



13th
ANNUAL REPORT
2010-2011

Board of Directors

Shri S.M.Soni
Shri R.L.Saboo (Resigned w.e.f. 29.09.2010)
Shri O.D.Purohit
Shri Girish Bagri
Smt. Sitalaxmi Narayanan
Shri S.G.Shukla

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. : 23082951

Share Transfer Agent

Freedom Registry Limited
Plot No.101/102, M.I.D.C.,
19th Street, Satpur,
Nasik - 422 007
Tel.: 0253 - 2354032
Fax :0253 - 2351126
Email: amtrac_nsk@sancharnet.in

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Annual General Meeting of the Company will be held on Friday, the 12th August, 2011 at 12.30 P.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001.

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of Simplex Mills Company Limited will be held on Friday, the 12th August, 2011 at 12.30 P.M. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai- 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 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 Girish Bagri, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Smt. Sitalaxmi Narayanan, 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.

By Order of the Board of Directors

S. M. Soni
Director

Mumbai, May 14, 2011

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. Members are requested to notify the change in address, if any, and also intimate their Email IDs to the Company/ Share Transfer Agent, quoting their folio numbers.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 5th August, 2011 to Friday, 12th August, 2011 (both days inclusive).
4. Shri Girish Bagri and Smt. Sitalaxmi Narayanan are the Directors retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Shri Girish Bagri and Smt. Sitalaxmi Narayanan are not related to any Director of the Company.

Brief resume of the Directors seeking re-appointment and other details as stipulated under clause 49 of the Listing Agreement are provided in the Annexure to the Notice.

Details of the Directors seeking re-appointment in the forthcoming Annual General Meeting

Name of Director	Shri Girish Bagri	Smt. Sitalaxmi Narayanan
Date of Birth	27.02.1967	14.10.1972
Date of Appointment	08.06.2009	08.06.2009
Experience in specific functional areas	22 years of experience in business and industry.	Experience in marketing field.
Qualification	B. Com.	B. Com.
Directorships held in other Companies	Simplex Papers Limited	1. Shrinathji Flour Mills Private Limited 2. Simplex Papers Limited
Committee positions held in other Companies	<u>Member of Audit Committee</u> Simplex Papers Limited	-
No. of Shares held in Simplex Mills Company Limited	44	Nil

SIMPLEX MILLS COMPANY LIMITED

THIRTEENTH 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, 2011.

FINANCIAL RESULTS

	Year ended 31.03.2011 Rs.	Previous Year ended 31.03.2010 Rs.
Profit/(Loss) before Interest, Depreciation, Taxation and Extraordinary Items	35,82,387	67,00,255
Less: Interest	8,90,894	7,11,065
Less: Depreciation	49,33,732	49,15,451
Profit/(Loss) before Tax and Extraordinary Items	(22,42,239)	10,73,739
Less: Extraordinary Items	-	31,64,713
Profit / (Loss) before Tax	(22,42,239)	(20,90,974)
Less: Deferred Tax (Assets)/ Liability	4,92,969	(47,14,824)
Taxes for earlier years	-	1,18,760
Profit/(Loss) after Tax	(27,35,208)	25,05,090
Balance brought forward from previous year	(2,76,77,574)	(3,01,82,664)
Balance carried forward	(3,04,12,782)	(2,76,77,574)

DIVIDEND

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

OPERATIONS

During the year, total income of the Company has increased to Rs. 2,190.85 lacs from Rs. 1,546.74 lacs. The Company has reported a net loss of Rs. 27.35 lacs against net profit of Rs. 25.05 lacs in the previous year.

CLOSURE OF PLANT

Due to continued losses and with no hope of any improvement in the operations, the Company filed an application under Section 25-O of the Industrial Disputes Act, 1947 with the Commissioner of Labour, Maharashtra State, Mumbai for closure of the Textile plant at Akola. The Commissioner of Labour, Maharashtra State, Mumbai vide their order dated 25th September, 2008 granted permission for closure of the said textile plant at Akola. The aggrieved Labour Unions have filed appeal before the Industrial Tribunal against the said order and the matter is pending before the Tribunal.

In view of pending appeal before the Industrial Tribunal, the effect of the order of Commissioner of Labour, Maharashtra State, Mumbai has not been given and the textile plant at Akola is in operation.

FIXED DEPOSITS

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

DIRECTORS

Shri R. L. Saboo resigned from the Directorship of the Company with effect from 29th September, 2010. The Board places on record its appreciation for the valuable services rendered by Shri R. L. Saboo during his tenure as Director of the Company.

Under Article 156 of the Articles of Association of the Company, Shri Girish Bagri and Smt. Sitalaxmi Narayanan, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

AUDITORS

M/s. Vijay Rungta & Co., Chartered Accountants, 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 expressing their willingness and

eligibility to act as Statutory Auditors of the Company under section 224(1B) of the Companies Act, 1956, if appointed.

COST AUDIT

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, M/s. R. Nanabhoy & Co., Cost Accountants, have been appointed as Cost Auditors to conduct the cost audit of the product of the Company for the year ended 31st March, 2011 and Cost Audit Report will be submitted to the concerned authorities.

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 EMPLOYEES

During the year under review, 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 and forming part of this Report.

SECRETARIAL COMPLIANCE CERTIFICATE

Secretarial Compliance Certificate received from M/s. Manish Ghia & Associates, Practicing Company Secretaries, as required under Section 383A of the Companies Act, 1956 for the financial year 2010-11 is annexed and forming part of this Annual Report.

STOCK EXCHANGE

The Company's equity shares are listed at Bombay Stock Exchange Ltd., and the Annual Listing Fees for the year 2011-12 has been paid.

DIRECTORS' RESPONSIBILITY STATEMENT

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 along with proper explanation relating to material departures, if any;
- (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, 2011 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 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. The directors express their appreciation for the dedicated and sincere services rendered by the employees of the company.

For and on behalf of the Board of Directors

S.M.Soni

Sitalaxmi Narayanan

Directors

Mumbai, May 14, 2011

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

SIMPLEX MILLS COMPANY LIMITED

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, 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, 2011.

A) CONSERVATION OF ENERGY

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

Form A

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

A) Power and Fuel Consumption	<u>2010-11</u>	<u>2009-10</u>
1. Electricity		
(a) Purchased		
Units (in thousands)	4,520	3,492
Total Amount (Rs. In lacs)	221.60	161.19
Rate per unit Rs.	4.90	4.62
(b) Own Generation	N.A.	N.A.
2. Furnace Oil	Nil	Nil
3. Others /Internal Generation	N.A.	N.A.

