

SUPREME PAPER MILLS LTD.

ANNUAL ACCOUNTS

&

REPORT

2006-2007



SUPREME PAPER MILLS LIMITED

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SUPREME PAPER MILLS LIMITED

Board of Directors : (As on 04/09/2007)

1. Shri N. L. Todi	:	Chairman & Managing Director
2. Shri K. L. Dey	:	Director (Nominee WBIDC)
3. Shri R. K. Todi	:	Director
4. Shri R. N. Jhunjhunwala	:	Director
5. Shri D. Chatterjee	:	Director
6. Shri S. K. Mondal	:	Director
7. Shri Sitaram Sharma	:	Director

Company Secretary-Cum-Mgr. A & F :

Shri S. M. Varma

Auditors :

K. Prasad & Co.
Chartered Accountants
24, R. N. Mukherjee Road
Kolkata - 700 001.
Ph. : 2248-0268/4654/6667

Bankers :

State Bank of India
United Bank of India

Registered Office :

12, Darga Road
Ground Floor
Kolkata - 700 017
Fax : 91-33-2290 0501
E-mail : supremepaper@eth.net
supreme@giasci01.vsnl.net.in
Phone : 2280 / 3010 / 3011 / 3012 / 3013

Mill :

Village : Raninagar
P. O. : Chakdaha
Dist. : Nadia, West Bengal
Pin : 741 222
Phone : 953473-242032 / 243679
Fax : 953473-240447

SUPREME PAPER MILLS LIMITED

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 32nd Annual General Meeting of the Shareholders of Supreme Paper Mills Ltd. will be held at No. 2, Queens Park, Kolkata - 700 019 on Saturday the 29th September, 2007 at 01.30 pm. to transact the following business :-

1. To receive, consider and adopt the audited Profit & Loss Account of the Company for the financial year ended on 31st March, 2007 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Sri D. Chatterjee, who retires by rotation at this meeting, but being eligible offered himself for reappointment.
3. To appoint a Director in place of Shri Sitaram Sharma, who retires by rotation at this meeting being eligible offered himself for reappointment.
4. To appoint Auditors who shall hold office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

By Order of the Board

N. L. TODI
Chairman & Managing Director

Dated, Kolkata
The 4th September, 2007

Notes :

- a) The register of members and share transfer books of the company will be remain closed from 20th September 2007 to 29th September 2007 both days inclusive.
- b) A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company.
- c) A proxy in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.
- d) Members are requested to inform immediately any change of their address as now recorded with the company.

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DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their Annual Report for the financial year ended 31st March, 2007 together with the Audited Accounts for the said period.

	(Rs. in lacs)	
	Current Year 2006 - 2007	Previous Year 2005 - 2006
Financial Results		
Nett Profit/(Loss) (After Interest, Finance charge & Depreciation for the year)	90.92	(11.74)
Balance (Loss) b/f	559.72	(3155.04)
Add : Appropriations		
1. Adjustment agst. depreciation W/Back	—	765.19
2. Adjustment agst. liabilities/ <u>Provision for earlier years W/Back</u>		
i. Fuel - Surcharge on a/c of electric charges	—	33.56
ii. Interest accrued & due on Term Loans	—	523.22
iii. Assets Damages	—	174.09
iv. Loans	11.60	522.55
v. Funded Interest on Term Loans	—	502.00
vi. Sundry Balance Adjusted	—	38.05
vii. Sales Tax in disputes provisions made no longer required	—	(548.12) 48.85 (547.53)
viii. Fringe Benefit Tax	—	(0.44) (0.45)
Balance Carried to Balance Sheet	457.58	559.72
Production & Sales :		
Saleable Production of paper (MT)	9613.00	9427.00
Capacity Utilisation %	64.09	62.85
Sales Value (Rs.)	2993.55	2903.14

SUPREME PAPER MILLS LIMITED

The production during the year under this report increased marginally because of better runability of the paper machine, decrease in down time. The management has to repair and replace equipments, electric motors, cables and other accessories substantially because of old age of Plant & Machineries and Equipment. Further, erratic supply of power by WBSEB such as tripping, voltage fluctuation and load shedding also caused to lower production against the projected production.

The profitability and productivity also remained lower as against projected because of the said reasons as the company had to bear all costs and expenses and loss of production hours against which projected production could not be turned out for the various reasons.

