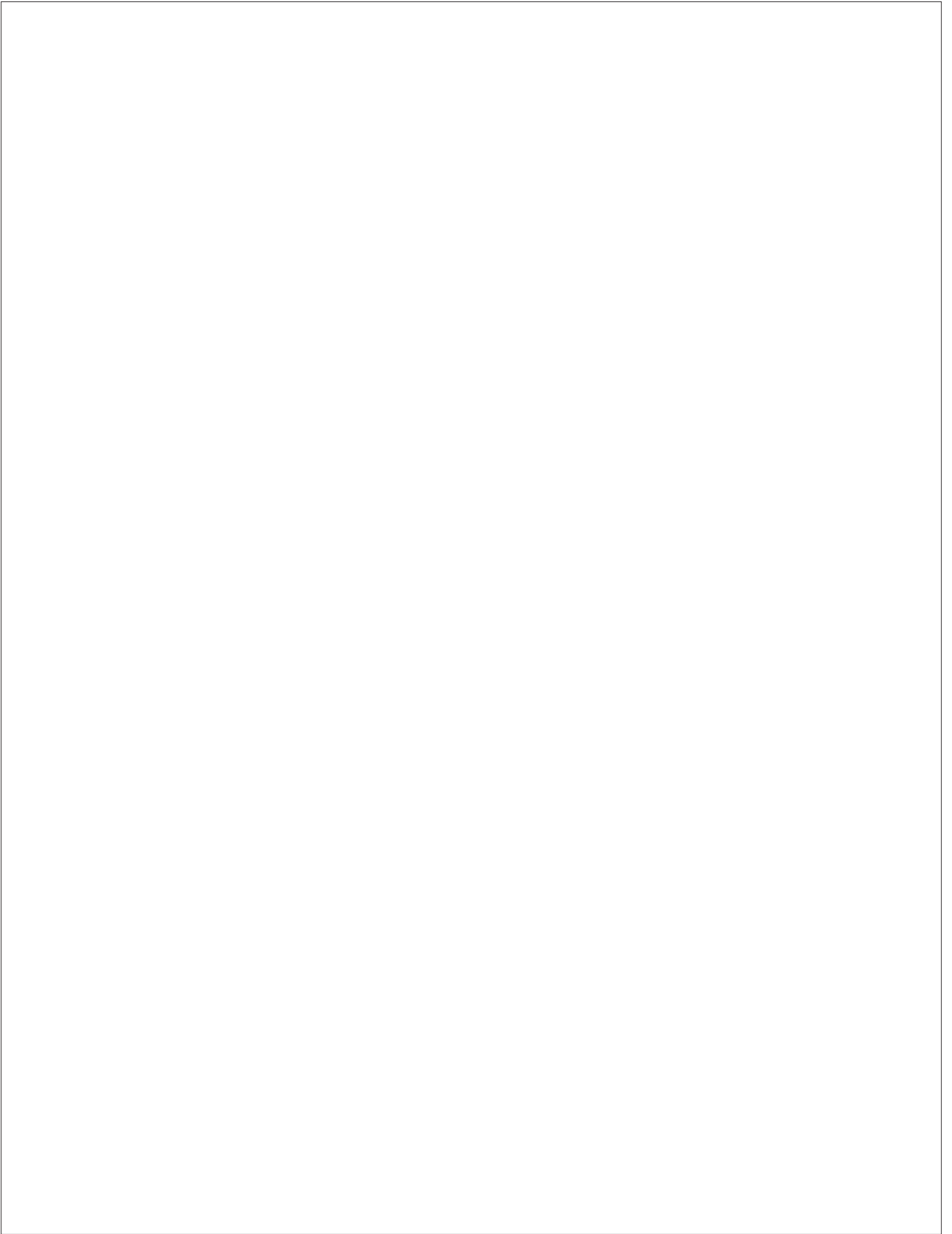


# **Simplex Papers Limited**



**14th  
ANNUAL REPORT  
2007-2008**





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**BOARD OF DIRECTORS**

Shri R. L. Saboo  
Shri O. D. Purohit  
Shri K. C. Murarka  
Shri S. M. Soni  
Shri D. C. Shrimali

**AUDITORS**

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

**BANKERS**

State Bank of India, Mumbai

**SOLICITORS**

Mulla & Mulla & Craigie Blunt & Caroe  
Mumbai

**REGISTERED OFFICE**

30, Keshavrao Khadye Marg,  
Sant Gadge Maharaj Chowk,  
Mumbai - 400 011.  
Tel. : 2308 2951

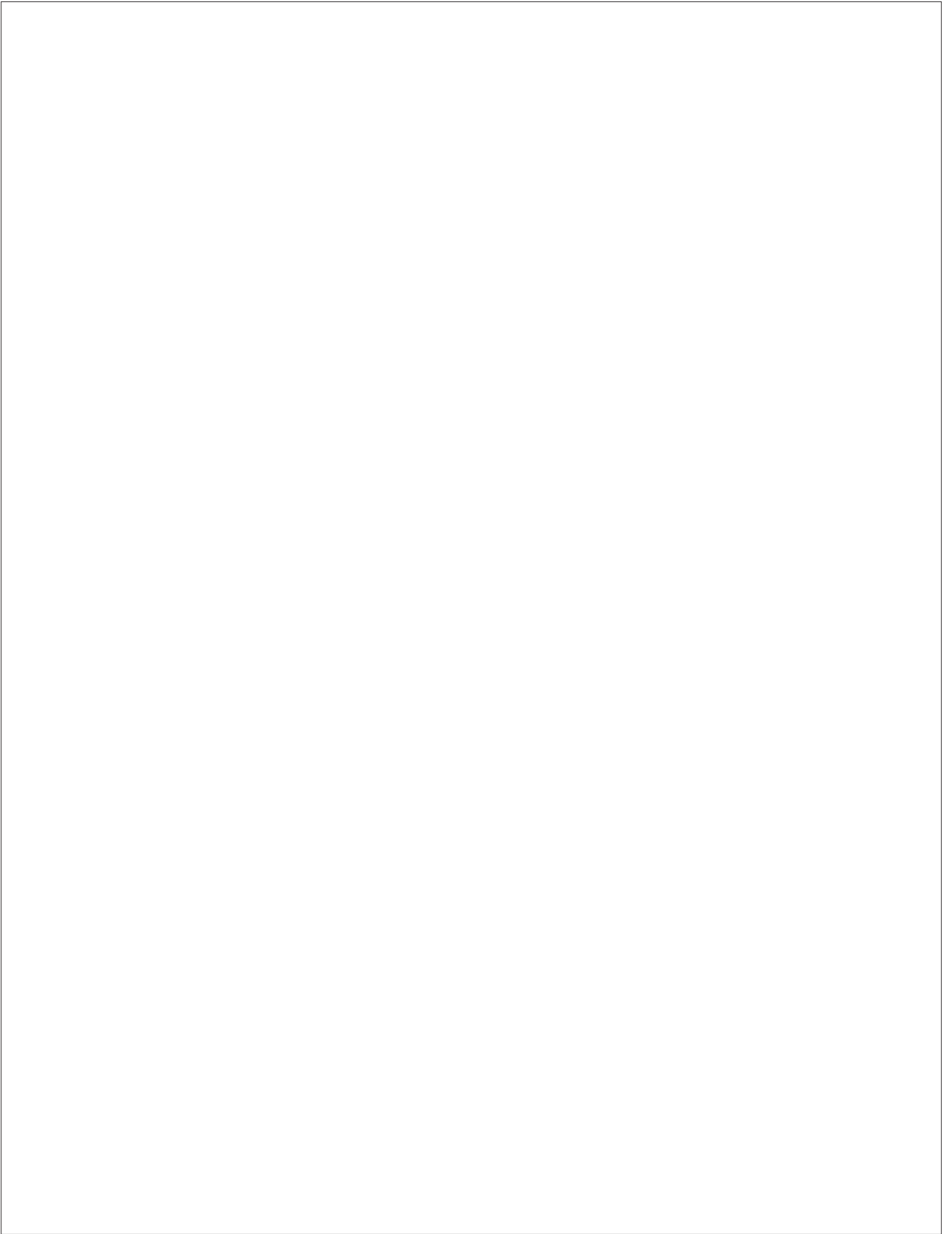
**SHARE TRANSFER AGENT**

Amtrac Management Services Limited  
Plot No. 101/102, MIDC,  
19th Street, Satpur,  
Nashik - 422 007  
Tel. : 95253 - 2354032 / 2351892  
Email: amtrac\_nsk@sancharnet.in