B) Consumption per unit of production

In view of composite nature of its Textile Business, it is not possible to express the consumption of power and fuel per unit of production.

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Efforts made towards the technology absorption, adaptation and innovation - Nil

Benefits derived as a result of the above efforts - Nil

Information regarding technology imported during the last 5 years - Nil

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

	<u>2010-11</u>	(Rs. in Lacs) <u>2009-10</u>
Foreign Exchange Earnings	23.92	19.55
Foreign Exchange Outgo	Nil	Nil

For and on behalf of the Board of Directors

S. M. Soni

Sitalaxmi Narayanan

Mumbai, May 14, 2011

Directors

Compliance Certificate

FORM
[SEE RULE 3]

Corporate Identity Number : L65900MH1998PLC116585
Authorised Share Capital : Rs. 3,10,00,000/-

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

We have examined the registers, records, books and papers of **Simplex Mills Company 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 2011** (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 within the time prescribed under the Act and the rules made there under. The Company has made an application to Central Government for the appointment of Cost Auditor during the financial year. Further, the Company was not required to file any documents with the Regional Director and Company Law Board or other authorities.
3. The Company, being a Public Limited Company, has the minimum prescribed paid-up share capital. As on 31st March 2011, the paid-up capital of the Company was Rs. 3,00,04,750/- and the restrictive provisions of Section 3(1) (iii) of the Act are not applicable.
4. The Board of Directors duly met **5 (five)** times on **21st May 2010, 11th August 2010, 30th October 2010, 5th February 2011 and 23rd February 2011** and as per information and explanation given by the management, proper notices were given and the proceedings were properly recorded and signed including circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 5th August 2010 to 11th August 2010 (both dates 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 2010** was held on **11th August 2010** and as per information and explanation given by the management, the Company has given adequate notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary 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.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.

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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 has not obtained any approvals from the Board of Directors, members or the Central Government as the case may be.
12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The Company:
 - i) has delivered all the share certificates on lodgement thereof for transfer and transmission or any other purpose in accordance with the provisions of the Act.
 - ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii) was not required to post any dividend warrants to the members of the Company as no dividend was declared during the financial year.
 - iv) was not required to transfer any fund to Investors Education and Protection Fund.
 - v) has 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 and additional director was duly made. There was no appointment of alternate directors and directors to fill casual vacancy during the financial year. Mr. S. G. Shukla was regularized as a Director of the Company at the Annual General Meeting of the Company held on 11th August 2010.
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 has obtained Central Government's approval for appointment of M/s. R. Nanabhoj & Co., Cost Accountants, as Cost Auditors of the Company for the year ended on 31st March 2011. The Company was not required to take approval of Company Law Board, Regional Director and Registrar of Companies or any other authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms and 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 or 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 necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within preview of Sections 58A and 58AA of the Act during the financial year.

24. The amount borrowed by the Company during the financial year ended 31st March 2011 is within the borrowing limits of the Company.
25. The Company has not made any loans and advances, or given guarantees or provided securities to other bodies corporate during the year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to Name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company 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 has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For **Manish Ghia & Associates**
Company Secretaries

Manish L. Ghia
Partner

M. No. FCS 6252
C.P. No. 3531

Place : Mumbai
Date : 14th May 2011

Annexure - "A"

Registers maintained by M/s. Simplex Mills Company Limited

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. Register of Contracts, Companies and Firms in which directors are interested u/s. 301 of the Act.
5. Register of Directors u/s. 303 of the Act.
6. Register of Directors' Shareholding u/s. 307 of the Act.
7. Minutes Book of General Meeting and Board Meetings u/s. 193 of the Act.
8. Register of Shareholders' Attendance.
9. Register of Transfer / Transmission of Shares.

Annexure - "B"**Forms and Returns as filed by M/s. Simplex Mills Company Limited****A) With the Registrar of Companies, Mumbai, Maharashtra during the financial year ended on 31st March 2011:**

Sr. No.	eForm 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.	32	303(2)	Particulars of change in designation of Shri S. G. Shukla from additional director to director of the Company w. e. f. 11th August 2010.	30.08.2010	Yes	N.A.
2.	66	383A	Compliance Certificate for the financial year ended 31st March 2010	01.09.2010	Yes	N.A.
3.	23AC & ACA	220(1)	Schedule VI (Annual Accounts) for the financial year ended 31st March 2010	07.09.2010	Yes	N.A.
4.	20B	159(1)	Schedule V (Annual Return) for the Annual General Meeting held on 11th August, 2010	05.10.2010	Yes	N.A.
5.	32	303(2)	Particulars of resignation of Shri R. L. Saboo from directorship of the Company w. e. f. 29th September 2010	06.10.2010	Yes	N.A.

B) With the Office of the Regional Director, Mumbai during the financial year ended on 31st March 2011: Nil**C) With the Office of the Ministry of Corporate Affairs (Central Government) at Delhi during the financial year ended on 31st March 2011:**

Sr. No.	eForm 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.	23C	233B(2)	Application for re-appointment of M/s. R. Nanabhoy & Co., Cost Accountants, as Cost Auditors of the Company for the year ended 31st March 2011	05.06.2010	N.A.	N.A.
2.	I (CAR)	233B	Filing of Cost Audit Report for the year ended 31st March 2010	08.09.2010	Yes	N.A.

D) With any other Authorities as prescribed under the Act, during the financial year ended on 31st March 2011: Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Textiles Industry is one of the largest and oldest industries in India and has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP, and 17 percent to the country's export earnings. It provides direct employment to about 35 million people and another 56 million are engaged in allied activities. The Textiles sector is the second largest employment provider after agriculture. India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5 per cent to 8 per cent and reach US\$ 80 billion by 2020, as per press release of the Ministry of Textiles, Govt. of India.

OUTLOOK, OPPORTUNITIES AND THREATS

The textile industry is making forays in the technical textiles field from the usual clothing segment. The technical textiles need both expensive machinery as well as skilled workers. This sector encompasses applications like filtration, bedsheets and abrasive materials, healthcare upholstery and furniture, blood absorbing materials and thermal protection, adhesive tape, seatbelts and other specialized applications and products.

Increased disposable income and purchasing power of Indian Customer, emerging retail industry and Malls provide huge opportunities for the apparel, handicrafts and other segments of the Industry.

The Western countries have started setting up their manufacturing units in India which single handedly opens up a wide array of possibilities for all the stakeholders within the textile industry.

With 100% FDI allowed through automatic route, the textile industry may witness big investment opportunity.

Experts believe that the golden era of Chinese textile and apparel exports are over and the production base of global textiles is gradually shifting from China to India and other low cost destinations.

Even though experts claim that china has past its glorious years, still one cannot afford to take China lightly and has to keep in mind the capability of Chinese exporter to supply quality products at cheap prices. Indian exporters cannot afford complacency and need to be on their toes for any changes within the international trade community.

RISKS AND CONCERNS

The Indian Textile industry is highly fragmented sector, existence of several intermediaries resulting in long lead time and cost inefficiency.

High power cost and power supply problems are major area of concern.

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

Industry is highly dependent on cotton and rise in cotton prices continuously since April 2009 and steep rise since August 2010 is a major concern for the industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate system of internal control procedure commensurate with its size and nature of the business so as to ensure that all assets are safeguarded from loss, damage or disposition. Checks and balances are in place to ensure that transactions are adequately authorized and recorded and that they are reported correctly. The Company continuously upgrades these systems in line with best accounting practices. The internal control system is further supplemented by a program of internal audit conducted by an independent firm of Chartered Accountants and reviewed by Audit Committee.

The Board of Directors considers internal controls as adequate.

FINANCIAL AND OPERATING PERFORMANCE

During the year under review, the Company has reported total income of Rs. 2,190.85 lacs as compared to Rs. 1,546.74 lacs in the previous year. The Company has registered a net loss of Rs.27.35 lacs as against a net profit of Rs. 25.05 lacs in the previous 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, 2011, the Board comprises of five Non-Executive Independent Directors.

None of the Directors on the Board is a member on more than 10 Committees and the Chairman in more than 5 Committees, across all Companies in which they are Director.

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

During the year under review, 5 (five) Board Meetings were held. The dates on which the said meetings were held are as follows:

21st May, 2010, 11th August, 2010, 30th October, 2010, 5th February, 2011 and 23rd February, 2011.

Details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2010-2011 and at the last Annual General Meeting, their directorships in other companies and membership/chairmanship in committees are as follows:

Name	Category	Attendance at Board Meetings		Directorship in other Public Limited Companies	Membership / Chairmanship in Committees (including Company)		Attendance at AGM held on 11 th August, 2010
		Held	Attended		Chairman*	Member*	
Shri S.M.Soni	Independent Non-Executive	5	5	1	-	4	Yes
Shri R.L.Saboo**	Independent Non-Executive	5	1	1	-	4	No
Shri O.D.Purohit	Independent Non-Executive	5	5	4	4	-	Yes
Shri Girish Bagri***	Independent Non-Executive	5	5	1	-	2	Yes
Smt. Sitalaxmi Narayanan	Independent Non-Executive	5	4	1	-	-	Yes
Shri S.G.Shukla	Independent Non-Executive	5	3	-	-	-	Yes

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

** Resigned from the Investors Grievance Committee, Audit Committee and Board of Directors w. e. f. 29th September, 2010.

*** Appointed as member of Audit Committee w.e.f. 11th August, 2010.

3. AUDIT COMMITTEE

During the year ended 31st March, 2011, 4 (four) Audit Committee meetings were held. The dates on which the said meetings were held are as follows:

21st May, 2010, 11th August, 2010, 30th October, 2010 and 5th February, 2011.

The composition of the Audit Committee and the number of meetings attended by each member during the year ended 31st March, 2011 is as follows:

Name of the Member	Designation	No. of Meetings attended
Shri O.D.Purohit	Chairman	4
Shri R.L.Saboo (upto 29th September, 2010)	Member	1
Shri S.M.Soni	Member	4
Shri Girish Bagri (appointed w.e.f. 11th August, 2010)	Member	1

All the Members of the Audit Committee are Independent Non- Executive Directors having good knowledge of Finance, Accounts and Company Laws.

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 brief description of terms of reference are 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 Companies Act, 1956.
 - 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.
- 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 31.03.2011:**(Amount in Rs.)**

Name	Salary, Perquisites & Allowances	Sitting fees
Shri S.M.Soni	Nil	1,250/-
Shri R.L.Saboo (upto 29th September, 2010)	Nil	250/-
Shri O.D.Purohit	Nil	1,250/-
Shri Girish Bagri	Nil	1,250/-
Smt.Sitalaxmi Narayanan	Nil	1,000/-
Shri S.G.Shukla	Nil	750/-

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
Shri S.G.Shukla	19

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

During the year ended 31st March, 2011, 4 (four) Investors Grievance Committee Meetings were held. The dates on which the said meetings were held are as follows:

21st May, 2010, 11th August, 2010, 30th October, 2010 and 5th February, 2011.

Name of the Member	Designation	Executive/ Independent	No. of Committee Meetings attended
Shri O.D. Purohit	Chairman	Independent	4
Shri R. L. Saboo (upto 29th September, 2010)	Member	Independent	1
Shri S. M. Soni	Member	Independent	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 S. M. Soni 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, 2011, all of which have been resolved during the year.

Nature of Complaints	No. of Complaints
Mis-spelt of name in the share certificates	3
Non-receipt of share certificates	2

There are no Investors complaints pending as at 31st March, 2011.

6. GENERAL BODY MEETINGS

Location, time and date where last three Annual General Meetings were held are given below:

Financial Year	Date of AGM	Time	Location of the Meeting
2007 – 2008	28.08.2008	12.30 P.M.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. D. Marg, Mumbai – 400 001
2008 – 2009	10.08.2009	12.30 P.M.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. D. Marg, Mumbai – 400 001
2009 – 2010	11.08.2010	12.30 P.M.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. D. Marg, Mumbai – 400 001

Special Resolutions

Annual General Meeting	Date of AGM	Special resolution
10 th	28.08.2008	Appointment of M/s. Vijay Rungta & Co., Chartered Accountants, as Statutory Auditors of the Company.
11 th	10.08.2009	No Special Resolution was passed.
12 th	11.08.2010	No Special Resolution was passed.

No special resolution was put through Postal ballot at the last Annual General Meeting nor is proposed at the ensuing Annual General meeting.