**CONTENTS**

	Page Nos.
Notice.....	3-4
Directors' Report.....	5-7
Auditors' Report.....	8-11
Balance Sheet.....	12
Profit & Loss Account.....	13
Cash Flow Statement.....	14-15
Schedules to the Accounts.....	16-28
Balance Sheet Abstract.....	29

Annual General Meeting of the Company will be held on Thursday, the 28th August, 2008 at 12.00 Noon at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai - 400001.





## NOTICE

**Notice** is hereby given that the Fourteenth Annual General Meeting of the Members of Simplex Papers Limited will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2<sup>nd</sup> Floor, 18/20, Kaikhushru Dubash Marg, Mumbai-400001 on Thursday, the 28th August, 2008 at 12.00 Noon to transact the following business.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2008 and the Profit and Loss Account 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 O. D. Purohit, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Shri K. C. Murarka, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration and for the purpose to pass following Resolution which will be proposed as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 224 A and other applicable provisions, if any, of the Companies Act, 1956, M/s Vijay Rungta & Co, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration and payment of service tax as

applicable and reimbursement of out of pocket expenses incurred by them for the said period."

By Order of the Board of Directors

**R L Saboo**

Director

Mumbai, June 19, 2008

Registered Office  
30, Keshavrao Khadye Marg,  
Sant Gadge Maharaj Chowk,  
Mumbai - 400011.

### 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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, and forming part of the Notice is annexed hereto.
3. Members are requested to notify the change in address, if any, immediately to the Company quoting their folio numbers.

## **SIMPLEX PAPERS LIMITED**

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### **EXPLANATORY STATEMENT UNDER SECTION 173 ( 2 ) OF THE COMPANIES ACT, 1956, AND FORMING PART OF THE NOTICE DATED JUNE 19, 2008**

#### **Item No.4**

M/s Bharat Bhuta & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company by the members of the Company at the Annual General Meeting held on 25<sup>th</sup> September, 2007. Shri Bharat Bhuta, Proprietor of M/s. Bharat Bhuta & Co. expired on 2<sup>nd</sup> March, 2008. Your Directors at their Meeting held on 27<sup>th</sup> March, 2008 filled the casual vacancy caused by the demise of Shri Bharat Bhuta by appointing M/s Vijay Rungta & Co., Chartered Accountants as Statutory Auditors of the Company till this Annual General Meeting.

M/s Vijay Rungta & Co., Chartered Accountants have informed the Company vide their letter dated 17<sup>th</sup> June, 2008 expressing their willingness and eligibility to take up the Audit u/s 224 (1B) of the Companies Act, 1956, if appointed. Since this is a change in the Statutory Auditors, this is a Special Resolution.

None of the Directors is concerned or interested in the said Resolution.

The Directors commend the Special Resolution No. 4 for your approval.

By Order of the Board of Directors

**R. L. Saboo**

Director

Mumbai, June 19, 2008

Registered Office:

30, Keshavrao Khadye Marg,  
Sant Gadge Maharaj Chowk,  
Mumbai - 400011.



## FOURTEENTH REPORT OF THE BOARD OF DIRECTORS

To,  
The Members ,

The Directors present their Annual Report, together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2008.

### FINANCIAL RESULTS

	<b>Year ended 31.03.2008 Rs.</b>	Previous Year ended 31.03.2007 Rs.
Profit/(Loss) for the year before Interest and Depreciation	<b>95,19,445</b>	(2,74,40,552)
Interest	<b>22,50,513</b>	74,88,865
Depreciation	<b>1,01,22,601</b>	1,20,48,324
Net (Loss) for the year	<b>(28,53,669)</b>	(4,69,77,741)
Deferred Tax (Asset) / Liability	<b>(11,08,567)</b>	(32,29,121)
Provision for Fringe Benefit Tax	<b>60,000</b>	88,646
(Loss) before prior Period Adjustment	<b>(18,05,102)</b>	(4,38,37,266)
Prior Period Income/(Expenses) (Net)	-	4,41,296
(Loss) after Tax	<b>(18,05,102)</b>	(4,33,95,970)
Balance brought forward from Previous year	<b>(9,77,48,928)</b>	(5,43,52,958)
Balance carried forward	<b>(9,95,54,030)</b>	(9,77,48,928)

#### DIVIDEND:

In view of losses, your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March 2008.

#### OPERATIONS:

Production at Company's Gondia unit is under suspension since 5<sup>th</sup> September 2006 due to non-availability of required raw materials. During the year, the Company has decided to terminate services of staff and workers to avoid further cash losses on account of salaries and wages and accordingly terminated their services by settling all dues on 4<sup>th</sup> June 2007. The Management is evaluating various alternative viz. different raw materials mix and the modernization of the plant. Your Directors hope to start the production at the earliest.

#### FIXED DEPOSITS:

The Company has not accepted or renewed any fixed

deposits during the year.

#### DIRECTORS:

Under Article 196 of the Articles of Association of the Company, Shri O.D.Purohit and Shri K.C.Murarka, Directors retire by rotation at the ensuing Annual General Meeting and, are eligible for re-appointment.

None of the Directors is disqualified under section 274 (1)(g) of the Companies Act, 1956.

#### AUDITORS:

The Board of Directors in their meeting held on 27<sup>th</sup> March 2008 had appointed M/s Vijay Rungta & Co. Chartered Accountants to fill the casual vacancy of Statutory Auditor due to sudden demise of Shri Bharat Bhuta, Proprietor of M/s. Bharat Bhuta & Co. Chartered Accountants, to hold the office of Statutory Auditors upto the conclusion of the forthcoming Annual General Meeting.

## **SIMPLEX PAPERS LIMITED**

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M/s Vijay Rungta & Co. Chartered Accountants, who retire as Auditors of the Company and are eligible for re-appointment as Auditor, if appointed and have confirmed their eligibility.

### **COST AUDIT:**

As there was no production during the year 2007-08, no cost audit is required to be carried out.

### **PERSONNEL:**

During the year under review, industrial relations in the Company were generally satisfactory. The Directors place on record their appreciation for the services rendered by the workmen and members of staff at all levels.

### **PARTICULARS OF EMPLOYEES:**

There was no employee in receipt of remuneration as prescribed under Section 217 (2A) of the Companies Act, 1956.

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

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo has been given in a separate statement annexed hereto which forms part of the Report.

### **DIRECTORS' RESPONSIBILITY:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, 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 31<sup>st</sup> March, 2008 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 Companies Act, 1956 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.

### **ACKNOWLEDGEMENT:**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Bankers during the year under review.

For and on behalf of the Board

**R. L. Saboo**

**S. M. Soni**

Directors

Mumbai, June 19, 2008

Registered Office  
30, Keshavrao Khadye Marg,  
Sant Gadge Maharaj Chowk,  
Mumbai - 400011.





**INFORMATION AS PER SECTION 217 (1) (e) READ WITH 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, 2008.**

**A. CONSERVATION OF ENERGY**

The Company continued to take measures for energy conservation in production of paper product.