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 Annual General Meeting 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 statement under notes to the accounts annexed to the 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 the 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 S. M. Soni, Director, on the financial statements of the Company for year ended 31st March, 2011 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, 2011 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

- The quarterly, half-yearly, nine months and full year results are published in Business Standard (English edition) and Lakshadeep (Regional edition).
- The Company has its own website 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.
- At present, the Company does not make presentation to Institutional Investors and Analysts.
- 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.	Date, Time and Venue of ensuing Annual General Meeting	Date : 12th August, 2011 Time : 12.30 P.M. Venue : M. C. Ghia Hall, Bhogilal Hargovindas Building, 2 nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai- 400001.
ii.	Financial Calendar (2011-2012)	i) First Quarterly Results - Upto 15 th August, 2011 ii) Second Quarterly Results- Upto 15 th November, 2011 iii) Third Quarterly Results - Upto 15 th February, 2012 iv) Annual Results - Upto 30 th May, 2012
iii.	Date of Book Closure	From Friday, 5th August, 2011 to Friday, 12th August, 2011 (both days inclusive)
iv.	Dividend payment date	N.A.
v.	Listing on Stock Exchange	Bombay Stock Exchange Limited(BSE) P. J. Towers, Dalal Street, Fort , Mumbai – 400 001
vi.	Stock Code ISIN	533018 INE457H01019
vii.	Market Price Data	The monthly high and low quotations of shares traded on the BSE from April, 2010 to March, 2011 are as follows:

Month	Volume (No. of shares)	Price (Rs.)		BSE Sensex	
		High	Low	High	Low
April, 2010	5,396	32.15	23.45	18,047.86	17,276.80
May, 2010	4,222	31.40	24.50	17,536.86	15,960.15
June, 2010	5,052	31.55	28.20	17,919.62	16,318.39
July, 2010	6,552	31.40	25.50	18,237.56	17,395.58
August, 2010	33,401	34.85	28.20	18,475.27	17,819.99
September, 2010	22,500	33.75	26.55	20,267.98	18,027.12
October, 2010	57,745	34.85	27.30	20,854.55	19,768.96
November, 2010	18,700	38.00	26.05	21,108.64	18,954.82
December, 2010	13,937	32.40	25.25	20,552.03	19,074.57
January, 2011	3,540	32.50	25.40	20,664.80	18,038.48
February, 2011	1,587	31.45	21.10	18,690.97	17,295.62
March, 2011	5,049	25.95	19.55	19,575.16	17,792.17

viii. Registrar and Share Transfer Agent

Freedom Registry Limited
Plot No. 101/102, M.I.D.C.,
19th Street, Satpur, Nasik - 422 007
Phone: (0253) 2354032 Fax: (0253) 2351126
E-mail: amtrac_nsk@sancharnet.in

ix. Share Transfer System

All shares sent or transferred in physical form are registered by the Registrar and 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 (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

x. Shareholding Pattern as at 31st March, 2011

Category	Number of shares held	Percentage of Shareholding (%)
(A) Shareholding of Promoter and Promoter Group	21,61,230	72.03
(B) Public shareholding		
(1) Institutions		
(a) Mutual Funds/ UTI	357	0.01
(b) Financial Institutions/ Banks	4,843	0.16
(c) Insurance Companies	4,57,330	15.24
(2) Non-Institutions		
(a) Bodies Corporate	28,784	0.96
(b) Individuals -		
i. holding nominal share capital up to Rs.1 lac.	3,41,497	11.38
ii. holding nominal share capital in excess of Rs.1 lac.	-	-
(c) Others -		
i. Non Residents	6,330	0.21
ii. Directors and their Relatives	104	0.01
Total Public Shareholding (B)= (B)(1)+(B)(2)	8,39,245	27.97
TOTAL (A)+(B)	30,00,475	100.00

Distribution of shareholding as on 31st March, 2011

Category	Number of shareholders	% of total number of shareholders	Total Number of Shares	% of Total Number of Shares
1 to 500	5,494	97.85	2,41,028	8.03
501 to 1,000	62	1.10	42,233	1.41
1,001 to 5,000	45	0.80	90,599	3.02
5,001 to 10,000	1	0.02	5,858	0.20
10,001 & above	13	0.23	26,20,757	87.34
Total	5,615	100.00	30,00,475	100.00

xi. Dematerialization of shares and Liquidity

About 91.53% shares have been dematerialized as on 31st March, 2011. The Equity shares of the Company are traded on Bombay Stock Exchange Limited.

The Company has paid the Listing fees for the year 2011 - 2012 to the Bombay Stock Exchange Ltd. 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 - Shivni,
Opp. Shivni Shivpur Railway Station,
Dist. Akola - 444101, 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 Mills Company Limited
30, Keshavrao Khadye Marg,
Sant Gadge Maharaj Chowk,
Mumbai 400 011
Phone : (022) 2308 2951
Fax : (022) 2307 2773
e-mail: mills@simplex-group.com
Website : www.simplex-group.com

OR Freedom Registry Limited

Registered Office :

Plot No. 101/102, M.I.D.C., 19th Street,
Satpur, Nasik- 422 007
Phone : (0253) 2354032
Fax : (0253) 2351126
E-mail: amtrac_nsk@sancharnet.in

Liaison Office :

104, Bay Side Mall,
35/C, M.M. Malviya Marg
Tardeo Road, Haji Ali,
Mumbai - 400 034
Phone : (022) 23525589, 67432799

DECLARATION UNDER CLAUSE 49 (1) (D) 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, 2011.

For **Simplex Mills Company Limited**

Mumbai, May 14, 2011

S. M. Soni
Director

CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Simplex Mills Company Limited

We have examined the records concerning Compliance of the conditions of Corporate Governance by **Simplex Mills Company Limited** for the year ended 31st March 2011 as stipulated in clause 49 of the Listing Agreement of the said company with the Bombay Stock Exchange 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)

Mumbai, May 14, 2011

Ajay Rungta
Partner
Membership No: F-40333

AUDITORS' REPORT TO THE MEMBERS OF SIMPLEX MILLS COMPANY LIMITED

1. We have audited the attached Balance Sheet of **Simplex Mills Company Limited** ('the Company') as at March 31, 2011 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 statement 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, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to Section 211(3C) of the Act;
 - e. 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 none of the directors is disqualified as at March 31, 2011 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Act;
 - f. 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, 2011;
 - 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 the 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
(Firm Registration No. 111427W)

Ajay Rungta
Partner
Membership No: F- 40333
Mumbai, May 14, 2011

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of our report of even date to the members of Simplex Mills Company Limited on the financial statements for the year ended March 31, 2011]

- (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.
- (iii) (a) The Company has granted interest free advance to one company which is covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year amounted to Rs. 0.19 lacs.
- (b) In our opinion, other terms and conditions on which the Company has given loans are not, prima facie, prejudicial to the interest of the Company.
- (c) The Company is recovering the principal amounts as stipulated and is also regular in recovery of interest, where applicable.
- (d) There are no overdue amounts of more than Rupees one lakh in respect of loan given.
- (e) The Company has not taken any loan from any Company covered in the Register maintained under section 301 of the Companies Act, 1956. Hence Clause (iii) (f) and (iii) (g) of Paragraph 4 of the Order are not applicable to the Company.
- (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 that are required to be entered in the register maintained under that section, have been so entered.