**Form A**

Form for disclosure of particulars with respect to the conservation of energy.

<b>A) Power and Fuel Consumption</b>	<b>2007-08</b>	<b>2006-07</b>
1. Electricity		
(a) Purchased		
Units (in thousands)	Nil	4,988.708
Total Amount (Rs.in lacs)	Nil	204.77
Rate per unit Rs.	Nil	4.105
(b) Own Generation	N.A	N.A
2. Coal Grade B		
Quantity (Tonnes)	Nil	5,353.79
Total cost (Rs. In lacs)	Nil	101.73
Avg. Rate (Rs.)	Nil	1,900.15
3. Furnace Oil	Nil	Nil
4. Others / Internal Generation	N.A	N.A

**B) Consumption per unit of production - units**

Paper Production	Kgs.	Nil	40,16,841
Electricity	Units	Nil	1.242
Coal Grade B	Kgs.	Nil	1.333

**B. TECHNOLOGY ABSORPTION**

Efforts made in technology absorption as per Form B of Annexure.

Different types of agriculture residue are being mixed for production of paper

**Research and Development (R & D)**

Expenditure on R & D during the year has been insignificant and included in other heads of expenditure in the Profit and Loss Account and has not been shown separately.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO: Nil**

For and on behalf of the Board

**R. L. Saboo**

**S. M. Soni**

Directors

Mumbai, June 19, 2008

## SIMPLEX PAPERS LIMITED

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### AUDITOR'S REPORT TO THE MEMBERS OF SIMPLEX PAPERS LIMITED.

- 1) We have audited the attached Balance Sheet of **Simplex Papers Limited** ('the Company') as at March 31, 2008 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto (all together referred to as 'financial statements'). 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.
2. 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 management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 ('the Act'), and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to Section 211(3C) of the Act;
  - e) Without qualifying our opinion, we draw attention to Note No. 4 of schedule 18 of the accounts, in respect of which, we have relied on management representation regarding restarting its operations in near future.
  - f) on the basis of written representations received by the Company from its directors and taken on record by the Board of Directors, we report that as at the balance sheet date, none of the directors is disqualified from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Act;
  - g) in our opinion and to the best of our information and according to the explanations given to us, the said 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:
    - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
    - ii. in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date;  
and
    - iii. in case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **Vijay Rungta & Co.**  
Chartered Accountants

**Ajay Rungta**  
Partner

Membership No.: F - 40333  
Mumbai, June 19, 2008



## ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of our report of even date to the members of Simplex Papers Limited on the financial statements for the year ended March 31, 2008]

- (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. In respect of stocks with third parties as at the balance sheet date, the management has received written confirmations for a substantial quantity.
- (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.
- (iii) (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, the provisions of sub-clauses (b), (c) and (d) of clause (iii) of paragraph 4 of the Order are not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not availed any loans, secured and unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, the provisions of sub clauses (f) and (g) of the clause (iii) of paragraph 4 of the Order are not applicable.
- (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 contract 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 Rupees 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

## SIMPLEX PAPERS LIMITED

under apply.

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (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, Wealth Tax, Sales 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 no undisputed statutory dues of a material nature which remained unpaid for a period exceeding six months from the date on which they were payable.
- (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 Rs.1754.47 lacs, on account of the following disputes pending before authorities:

Period to which dues relate	Pending before	Rs. in Lacs
1994-1999	Honbl'e High Court, Mumbai	1,636.72
1991-1992	CESTAT	1.05
1999-2000	Deputy Commissioner	116.70
	<b>Total</b>	<b>1,754.47</b>

- (x) As at the balance sheet date, the Company's accumulated losses does not exceed fifty percent of its net worth within the meaning of Section 2(29A) of the Companies Act, 1956. The Company has incurred cash losses during

the year under report. The Company has incurred cash losses in the preceding 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. In respect of the unsecured loan from a state financial institution, aggregating Rs. 47,58,522/- as at the balance sheet date, which is due for more than six months. The Company did not have any debentures outstanding during the year under report.
- (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.



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(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

**Ajay Rungta**

Partner

Membership No.: F - 40333

Mumbai, June 19, 2008

## SIMPLEX PAPERS LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule No.	Rs.	31.3.2008 Rs.	Rs.	31.3.2007 Rs.
<b>I SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	(1)	3,00,44,750		3,00,44,750	
Reserves and Surplus	(2)	<u>19,34,58,141</u>		<u>19,34,58,141</u>	
			<b>22,35,02,891</b>		22,35,02,891
<b>LOAN FUNDS</b>					
Secured Loans	(3)	-		4,63,11,936	
Unsecured Loans	(4)	<u>13,70,49,455</u>		<u>5,46,89,041</u>	
			<b>13,70,49,455</b>		10,10,00,977
DEFERRED TAX LIABILITY (Net)			-		11,08,567
	<b>TOTAL</b>		<b><u>36,05,52,346</u></b>		<b><u>32,56,12,435</u></b>
<b>II APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>	(5)				
Gross Block		28,42,06,371		28,47,21,871	
Less : Depreciation		<u>4,03,40,007</u>		<u>3,03,02,023</u>	
		<b>24,38,66,364</b>		<b>25,44,19,848</b>	
Capital Work in Progress and Advances for Capital Expenditure		<u>4,77,000</u>		<u>4,77,000</u>	
			<b>24,43,43,364</b>		25,48,96,848
<b>INVESTMENTS</b>	(6)		<b>12,000</b>		1,42,62,000
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Inventories	(7)	2,74,59,580		2,05,80,925	
Sundry Debtors	(8)	2,11,726		21,26,272	
Cash and Bank Balances	(9)	6,43,236		6,17,688	
Other Current Assets	(10)	19,73,028		58,83,507	
Loans and Advances	(11)	<u>14,35,904</u>		<u>20,52,089</u>	
		<b>3,17,23,474</b>		<b>3,12,60,481</b>	
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>	(12)				
Current Liabilities		1,98,88,294		6,78,12,867	
Provisions		<u>409,782</u>		<u>47,42,955</u>	
		<b>2,02,98,076</b>		<b>7,25,55,822</b>	
<b>Net Current Assets</b>			<b>1,14,25,398</b>		(4,12,95,341)
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)	(13)		<b>52,17,554</b>		-
<b>PROFIT AND LOSS ACCOUNT</b>			<b>9,95,54,030</b>		97,748,928
	<b>Total</b>		<b><u>36,05,52,346</u></b>		<b><u>32,56,12,435</u></b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS</b>	(18)				

As per our report of even date attached  
For **Vijay Rungta & Co.**  
Chartered Accountants  
**Ajay Rungta**  
Partner  
Membership No. F - 40333  
Mumbai, June 19, 2008

For and on behalf of the Board  
**R. L. Saboo**  
**S. M. Soni**  
**O. D. Purohit**  
Directors  
  
Mumbai, June 19, 2008



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule No.	2007 - 08 Rs.	2006 - 07 Rs.
<b>INCOME</b>			
Sale of Products		30,467	14,58,52,295
Less: Excise Duty Recovered		-	1,11,19,916
Net Sales		<u>30,467</u>	<u>13,47,32,379</u>
Other Income	14	1,49,71,918	54,00,951
Increase/(Decrease) in Process Stocks and Finished Goods	15	<u>74,14,996</u>	<u>(1,16,34,366)</u>
		<u>22,417,381</u>	<u>12,84,98,964</u>
<b>EXPENDITURE</b>			
Manufacturing and other Expenses	16	1,28,97,936	15,59,39,516
Depreciation		1,01,22,601	1,20,48,324
Interest	17	22,50,513	74,88,865
		<u>2,52,71,050</u>	<u>17,54,76,705</u>
<b>(Loss) / Profit Before Tax</b>		<b>(28,53,669)</b>	<b>(4,69,77,741)</b>
Provision for Fringe Benefit Tax		60,000	88,646
Deferred Tax (Assets) / Liability (Net)		<b>(11,08,567)</b>	<b>(32,29,121)</b>
<b>(Loss) / Profit Before Prior Period Adjustments</b>		<b>(18,05,102)</b>	<b>(4,38,37,266)</b>
Prior Period Income		-	4,41,296
<b>(Loss) / Profit for the year</b>		<b>(18,05,102)</b>	<b>(4,33,95,970)</b>
Balance brought forward		<b>(9,77,48,928)</b>	<b>(5,43,52,958)</b>
<b>Balance carried to Balance Sheet</b>		<b>(9,95,54,030)</b>	<b>(9,77,48,928)</b>
Basic and diluted earnings per share of Rs.10 each		<b>(0.60)</b>	<b>(14.61)</b>

### SIGNIFICANT ACCOUNTING POLICIES

### AND NOTES TO THE ACCOUNTS (18)

As per our report of even date attached  
For **Vijay Rungta & Co.**  
Chartered Accountants  
**Ajay Rungta**  
Partner  
Membership No. F - 40333  
Mumbai, June 19, 2008

For and on behalf of the Board  
**R. L. Saboo**  
**S. M. Soni**  
**O. D. Purohit**  
Directors  
Mumbai, June 19, 2008

## SIMPLEX PAPERS LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

	2007 - 08	2006 - 07
Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET (LOSS) / PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</b>	<b>(28,53,669)</b>	<b>(4,69,77,741)</b>
Adjustment for :		
Depreciation	1,01,22,601	1,20,48,324
Interest expense	22,50,513	74,88,865
Interest income	(4,22,334)	(12,50,364)
Loss on Sale of Fixed Assets	74,383	-
Retrenchment Compensation written off	13,04,389	-
	<u>1,33,29,552</u>	<u>1,82,86,825</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,04,75,883</b>	<b>(2,86,90,916)</b>
(Increase)/ decrease in working capital :		
Trade and other receivables	65,57,779	90,13,309
Inventories	(68,78,655)	2,44,12,836
Trade and other Payables	(5,23,17,747)	58,13,318
	<u>(5,26,38,623)</u>	<u>3,92,39,463</u>
<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	<b>(4,21,62,740)</b>	<b>1,05,48,547</b>
Retrenchment Compensation paid	(65,21,943)	-
Direct Taxes (Paid)/ Received including Fringe Benefit Tax	(1,16,568)	(2,85,241)
Prior Period Adjustments (Net)	-	4,41,296
<b>NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES</b>	<b>(A) <u>(4,88,01,251)</u></b>	<b><u>1,07,04,602</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets/Capital Advances paid	(33,500)	(1,74,342)
Sale of Investments	1,42,50,000	-
Sale of Fixed Assets	3,90,000	57,342
Interest received	4,22,334	12,50,364
<b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(B) <u>1,50,28,834</u></b>	<b><u>11,33,364</u></b>





	2007 - 08 Rs.	2006 - 07 Rs.
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Net change in borrowings	3,60,48,478	(1,07,99,495)
Interest paid	(22,50,513)	(74,88,865)
<b>NET CASH GENERATED FROM /(USED IN) FINANCING ACTIVITIES</b>	<b>(C)</b> <u>3,37,97,965</u>	<u>(1,82,88,360)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C)</b> 25,548	(64,50,394)
<b>CASH AND CASH EQUIVALENTS - AT START OF THE YEAR</b>	6,17,688	70,68,082
<b>CASH AND CASH EQUIVALENTS - AT END OF THE YEAR</b>	6,43,236	6,17,688
<b>Cash and cash equivalents comprise of :</b>	<b>As on 31.03.2008</b>	<b>As on 31.03.2007</b>
Cash on hand	37,242	18,496
Balances with Scheduled Banks :		
- in Current accounts	3,78,494	3,35,616
- in deposit accounts as margin money	<u>2,27,500</u>	<u>2,63,576</u>
	<u>6,43,236</u>	<u>617,688</u>

NOTES TO THE ACCOUNTS - SCHEDULE 18

As per our report of even date attached  
For **Vijay Rungta & Co.**  
Chartered Accountants  
**Ajay Rungta**  
Partner  
Membership No. F - 40333  
Mumbai, June 19, 2008

For and on behalf of the Board  
**R. L. Saboo**  
**S. M. Soni**  
**O. D. Purohit**  
Directors  
Mumbai, June 19, 2008

## SIMPLEX PAPERS LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.3.2008	31.3.2007
	Rs.	Rs.
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,50,00,000 Equity Shares of Rs.10 each	<u>15,00,00,000</u>	<u>15,00,00,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
30,01,475 Equity shares of Rs.10 each fully paid up. (Previous Year 30,01,475 Equity Shares of Rs. 10 each) ( of above 15,30,475 Equity Shares of Rs. 10 each fully paid up were allotted to the Equityshareholders of Simplex Realty Ltd. pursuant to scheme of arrangement without payment being received in cash)	<b>3,00,14,750</b>	3,00,14,750
Add: Share Forfeited Account	<u>30,000</u>	<u>30,000</u>
	<u>3,00,44,750</u>	<u>3,00,44,750</u>

	31.3.2008	31.3.2007
	Rs.	Rs.
<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS</b>		
GENERAL RESERVE	<u>19,34,58,141</u>	<u>19,34,58,141</u>
	<u>19,34,58,141</u>	<u>19,34,58,141</u>



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**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	<b>31.3.2008</b>	31.3.2007
	<b>Rs.</b>	Rs.
<b>SCHEDULE 3</b>		
<b>SECURED LOANS</b>		
Cash Credit facility with Banks taken over pursuant to scheme of arrangement, secured by hypothecation of movable assets including Stock of Stores and Spare parts, Stock - in - trade, Book Debts, Other Current Assets and by a second charge created/to be created on immovable assets.	-	4,63,11,936
	<u>-</u>	<u>4,63,11,936</u>

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	<b>31.3.2008</b>	31.3.2007
	<b>Rs.</b>	Rs.
<b>SCHEDULE 4</b>		
<b>UNSECURED LOANS</b>		
Sales Tax Loan	<b>47,58,522</b>	47,58,522
From a Body Corporate	<u>13,22,90,933</u>	<u>4,99,30,519</u>
	<u><b>13,70,49,455</b></u>	<u>5,46,89,041</u>

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# SIMPLEX PAPERS LIMITED

## SCHEDULE FORMING PART OF THE BALANCE SHEET SCHEDULE 5 FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2007	Additions during the year	Deductions during the year	As at 31st March 2008	Upto 31st March 2007	Provided during the year	On Deductions	Upto 31st March 2008	As at 31st March 2008	As at 31st March 2007
Land	1,38,00,000	-	-	1,38,00,000	-	-	-	-	1,38,00,000	1,38,00,000
Buildings	7,93,42,465	-	-	7,93,42,465	59,38,184	23,61,550	-	82,99,734	7,10,42,731	7,34,04,281
Plant and Machinery	18,78,97,314	33,500	3,99,000	18,75,31,814	2,36,95,755	75,16,390	50,475	3,11,61,670	15,63,70,144	16,42,01,559
Electrical Installations	19,50,000	-	-	19,50,000	2,46,679	97,811	-	3,44,490	16,05,510	17,03,321
Fire Services & Sprinkler Installations	1,25,000	-	-	1,25,000	15,813	6,270	-	22,083	1,02,917	1,09,187
Furniture and Office Equipments	6,07,092	-	-	6,07,092	1,77,980	63,867	-	2,41,847	3,65,245	4,29,112
Vehicles	10,00,000	-	1,50,000	8,50,000	2,27,612	76,713	34,142	2,70,183	5,79,817	7,72,388
Previous Year	28,47,21,871	33,500	5,49,000	28,42,06,371	3,03,02,023	1,01,22,601	84,617	4,03,40,007	24,38,66,364	25,44,19,848
Capital work-in-progress & Advances for Capital Expenditure	28,46,94,529	1,02,342	75,000	28,47,21,871	1,82,71,357	1,20,48,324	17,658	3,03,02,023	25,44,19,848	26,64,23,172
Total									<b>4,77,000</b>	<b>4,77,000</b>
									<b>24,43,43,364</b>	<b>25,48,96,848</b>



## SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 6	31.03.2008			31.03.2007	
	Face Value Rupees	Holdings	Book Value Rupees	Holdings	Book Value Rupees
<b>INVESTMENTS - AT COST</b>					
<b>Long Term Investments</b>					
<b>In Government Securities,</b>					
<b>Unquoted Fully Paid</b>					
6 Years National Savings Certificates Deposited with various authorities	-	-	12,000	-	62,000
<b>In Other Securities,</b>					
<b>Unquoted Fully paid</b>					
5% Non-convertible Debentures of Simplex Realty Limited	100	-	-	1,42,000	1,42,00,000
			<b>12,000</b>		<b>1,42,62,000</b>

SCHEDULE 7	31.3.2008		31.3.2007	
	Rs.	Rs.	Rs.	Rs.
<b>INVENTORIES</b>				
(As valued and certified by the management)				
(i) Stores and Spare Parts - at cost		75,16,151		80,52,492
(ii) Stock in Trade				
(a) Raw Materials - at cost or market rate whichever is lower	1,36,500		1,36,500	
(b) Finished goods - at cost or market rate whichever is lower	1,46,929		1,77,218	
(c) Plantation Stock - at market rate	1,96,60,000		1,22,14,715	
		<b>1,99,43,429</b>		<b>1,25,28,433</b>
		<b>2,74,59,580</b>		<b>2,05,80,925</b>

SCHEDULE 8	31.3.2008		31.3.2007	
	Rs.		Rs.	
<b>SUNDRY DEBTORS (Unsecured, considered good)</b>				
(a) Debts outstanding for a period exceeding six months		2,11,726		20,91,543
(b) Other debts		-		34,729
		<b>2,11,726</b>		<b>21,26,272</b>

## SIMPLEX PAPERS LIMITED

### SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 9	Rs.	31.3.2008 Rs.	Rs.	31.3.2007 Rs.
<b>CASH AND BANK BALANCES</b>				
Cash on hand		37,242		18,496
With Scheduled Banks				
- in Current Accounts	3,78,494		3,35,616	
- in Deposit Accounts as Margin Money	<u>2,27,500</u>		<u>2,63,576</u>	
		<u>6,05,994</u>		5,99,192
		<u>6,43,236</u>		<u>6,17,688</u>

SCHEDULE 10	Rs.	31.3.2008 Rs.	Rs.	31.3.2007 Rs.
<b>OTHER CURRENT ASSETS</b>				
Interest Accrued but not due		3,821		-
Sundry Deposits		<u>19,69,207</u>		<u>58,83,507</u>
		<u>19,73,028</u>		<u>58,83,507</u>

SCHEDULE 11	Rs.	31.3.2008 Rs.	Rs.	31.3.2007 Rs.
<b>LOANS AND ADVANCES</b>				
<b>(Unsecured, considered good)</b>				
Advances recoverable in cash or in kind or for value to be received				
Advance payment of Income-tax/Fringe Benefit tax and Tax deducted at source		5,39,572		4,23,004
Other Advances		6,86,323		15,76,890
Balances with Excise Authorities		<u>2,10,009</u>		52,195
		<u>14,35,904</u>		<u>20,52,089</u>



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**SCHEDULES FORMING PART OF THE BALANCE SHEET**

<b>SCHEDULE 12</b>		<b>31.3.2008</b>	<b>31.3.2007</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
<b>A. Current Liabilities</b>			
Sundry Creditors	<b>48,45,908</b>	4,26,24,239	
(Refer note 3 of Schedule 18)			
Other Liabilities	<b><u>1,50,42,386</u></b>	<u>2,51,88,628</u>	
		<b>1,98,88,294</b>	6,78,12,867
<b>B. Provisions</b>			
Provision for Gratuity	<b>1,23,373</b>	41,44,218	
Provision for Leave Benefits	-	3,72,328	
Provision for Fringe Benefit Tax	<b><u>2,86,409</u></b>	<u>2,26,409</u>	
		<b>4,09,782</b>	47,42,955
		<b><u>2,02,98,076</u></b>	<u>7,25,55,822</u>

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<b>SCHEDULE 13</b>		<b>31.3.2008</b>	<b>31.3.2007</b>
		<b>Rs.</b>	<b>Rs.</b>
<b>MISCELLANEOUS EXPENDITURE</b>			
(to the extent not written off or adjusted)			
Retrenchment Compensation		<b>65,21,943</b>	-
Less: Amortised during the year		<b><u>13,04,389</u></b>	-
		<b><u>52,17,554</u></b>	-

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## SIMPLEX PAPERS LIMITED

### SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 14	2007 - 2008	2006 - 2007
	Rs.	Rs.
<b>OTHER INCOME</b>		
Insurance Claims	-	9,705
Miscellaneous Income	1,45,49,584	41,40,882
Interest Income	4,22,334	12,50,364
	<u>1,49,71,918</u>	<u>54,00,951</u>

SCHEDULE 15	2007 - 2008	2006 - 2007
	Rs.	Rs.
<b>INCREASE / (DECREASE) IN PROCESS STOCKS AND FINISHED GOODS</b>		
<b>Closing Stock</b>		
Finished Goods	1,98,06,929	1,23,91,933
	<u>1,98,06,929</u>	1,23,91,933
Less:		
<b>Opening Stock</b>		
Process Stock	-	31,95,736
Finished Goods	1,23,91,933	2,08,30,563
	<u>1,23,91,933</u>	2,40,26,299
	<u>74,14,996</u>	<u>(1,16,34,366)</u>

SCHEDULE 16	2007 - 2008	2006 - 2007
	Rs.	Rs.
<b>MANUFACTURING AND OTHER EXPENSES</b>		
1. Raw Materials Consumed	-	4,10,82,310
2. Payments to and provisions for Employees :		
Salaries, Wages, Bonus and Ex-gratia	34,83,722	1,85,28,588
Gratuity	39,77,146	17,65,542
Leave Benefit	2,32,165	(2,73,175)
Contribution to Provident and other Funds	2,30,858	14,46,305
Welfare Expenses	1,18,804	4,13,273
	<u>80,42,695</u>	2,18,80,533





## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 16 (Contd.)	2007 - 2008		2006 - 2007	
	Rs.	Rs.	Rs.	Rs.
3. Operating and Other Expenses :				
Stores and Spare Parts Consumed	71,433		5,02,90,147	
Power and Fuel	-		3,06,50,289	
Water Charges	-		2,70,910	
Excise Duty [net of recovery of Rs. Nil (Previous year Rs. 111.20 Lacs)]	7,45,602		7,50,579	
Repairs to				
Buildings	1,605		65,076	
Machinery	13,866		2,29,509	
Insurance	5,82,627		7,63,521	
Rent	2,23,094		1,15,676	
Rates and Taxes	1,92,916		2,48,509	
Travelling and Conveyance Expenses	2,16,632		8,24,258	
Advertisements	3,294		10,400	
Postage, Telegrams, Stationary and Printing	1,07,443		2,26,762	
Bad Debts/ Advances Written Off	-		76,757	
Bank Charges/Commission	71,870		4,65,825	
Sundry Expenses	10,70,137		21,29,445	
Amortisation of Retrenchment Compensation	13,04,389		-	
		46,04,908		8,71,17,663
4. Payments to Auditors :				
Audit Fees	1,00,000		1,00,000	
Tax Audit	25,000		25,000	
Reimbursement of Expenses and Service Tax	15,450		15,300	
		1,40,450		1,40,300
5. Directors' Fees	10,500		10,000	
6. Freight and other charges	-		3,10,835	
7. Discount, Commission and Brokerage on Sales	25,000		52,14,555	
8. Foreign exchange fluctuation (Net)	-		1,83,320	
9. Loss on Sale of Fixed Assets	74,383		-	
		<u>1,28,97,936</u>		<u>15,59,39,516</u>