- (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 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 cotton textile 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, 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 to Rs. 551.43 lacs, on account of the following disputes pending before authorities:

Period to which dues relate	Pending before	Rs. In lacs.
1984-85 and 1995-96	Assistant Commissioner	49.13
1994 to 1996	Commissioner (Appeals)	248.39
1981-84, 1981-95, and 2004	CESTAT	159.13
1981 to 1984	High Court	53.27
2002-03	Supreme Court	41.51
	Total	551.43

- (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 not incurred any cash losses during the year under report.
- (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. The Company did not have any borrowings from financial institutions.
- (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.
- (xvii) 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, May 14, 2011

SIMPLEX MILLS COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

I SOURCES OF FUNDS	Schedule	31.03.2011		31.03.2010	
	No.	Rs.	Rs.	Rs.	Rs.
SHAREHOLDERS' FUNDS					
Share Capital	(1)	3,00,04,750		3,00,04,750	
Reserves and Surplus	(2)	<u>9,99,46,306</u>		<u>10,26,81,514</u>	
			12,99,51,056		13,26,86,264
LOAN FUNDS					
Secured Loans	(3)	1,53,10,030		11,49,860	
Unsecured Loans	(4)	<u>88,26,067</u>		-	
			2,41,36,097		11,49,860
DEFERRED TAX LIABILITY (Net)			<u>50,75,424</u>		<u>45,82,455</u>
TOTAL			<u>15,91,62,577</u>		<u>13,84,18,579</u>
II APPLICATION OF FUNDS					
FIXED ASSETS (5)					
Gross Block		15,95,36,755		15,80,53,621	
Less : Depreciation		<u>3,06,84,953</u>		<u>2,57,51,221</u>	
		<u>12,88,51,802</u>		<u>13,23,02,400</u>	
Capital Work in Progress and Advances for Capital Expenditure		<u>20,77,797</u>		21,01,432	
			13,09,29,599		13,44,03,832
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	(6)	4,34,11,868		1,80,73,434	
Sundry Debtors	(7)	73,05,071		1,24,44,802	
Cash and Bank Balances	(8)	16,18,761		17,93,420	
Other Current Assets	(9)	22,01,924		22,01,924	
Loans and Advances	(10)	<u>61,81,148</u>		<u>38,41,798</u>	
		<u>6,07,18,772</u>		<u>3,83,55,378</u>	
LESS: CURRENT LIABILITIES AND PROVISIONS (11)					
Current Liabilities		1,58,31,377		1,97,28,645	
Provisions		<u>1,66,54,417</u>		<u>1,46,11,986</u>	
		<u>3,24,85,794</u>	2,82,32,978	<u>3,43,40,631</u>	40,14,747
MISCELLANEOUS EXPENDITURE (12) (to the extent not written off or adjusted)			-		-
TOTAL			<u>15,91,62,577</u>		<u>13,84,18,579</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (17)					

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, May 14,2011

For and on behalf of the Board

S.M.Soni

Sitalaxmi Narayanan

Directors

Mumbai, May 14, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule No.	2010-11 Rs.	2009-10 Rs.
INCOME			
Sales		20,04,78,518	14,64,70,792
Less:Excise Duty Recovered		6,82,246	3,15,128
Net Sales		<u>19,97,96,272</u>	<u>14,61,55,664</u>
Other Income	(13)	15,35,077	23,75,766
Increase/(Decrease) in Process Stocks and Finished Goods	(14)	<u>1,77,54,006</u>	<u>61,42,249</u>
		<u>21,90,85,355</u>	<u>15,46,73,679</u>
EXPENDITURE			
Manufacturing and other Expenses	(15)	21,55,02,968	14,79,73,424
Depreciation		49,33,732	49,15,451
Interest	(16)	8,90,894	7,11,065
		<u>22,13,27,594</u>	<u>15,35,99,940</u>
Profit/(Loss) before Tax & Extraordinary Items		<u>(22,42,239)</u>	10,73,739
Extraordinary Items		-	(31,64,713)
Profit/(Loss) before Tax		<u>(22,42,239)</u>	(20,90,974)
Deferred Tax (Assets)/Liability (Net)		4,92,969	(47,14,824)
Tax for Earlier Years		-	1,18,760
Profit/(Loss) after Tax		<u>(27,35,208)</u>	25,05,090
Balance brought forward		<u>(2,76,77,574)</u>	(3,01,82,664)
Balance carried to Balance Sheet		<u>(3,04,12,782)</u>	<u>(2,76,77,574)</u>
Basic and Diluted earnings per share of Rs.10 each (Refer Note 6 of Schedule 17)		(0.91)	0.83

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (17)

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, May 14,2011

For and on behalf of the Board

S.M.Soni

Sitalaxmi Narayanan

Directors

Mumbai, May 14, 2011

SIMPLEX MILLS COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Rs.	2010-11 Rs.	Rs.	2009-10 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT/(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS		(22,42,239)		10,73,739
Adjustment for :				
Depreciation	49,33,732		49,15,451	
Interest expense (gross)	8,90,894		7,11,065	
Interest income	(1,68,653)		(2,00,459)	
Amortisation of Voluntary Retirement Scheme Expenditure	-		7,31,952	
Balances Written off	-		(1,28,207)	
		56,55,973		60,29,802
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		34,13,734		71,03,541
(Increase)/Decrease in working capital :				
Trade and other Receivables	28,65,140		(62,12,902)	
Inventories	(2,53,38,434)		(1,00,35,896)	
Trade and other Payables	(18,54,837)		1,11,62,451	
		(2,43,28,131)		(50,86,347)
CASH GENERATED FROM OPERATIONS		(2,09,14,397)		20,17,194
Direct Taxes (Paid)/ Received		(71,633)		(76,982)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(A)	(2,09,86,030)		19,40,212
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets/Capital Advances paid		(14,59,499)		(30,395)
Interest received		1,75,527		2,36,993
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	(B)	(12,83,972)		2,06,598
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Net change in borrowings		2,29,86,237		(16,34,531)
Interest paid		(8,90,894)		(7,11,065)
NET CASH USED IN FINANCING ACTIVITIES	(C)	2,20,95,343		(23,45,596)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