SCHEDULE 17 INTEREST	2007 - 2008		2006-2007	
	Rs.	Rs.	Rs.	Rs.
On Working Capital	12,90,880		74,88,865	
On Others	9,59,633		-	
	<u>22,50,513</u>		<u>74,88,865</u>	

# SIMPLEX PAPERS LIMITED

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## SCHEDULE 18

### 1. Significant Accounting Policies:

The accounts have been prepared in line with the relevant laws and generally accepted accounting principles prevailing in India.

#### (a) System of Accounting

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

#### (b) 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 capitalized upto the date of commissioning of the assets.

#### (c) Capital Work-in-progress:

Capital Work-in-progress is carried at cost, comprising of direct cost, related incidental expenses and interest on borrowings there against.

#### (d) Investments:

Long Term Investments are valued at cost less provision for permanent diminution( if any) in the value of such investments.

#### (e) 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 products are valued at cost or market rate whichever is lower. Plantations that have grown up and are in saleable condition (i.e. ready to sale) as on the balance sheet date have been recognized as stock in trade and valued at market rate.

#### (f) 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.

#### (g) Borrowing Costs:

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are considered 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.

#### (h) Export Sales:

Export sales in foreign currency are accounted at the exchange rates prevailing on the dates of the transactions.

#### (i) Foreign Exchange Transactions:

Transactions in foreign currency are recorded at the exchange rate prevailing at the time of the transaction. As at the balance sheet date, monetary assets and liabilities denominated in foreign currency are reported



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## SCHEDULE 18 (Contd.)

at closing rates. Gains or losses on settlement / restatement of foreign currency transactions are recognized in the Profit and Loss account in the period in which they arise.

**(j) Depreciation:**

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

**(k) Retirement Benefits:**

The liability on account of gratuity and leave encashment is based on estimation.

**(l) 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 substantially 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 asset 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.

**(m) 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.

**(n) Miscellaneous Expenditure (to the extent not written off or adjusted):**

Retrenchment Compensation paid to workers is treated as deferred revenue expenditure and amortised over a period Five Years.

## 2. NOTES TO THE ACCOUNTS

1. Contingent liabilities not provided for
  - (a) Claims against the Company not acknowledged as debts Rs. 1,851.33 lacs (including Excise Rs. 1,754.47 lacs). (Previous year Rs. 1,788.79 lacs - including Excise Rs.1,754.47 lacs).
  - (b) Bills discounted, Letters of Credit, Letters of Guarantee Rs. 2.18 Lacs (Previous year Rs. 224.34 lacs).
2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.10.74 lacs (net of advances) (Previous year Rs.10.74 lacs).
3. 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.
4. Production at Company's Gondia unit is under suspension since 5th September, 2006 due to non availability of required raw materials. During the year, the company has decided to terminate services of

## SIMPLEX PAPERS LIMITED

### SCHEDULE 18 (Contd.)

staff and workers to avoid further cash losses on account of salaries and wages and accordingly terminated their services by settling all dues on 4th June, 2007. The management is evaluating various alternative viz. different raw materials mix and the modernisation of the plant and hope to start the production at the earliest.

5. 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 have been recognized as stock in trade and valued at market price amounting to Rs.196.60 lacs (Previous year Rs.122.15 lacs).

6. Break-up of deferred tax assets/(liability): (Rs. in Lacs)

Deferred Tax effect of	31-03-2008 Deferred tax Assets/ (Liability)	31-03-2007 Deferred tax Assets/ (Liability)
1 Difference between books and tax depreciation	2.99	(26.44)
2 Provision for Gratuity	6.58	14.08
3 Provision for Leave Encashment	1.87	1.27
<b>Deferred tax Assets/(Liabilities) - net</b>	<b>* 11.44</b>	<b>(11.09)</b>

\* Deferred tax asset for the year ended 31st March 2008 has not been recognised in accordance with the accounting policy.

- |   |                    |               |
|---|--------------------|---------------|
| 7. Earnings Per Share   | <b>2007 - 08</b>   | 2006 - 07     |
| (a) Numerator used for calculating basic and diluted earnings per share – Profit/(Loss) after taxation        | <b>(18,05,102)</b> | (4,38,37,266) |
| (b) Weighted average number of shares used as denominator for calculating basic and diluted earning per share | <b>30,01,475</b>   | 30,01,475     |
| (c) Nominal value of shares (Rs. per share)   | <b>10/-</b>        | 10/           |
| (d) Basic / Diluted earning per share- Rs.  | <b>(0.60)</b>      | (14.61)       |

8. 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.

9. Related Party Disclosure (As identified by the management)

- (a) Related Party Relationship during the year  
Controlling Company Simplex Realty Limited

- (b) Transaction with Related Party

(Rs. in Lacs)

Type of Related Party	Description of the Nature of the Transactions	Volume of Transactions during 2007 - 08	Volume of Transactions during 2006 - 07	As on 31.03.08 Receivable/ (Payable)	As on 31.03.07 Receivable/ (Payable)
Controlling Company	Loan	(823.60)	(229.07)	(1,322.91)	(499.31)



**SCHEDULE 18 (Contd.)**

10 Additional information pursuant to the provisions of paragraph 3 & 4 of part of Schedule VI to the Companies Act, 1956 as certified by the Management.

		1-4-2007 to 31-3-2008		1-4-2006 to 31-03-2007	
	Unit	Quantity	Value Rs.	Quantity	Value Rs
(a) Turnover*:					Rs
Paper	Kgs.	1,693	30,467	42,60,326	14,58,52,295
			<u>30,467</u>		<u>14,58,52,295</u>
* including excise duty					
(b) Raw Materials Consumed :					
Waste Paper	M.Tonnes	-	-	1,181	2,36,42,949
Bagasse/Straw	M.Tonnes	-	-	8,755	1,51,62,110
Others	M.Tonnes	-	-	86	22,77,251
			<u>-</u>		<u>41,082,310</u>
(c) (i) Opening stock of Finished Goods					
Paper	Kgs.	6,753	1,77,218	2,50,238	84,10,563
Plantation	Nos.	1,03,000	1,22,14,715	1,05,000	1,24,20,000
			<u>1,23,91,933</u>		<u>2,08,30,563</u>
(ii) Closing stock of Finished Goods:					
Paper	Kgs.	5,060	1,46,929	6,753	1,77,218
Plantation	Nos.	1,01,500	1,96,60,000	1,03,000	1,22,14,715
			<u>1,98,06,929</u>		<u>1,23,91,933</u>
(d) 1. CIF Value of direct imports:		<b>Rs.</b>		<b>Rs.</b>	
Raw Materials		-		2,62,969	
Spare Parts		-		-	
		<b>Value</b>	<b>% of Total</b>	<b>Value</b>	<b>% of Total</b>
		<b>Rs.</b>	<b>Consumption</b>	<b>Rs.</b>	<b>Consumption</b>
2. (i) Value of Raw Materials consumed:					
(a) Imported		-	-	2,08,04,793	50.64
(b) Indigenously obtained		-	-	2,02,77,517	49.36
		<u>-</u>	<u>-</u>	<u>4,10,82,310</u>	<u>100.00</u>
(ii) Value of Stores, Spare Parts and Components consumed:					
(a) Directly imported		-	-	-	-
(b) Indigenously obtained		-	-	5,02,90,147	100.00
		<u>-</u>	<u>-</u>	<u>5,02,90,147</u>	<u>100.00</u>
(e) Earnings in Foreign Exchange			<b>Nil</b>		<b>Nil</b>

## SIMPLEX PAPERS LIMITED

### SCHEDULE 18 (Contd.)

- (f) Licensed and installed capacity and Production (as certified by the management and accepted by auditors, it being a technical matter).

	Unit	1-4-2007 to 31-3-2008		1-4-2006 to 31-03-2007	
		Licensed	Installed	Licensed	Installed
(i) Capacity:					
(a) Pulp	M.tonnes	12,000	9,000	12,000	9,000
(b) Paper & Paper board	M.tonnes	12,000	9,000	12,000	9,000
(ii) Packed Production :					
Paper	Kgs.	-	-	-	40,16,841

11. Information required pursuant to part - IV of Schedule VI to the Companies Act, 1956 is annexed hereto.

12. Previous Year's figures have been regrouped wherever necessary to conform to this year's presentation.

As per our report of even date attached

For **Vijay Rungta & Co.**

Chartered Accountants

**Ajay Rungta**

Partner

Membership No. F - 40333

Mumbai, June 19, 2008

For and on behalf of the Board

**R. L. Saboo**

**S. M. Soni**

**O. D. Purohit**

Directors

Mumbai, June 19, 2008



**Information as required under Part IV of the Schedule VI of the Companies Act, 1956.  
Balance Sheet Abstract and Company's General Business Profile**

**I Registration Details :**

Registration No.	78137
State Code	11
Balance Sheet Date	31st March 2008

**II Capital raised during the year (Amount in Rs. Thousands)**

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placements	Nil

**III Position of Mobilisation and Deployment of funds (Amount in Rs. Thousand)**

Total Liabilities	3,60,552	Total Assets	3,60,552
Sources of Funds			
Paid up Capital	30,045	Reserves & Surplus	1,93,458
Secured Loans	-	Unsecured Loans	1,37,049
Application of Funds			
Net Fixed Assets	2,44,343	Investments	12
Net Current Assets	11,425	Misc. Expenditure	5,218
Accumulated Losses	99,554		

**IV Performance of the Company (Amount in Rs. Thousands)**

Turnover & Other Income	22,417	Total Expenditure	25,271
Loss Before Tax	2,854	Loss After Tax	1,805
Earnings per share Rs.	(0.60)	Dividend @ %	Nil

**V Generic Names of Principal Products / Services of Company (as per monetary terms)**

Product Description	Item Code No. (ITC Code)
Printing & Writing Paper	4802.9

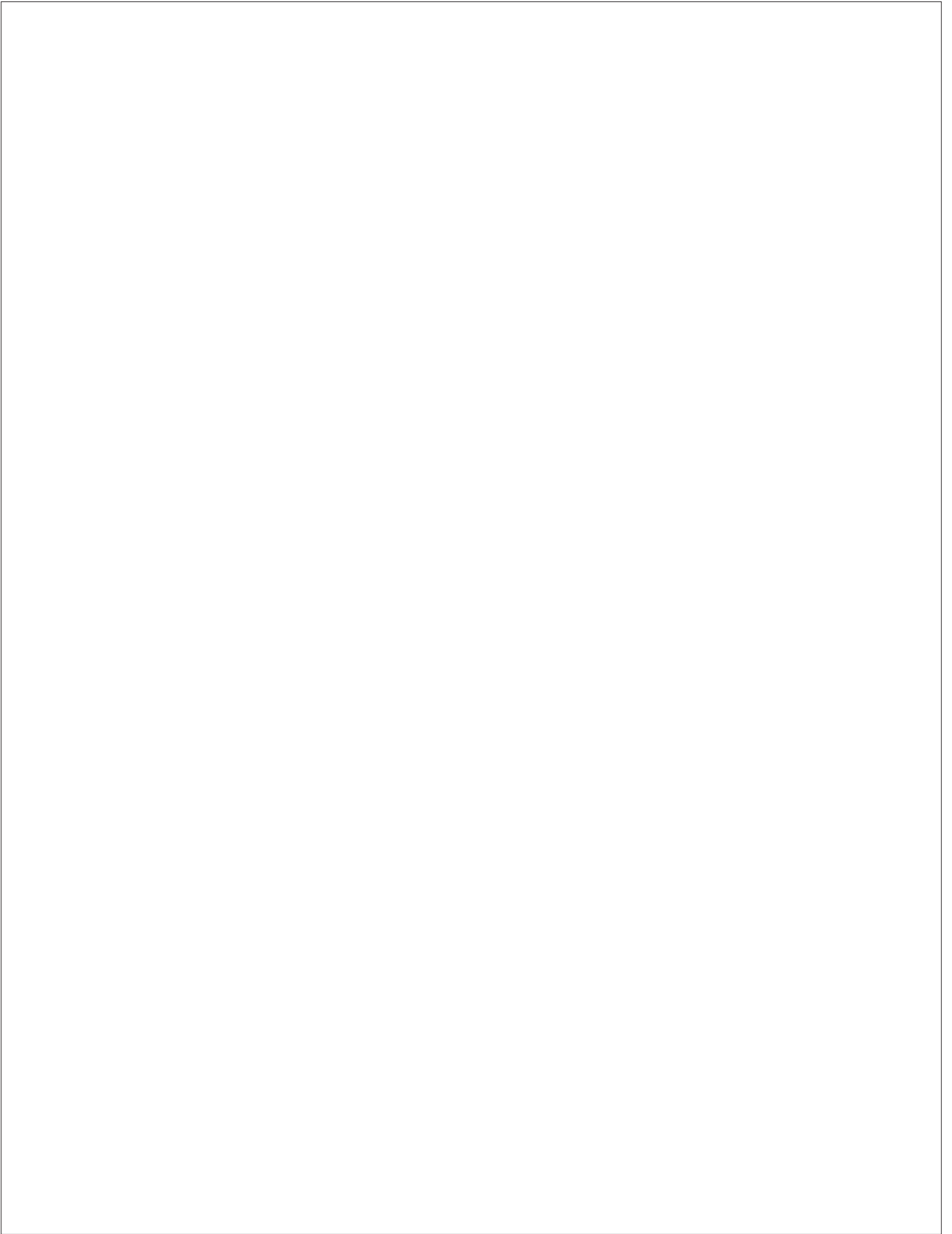
For **Vijay Rungta & Co.**  
Chartered Accountants

**Ajay Rungta**  
Partner  
Membership No. F - 40333  
Mumbai, June 19, 2008

For and on behalf of the Board

**R. L. Saboo**  
**S. M. Soni**  
**O. D. Purohit**  
Directors

Mumbai, June 19, 2008







## SIMPLEX PAPERS LIMITED

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

### ATTENDANCE SLIP

I hereby record my presence at the 14<sup>th</sup> ANNUAL GENERAL MEETING held at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2<sup>nd</sup> Floor, 18/20, Kaikhushru Dubash Marg, Mumbai-400001, at 12.00 Noon on Thursday, the 28<sup>th</sup> August, 2008.

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

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

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

\_\_\_\_\_  
Full Name of Shareholder

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Signature

Shareholders/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.