		2010-11 Rs.	2009-10 Rs.
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C)	(1,74,659)	(1,98,786)
CASH AND CASH EQUIVALENTS - AT START OF THE YEAR		17,93,420	19,92,206
CASH AND CASH EQUIVALENTS - AT END OF THE YEAR		16,18,761	17,93,420
Cash and cash equivalents comprise of :		As on	As on
		31-Mar-11	31-Mar-10
Cash on hand		52,902	38,151
Balances with Scheduled Banks :			
- in Current Accounts		14,85,980	6,68,942
- Fractional Shares Current Account		29,879	27,048
- in Deposit Accounts as Margin Money		50,000	10,59,279
		<u>16,18,761</u>	<u>17,93,420</u>

NOTES TO THE ACCOUNTS - SCHEDULE 17

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, May 14, 2011

For and on behalf of the Board
S.M.Soni
Sitalaxmi Narayanan

Directors

Mumbai, May 14, 2011

SIMPLEX MILLS COMPANY LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2011	31.03.2010
	Rs.	Rs.
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
31,00,000 Equity Shares of Rs.10 each	<u>3,10,00,000</u>	<u>3,10,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
30,00,475 (Previous Year 30,00,475) Equity shares of Rs.10 each fully paid up.	3,00,04,750	3,00,04,750
(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)	<u>3,00,04,750</u>	<u>3,00,04,750</u>

	31.03.2011		31.03.2010
	Rs.	Rs.	Rs.
SCHEDULE 2			
RESERVES AND SURPLUS			
CAPITAL RESERVE (Backward Area Incentive) As per last balance sheet	25,00,000		25,00,000
GENERAL RESERVE As per last balance sheet	12,78,59,088	12,78,59,088	
Less: Debit Balance of Profit & Loss Account	<u>3,04,12,782</u>	<u>9,74,46,306</u>	<u>2,76,77,574</u>
	<u>9,99,46,306</u>		<u>10,01,81,514</u>
			<u>10,26,81,514</u>

	31.03.2011	31.03.2010
	Rs.	Rs.
SCHEDULE 3		
SECURED LOANS		
Cash Credit facility with Banks secured by hypothecation of movable assets including Stock of Stores and Spare parts, Stock - in - trade, Book Debts, Other Current Assets and by a charge on immovable assets.	1,53,10,030	11,49,860
	<u>1,53,10,030</u>	<u>11,49,860</u>

	31.03.2011	31.03.2010
	Rs.	Rs.
SCHEDULE 4		
UNSECURED LOANS		
From a Body Corporate	88,26,067	-
	<u>88,26,067</u>	<u>-</u>

SIMPLEX MILLS COMPANY LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2011		31.03.2010	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 6				
INVENTORIES				
(As valued and certified by the management)				
(i) Stores and Spare Parts - at cost		10,72,431		12,10,044
(ii) Stock in Trade				
(a) Raw Materials - at cost or market rate whichever is lower	1,31,58,859		54,36,818	
(b) Process Stock - at estimated cost	98,27,050		78,72,465	
(c) Finished Goods (including waste) - at cost or market rate whichever is lower	1,93,53,528		35,54,107	
		4,23,39,437		1,68,63,390
		4,34,11,868		1,80,73,434

	31.03.2011		31.03.2010	
		Rs.		Rs.
SCHEDULE 7				
SUNDRY DEBTORS (Unsecured, considered good)				
(a) Debts outstanding for a period exceeding six months		13,174		53,368
(b) Other Debts		72,91,897		1,23,91,434
		73,05,071		1,24,44,802

	31.03.2011		31.03.2010	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 8				
CASH AND BANK BALANCES				
Cash on hand		52,902		38,151
With Scheduled Banks				
- in Current Accounts	14,85,980		6,68,942	
- Fractional Shares Current Account	29,879		27,048	
- in Deposit Accounts as Margin Money	50,000		10,59,279	
		15,65,859		17,55,269
		16,18,761		17,93,420

	31.03.2011		31.03.2010	
		Rs.		Rs.
SCHEDULE 9				
OTHER CURRENT ASSETS				
Sundry Deposits		22,01,924		22,01,924
		22,01,924		22,01,924

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2011	31.03.2010
	Rs.	Rs.
SCHEDULE 10		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advance payment of Income-Tax/Fringe Benefit Tax	23,96,562	23,24,929
Balances with Excise Authorities	1,82,433	1,81,789
Other Advances	36,02,153	13,35,080
	<u>61,81,148</u>	<u>38,41,798</u>

	31.03.2011	31.03.2010
	Rs.	Rs.
SCHEDULE 11		
CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Sundry Creditors (Refer Note 3 of Schedule 17)	39,44,926	74,80,012
Other Liabilities	1,18,86,451	1,22,48,633
	<u>1,58,31,377</u>	<u>1,97,28,645</u>
B. Provisions		
Gratuity	1,36,03,177	1,18,72,575
Leave Benefits	7,24,974	4,13,145
Fringe Benefit Tax	3,31,989	3,31,989
Income Tax	19,94,277	19,94,277
	<u>1,66,54,417</u>	<u>1,46,11,986</u>
	<u>3,24,85,794</u>	<u>3,43,40,631</u>

	31.03.2011	31.03.2010
	Rs.	Rs.
SCHEDULE 12		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Expenses on Voluntary Retirement Scheme		
Balance as per last balance sheet	-	38,96,665
Add: Payments made during the year	-	-
	<u>-</u>	<u>38,96,665</u>
Less: Amortised during the year	-	38,96,665
	<u>-</u>	<u>38,96,665</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

SIMPLEX MILLS COMPANY LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 13	2010-11 Rs.	2009-10 Rs.
OTHER INCOME		
Insurance Claims	31,713	53,160
Interest Received	1,68,653	2,00,459
Miscellaneous Income	13,34,711	21,22,147
	<u>15,35,077</u>	<u>23,75,766</u>

SCHEDULE 14	Rs.	2010-11 Rs.	Rs.	2009-10 Rs.
INCREASE/(DECREASE)IN PROCESS STOCKS AND FINISHED GOODS				
Closing Stock				
Process Stocks	98,27,050		78,72,465	
Finished Goods	<u>1,93,53,528</u>		<u>35,54,107</u>	
		2,91,80,578		1,14,26,572
Less:				
Opening Stock				
Process Stocks	78,72,465		43,23,449	
Finished Goods	<u>35,54,107</u>		<u>9,60,874</u>	
		1,14,26,572		52,84,323
Increase in Stock		<u>1,77,54,006</u>		<u>61,42,249</u>

SCHEDULE 15	Rs.	2010-11 Rs.	Rs.	2009-10 Rs.
MANUFACTURING AND OTHER EXPENSES				
1. Raw Materials Consumed		12,99,13,530		8,57,13,177
2. Purchase of Finished and Semi-Finished Goods		2,04,87,674		1,10,64,497
3. Payments to and provisions for Employees :				
Salaries,Wages,Bonus and Ex-gratia	2,21,10,178		1,81,15,106	
Gratuity	24,61,202		18,52,407	
Leave Benefit	10,95,994		6,59,731	
Contribution to Provident and other Funds	20,03,631		17,94,317	
Welfare Expenses (Net)	<u>8,76,882</u>		<u>8,23,726</u>	
		2,85,47,887		2,32,45,287

SCHEDULE 17

1. SIGNIFICANT ACCOUNTING POLICIES

The accounts have been prepared in accordance with the accounting principles generally accepted in India and are in line with the relevant provisions of the Companies Act, 1956.

(i) Basis of Accounting:

The financial statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable Accounting Standards notified u/s 211(3C) of the Companies Act, 1956 and relevant provisions of the Companies Act, 1956.

The Company adopts the 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) 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, comprising of direct cost, related incidental expenses and interest on borrowings there against.

(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 products and waste are valued at cost or market rate whichever is lower, whereas the sold quantity is valued at contract rates. (Cost includes direct cost and overheads). Cost of finished goods and work in process is ascertained by applying the absorption cost basis.

(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.

(viii) Export Sales:

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

(ix) 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 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.

SCHEDULE 17 (Contd.)

(x) 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.

(xi) 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 Profit and Loss account as incurred.

(xii) 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.

(xiii) 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.

(xiv) Provisions & 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.

(xv) 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.

2. NOTES TO THE ACCOUNTS

1. Contingent liabilities not provided for:

	(Rs. in Lacs)	
	31-03-11	31-03-10
a) Appeals filed in respect of disputed demands:		
i) Central Excise	551.43	551.43
ii) Labour Matters	3.84	3.84
b) Bank Guarantee	5.00	5.00

2. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.285.99 lacs (net of advances) (Previous year Rs. 285.99 lacs).

SIMPLEX MILLS COMPANY LIMITED

SCHEDULE 17 (Contd.)

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

- I) Defined Contribution Plan
 - a) Provident Fund
 - b) Superannuation Fund and Pension Scheme

The Company has recognized the following amounts in the Profit and Loss account which are included under Contribution to Provident Fund and Other Funds; (In Rupees)

	2010-11	2009-10
Provident Fund	6,95,658	6,08,870
Superannuation Fund	-	32,000
Pension Fund	13,07,973	11,53,447

II) Defined Benefit Plans

- a) Contribution to Gratuity Fund (Non Funded)
- b) Leave Encashment (Non Funded)

In accordance with the Accounting Standard (AS-15) (Revised 2005) Employee Benefits, actuarial valuation was done in respect of the aforesaid defined benefit plans of gratuity and leave encashment based on the following assumptions:

	2010-11	2009-10
Actuarial Assumptions		
Discount Rate	8.17%	8.00%
Salary Escalation Rate	5.00%	5.00%
Attrition Rate	0.5%	2.05%

	2010-11	2009-10
Gratuity		
A. Changes in value of obligations	Rs.in Lacs	
Liability at the beginning of the year	118.72	103.90
Interest Cost	9.21	7.14
Current Service Cost	12.81	14.13
Benefit Paid	(7.31)	(3.70)
Actuarial (Gain)/Loss on Obligations	2.60	(2.75)
Liability at the end of the year	136.03	118.72
B. Amount recognized in the Balance Sheet		
Present Value of Defined Benefit Obligation as at the year end	136.03	118.72
Fair Value of Plan Assets as at the year end	-	-
Liability/ (Net Asset) recognized in the Balance Sheet	**136.03	**118.72
**Included in Provisions (Refer Schedule 11)		
C. Expenses recognized in the Profit and Loss account		
Interest Cost	9.21	7.14
Current Service Cost	12.81	14.13
Net Actuarial (Gain)/Loss recognized	(2.60)	(2.75)
Expenses recognized in Profit and Loss account	24.61	18.52

SCHEDULE 17 (Contd.)

Leave Encashment	2010-11	2009-10
A. Changes in value of obligations	Rs.in Lacs	
Liability at the beginning of the year	4.13	5.05
Interest Cost	0.02	0.09
Current Service Cost	5.16	4.68
Benefit Paid	(7.84)	(7.51)
Actuarial (Gain)/Loss on Obligations	5.78	1.82
Liability at the end of the year	7.25	4.13
B. Amount recognized in the Balance Sheet		
Present Value of Defined Benefit Obligation as at the year end	7.25	4.13
Fair Value of Plan Assets as at the year end	-	-
Liability/ (Net Asset) recognized in the Balance Sheet	**7.25	**4.13
**Included in Provisions (Refer Schedule 11)		
C. Expenses recognized in the Profit and Loss account		
Interest Cost	0.02	0.09
Current Service Cost	5.16	4.68
Actuarial (Gain)/Loss recognized	5.78	1.82
Expenses recognized in Profit and Loss account	10.96	6.59

5. Break-up of Deferred Tax Liability (net):

(Rs. in lacs)

		31-03-2011	31-03-2010
		Deferred Tax Assets/ (Liability)	Deferred Tax Assets/ (Liability)
1	Related to Fixed Assets - Cumulative	(113.62)	(116.05)
2	Unabsorbed Depreciation & Business Losses	18.59	28.61
3	Disallowances under Income Tax	44.27	41.62
	Deferred tax liability – net	(50.75)	(45.82)

6. Earnings per Share (EPS) :

		2010-11	2009-10
(a)	Profit/ (Loss) after tax & extraordinary items - Rs.	(27,35,208)	25,05,090
(b)	Extraordinary Items – Rs.	-	(31,64,713)
(c)	Weighted average number of shares	30,00,475	30,00,475
(d)	Face value of shares (Rs. per share)	10/-	10/-
(e)	Basic/Diluted EPS (after extraordinary items) - Rs.	(0.91)	0.83
(f)	Basic/Diluted EPS (before extraordinary items) - Rs.	(0.91)	1.89

7. The Company's activities are classified as belonging to a single business segment of manufacture and trading in yarns, textiles and textile products. The Company's operations are largely limited to India.