## SIMPLEX PAPERS LIMITED

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

### PROXY FORM

I / We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

\_\_\_\_\_ being 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 14<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 28th August, 2008 at 12.00 Noon at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2<sup>nd</sup> Floor, 18/20, Kaikhushru Dubash Marg, Mumbai-400001.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008

Signed by the said,

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

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

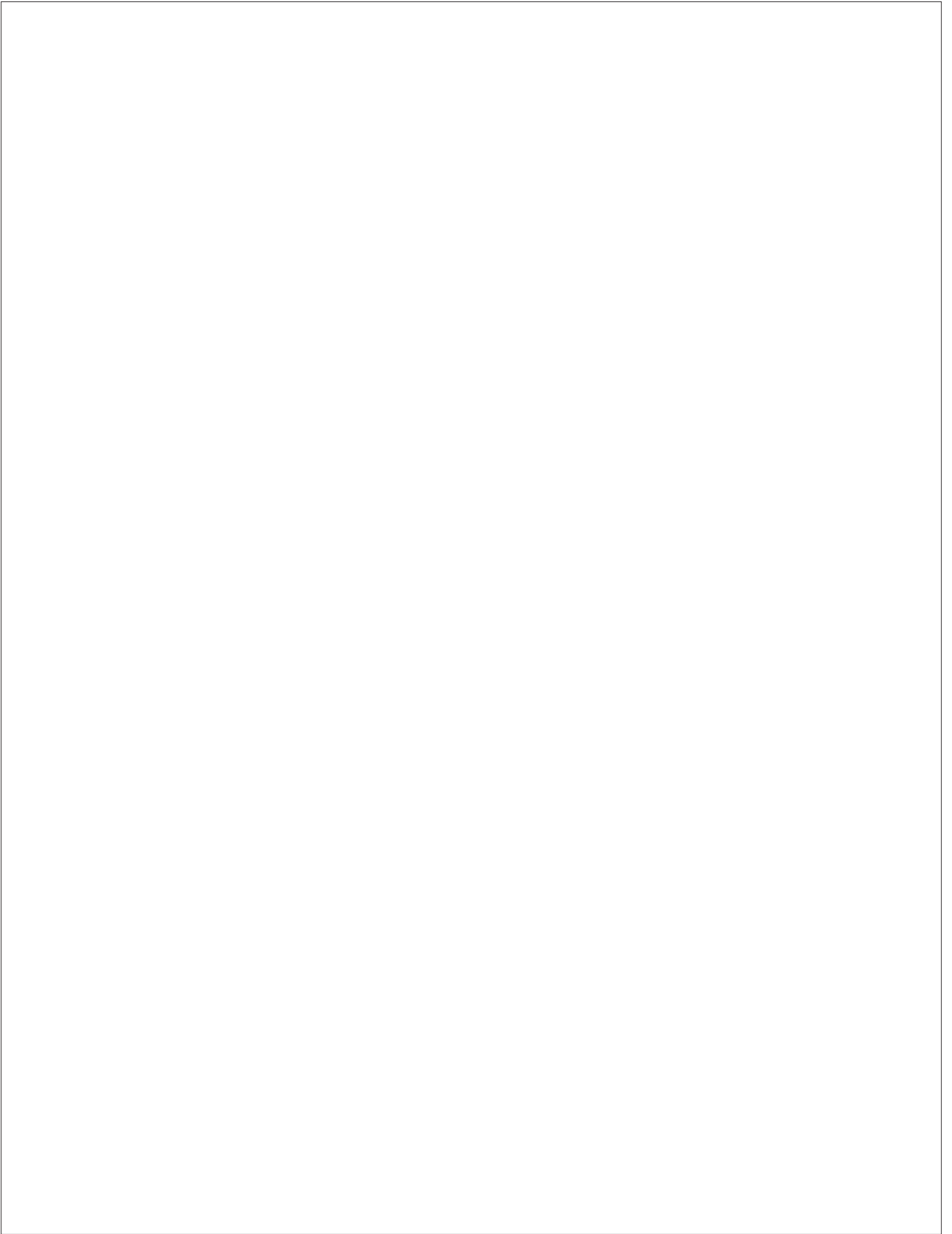
Regd Folio. No. \_\_\_\_\_

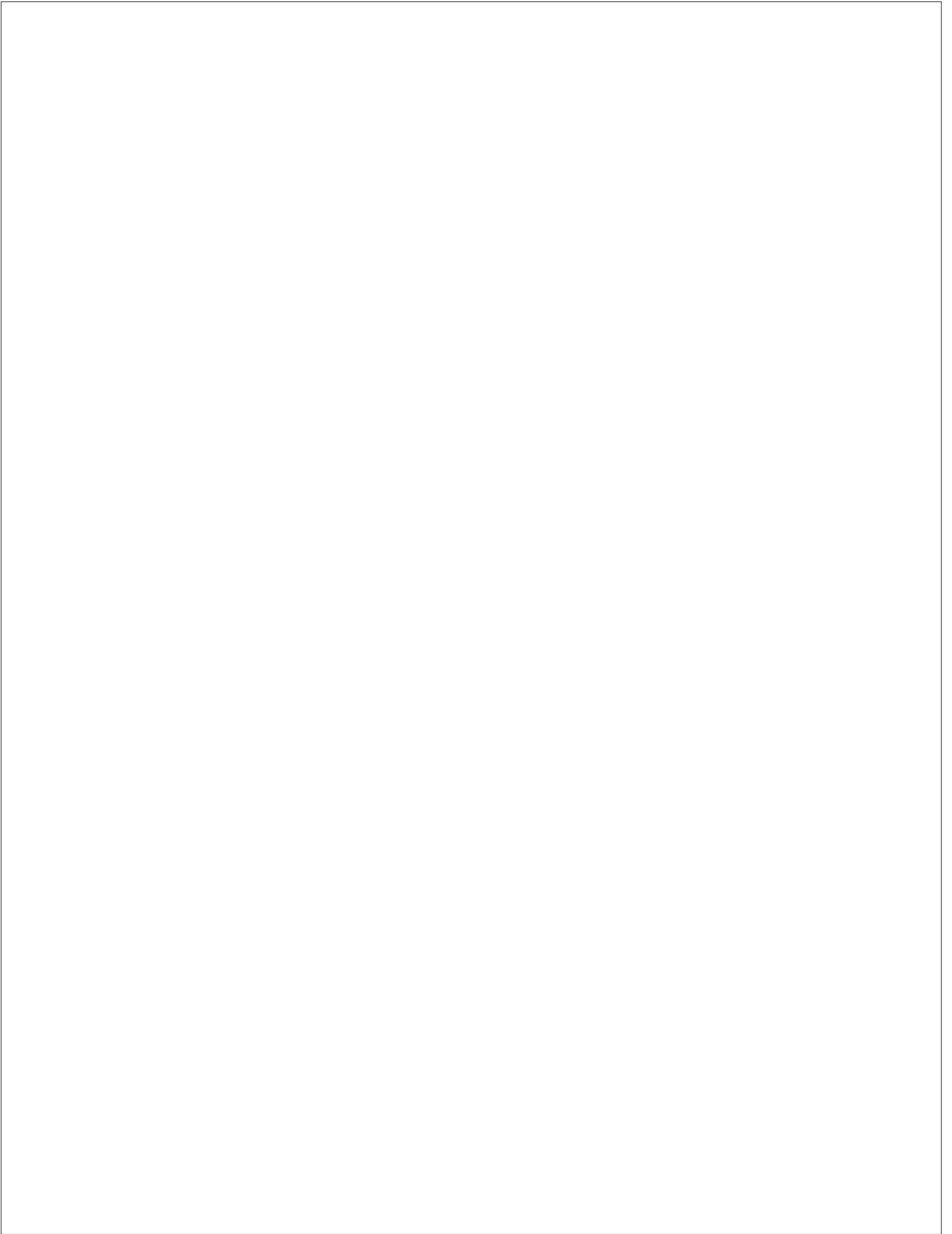
No. of Shares held \_\_\_\_\_

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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(Signature)





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