SIMPLEX MILLS COMPANY LIMITED

SCHEDULE 17 (Contd.)

8. Related Party Disclosure (As identified by the Management)

(Rs. in lacs)

Name of Related Party	Type of Related Party	Description of the nature of the transactions	Volume of transactions during 2010-11	Volume of transactions during 2009-10	As on 31.03.11 Receivable/ (Payable)	As on 31.03.10 Receivable/ (Payable)
Simplex Realty Ltd.	Controlling Company	Loans taken	86.26	21.95	(88.26)	(2.00)
Simplex Papers Ltd.	Associate Company	Advances	-	-	0.19	0.19

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

	Unit	01.04.2010 to 31.03.2011		01.04.2009 to 31.03.2010	
		Quantity	Value Rs.	Quantity	Value Rs.
(a) Turnover*:					
Cloth	Meters	7,08,455	7,34,73,911	6,39,728	6,51,81,954
Yarn	Kgs.	8,17,920	12,56,25,261	7,09,057	7,85,74,555
Waste	Kgs.	72,619	13,79,346	1,58,241	27,14,283
			<u>20,04,78,518</u>		<u>14,64,70,792</u>
* including excise duty					
(b) Raw Materials Consumed :					
Cotton	M.Tonnes	1,301	12,62,03,872	1,246	8,09,87,614
Yarn	M.Tonnes	27	37,09,658	37	47,25,563
			<u>12,99,13,530</u>		<u>8,57,13,177</u>
(c) Purchase of Finished/Semi Finished Goods:					
Cloth	Meters	4,24,304	2,04,38,080	2,68,218	1,10,64,497
Waste	Kgs.	1,651	49,594	-	-
			<u>2,04,87,674</u>		<u>1,10,64,497</u>
(d) (i) Opening stock of Finished Goods:					
Cloth	Meters	23,056	31,03,812	9,053	6,94,831
Yarn	Kgs.	2,914	3,63,700	1,898	1,90,301
Waste	Kgs.	10,286	86,595	4,372	75,742
			<u>35,54,107</u>		<u>9,60,874</u>
(ii) Closing stock of Finished Goods:					
Cloth	Meters	8,612	20,29,031	23,056	31,03,812
Yarn	Kgs.	87,017	1,72,13,051	2,914	3,63,700
Waste	Kgs.	18,153	1,11,446	10,286	86,595
			<u>1,93,53,528</u>		<u>35,54,107</u>

SCHEDULE 17 (Contd.)

	<u>01.04.2010 to 31.03.2011</u>		<u>01.04.2009 to 31.03.2010</u>	
	Value Rs.	% of Total Consumption	Value Rs.	% of Total Consumption
(e) (i) Value of Raw Materials consumed:				
(a) Directly imported	-	-	-	-
(b) Indigenously obtained	<u>12,99,13,530</u>	<u>100</u>	<u>8,57,13,177</u>	<u>100</u>
	<u>12,99,13,530</u>	<u>100</u>	<u>8,57,13,177</u>	<u>100</u>
(ii) Value of Stores, Spare Parts and Components consumed:				
(a) Directly imported	-	-	-	-
(b) Indigenously obtained	<u>54,99,086</u>	<u>100</u>	<u>42,50,361</u>	<u>100</u>
	<u>54,99,086</u>	<u>100</u>	<u>42,50,361</u>	<u>100</u>

(f) Earnings in Foreign Exchange on account of Export of goods on F.O.B. basis :

	Rs.	Rs.
Direct Exports	23,91,803	19,54,683
Through Merchant Exporters	18,88,110	-

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

	Unit	<u>01.04.2010 to 31.03.2011</u>		<u>01.04.2009 to 31.03.2010</u>	
		Licensed	Installed	Licensed	Installed
(i) Capacity:					
(a) Spindles	Nos.	55,000	14,272	55,000	14,272
(b) Looms	Nos.	423	17	423	17
(ii) Packed Production :					
(a) Cloth	Meters		2,69,707		3,85,513
(b) Saleable Yarn	Kgs.		9,02,023		7,10,073
(c) Saleable Waste	Kgs.		78,835		1,64,155

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

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

As per our report of even date attached
Signatures to Schedules 1 to 17.

For and on behalf of the Board

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

S. M. Soni
Sitalaxmi Narayanan
Directors

Ajay Rungta
Partner
Membership No. F- 40333
Mumbai, May 14, 2011

Mumbai, May 14, 2011

SIMPLEX MILLS COMPANY LIMITED

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

I Registration Details

Registration No.	:	116585
State Code	:	11
Balance Sheet Date	:	31st March, 2011

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

Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

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

Total Liabilities	1,59,163	Total Assets	1,59,163
Sources of Funds			
Paid-up Capital	30,005	Reserves & Surplus	99,947
Secured Loans	15,310	Unsecured Loans	8,826
Deferred Tax Liability	5,075		
Application of Funds			
Net Fixed Assets	1,30,930	Net Current Assets	28,233

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

Turnover & Other Income	2,19,085	Total Expenditure	2,21,327
Loss Before Tax	2,242	Loss After Tax	2,735
Earnings per share	(0.91)	Dividend @ %	Nil

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

Product Description	Item Code No. (ITC Code)
Blended Yarn & Man Made Fabrics	54.06 & 55.09 to 55.14
Cotton Yarn & Cotton Fabrics	52.05 to 52.09

ATTENDANCE SLIP

I hereby record my presence at the 13th ANNUAL GENERAL MEETING held on Friday, the 12th August, 2011 at 12.30 P.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001.

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 to vote for me/us on my/our behalf at the 13th ANNUAL GENERAL MEETING of the Company to be held on Friday, the 12th August, 2011 at 12.30 P.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001.

Signed this _____ day of _____ 2011

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:

- i) The Proxy form must be lodged at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
- ii) The Proxy need not be a Member.

If undelivered, please return to:

Simplex Mills Company Limited

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