The market conditions of the paper and paper Board and articles thereof improved slightly during the year under this report for bigger size paper mills manufacturing quality and value added products. However such improvement could not compensate increase in cost of sales. The Market conditions in respect of paper & paper Board & articles thereof could not improve satisfactorily as there have been continuous duty free imports of paper and articles of paper from Nepal and even countervailing duty is not leviable against such imports from Nepal whereas the indigenous manufacturer of paper and articles of paper has to pay both excise duty and countervailing duty @ 16% on the purchase as well as on import of paper used in their paper products i.e. articles of paper. The import of duty free paper also does not attract any import duty on all imported inputs in Nepal. The Management took up the matter with the Govt. of India at appropriate level but no satisfactory results have been noticed against such representation.

There has been fresh imposition of secondary and senior higher secondary education cess and many more services have been brought as taxable services under union budget for the year 2007-08 which have resulted in increasing cost of sales.

The debit balance in Profit & Loss Accounts amounting to Rs.457.62 lacs is proposed to be carried forward due to accumulated losses. No Dividend has been proposed in view of said carry forward loss. The contents of auditors report and qualifications therein if any, are negligible which have been noted by the Board carefully.

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LIBERALISATION POLICY OF THE GOVERNMENT :

The Management do not hesitate to place once again as record that the liberalisation policy implemented by the Govt. of India to its extent has not resulted positively. The indigenous industries have suffered and at the same time suffering very badly on account of liberalised policy of imports and there is a lack of equal playing field to the indigenous industries to compete with the Overseas multinational companies having large scale operation. The problems of indigenous industries have increased due to bad infrastructure facilities like port, road, power and transport and poor availability of important inputs like power, fuel, etc. at higher price than international price.

More over, frequent Bandhs, strikes by different sectors and clandestine import of paper from foreign country as well as from other states also affected viability of the company. The import of Newsprint at concessional rate of duty is being used in place of writing and Printing Paper available in the market.

AUDITORS :

M/s. K. Prasad & Co., Chartered Accountants, Auditors of the company retire at the ensuing Annual Meeting and are eligible for reappointment.

DIRECTORS :

Shri D. Chatterjee, Director retires at this 32nd Annual General Meeting but being eligible offer himself for reappointment.

Shri Sitaram Sharma, Director retires at this 32nd Annual General Meeting but being offer himself for reappointment.

INDUSTRIAL RELATION :

An agreement with the SUPREME PAPER MILLS LIMITED workers union setting their demands has been entered into for the period of three years i.e. from 01/01 2006 to 31/12/2008. The work culture affecting of production, productivity, consumption of energy, stores & spare parts and to control wastage, fibre loss, finishing loss and down time has to be improved.

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PERSONNEL :

The company has not employed any personnel during the year or part thereof particulars of which are required to be disclosed under Section 217(2A) of the Companies Act. 1956.

CONSERVATION OF ENERGY, ETC.:

The particulars in respect of conservation of energy, technology absorption, etc. as required under section 217(1)(e) of the companies Act. 1956, read with the companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1980 are given in Annexure - I and II and from part of this report.

The foreign exchange outgo was equivalent to Rs. 71756843/- (Previous year Rs. 74596103/-) including customs duty and other expenses and the receipt under this head is Rs. Nil (previous year Rs. 1964521/-).

PUBLIC DEPOSIT :

The company have not accepted any deposit from Public during the period under review also during previous year.

CORPORATE GOVERNANCE :

The Securities and Exchange Board of India has issued a comprehensive code on Corporate Governance. Such code is not applicable on the company as company has applied long back to the kolkata stock exchange for delisting of its equity shares.

DIRECTORS' RESPONSIBILITY STATEMENT :

In compliance with Section 217(2AA) of companies Act, 1956, the Directors confirm that :

- a) In the preparation of Annual Accounts, the applicable accounting standard have been followed :
- b) The Directors have selected such accounting policies as mentioned in Schedule "L" of the Annual Accounts and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view

SUPREME PAPER MILLS LIMITED

of the state of affairs of your Company at the end of the financial year and of the profit or loss of your company for that period.

- c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act. 1956 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities and
- d) The Annual Accounts have been prepared on a going concern basis.

CURRENT YEAR OPERATION :

The current year operation during the first 5(five) months i.e. April 2007 to August 2007 is satisfactory production and sales have increased in comparison to the year 2006-07. There is no interruption supply of power by the WBSEB. The cost of sales has gone up on account of new levy, indirect taxes etc. whereas no increase in the price of the finished paper to compensate the increase in such cost. The sales realisation is not commensurate with the increase in cost of sales. The management is hopeful for higher production in the current year which may result reduction in the cost of sales. Further the market condition of paper could not be improved as envisaged. Large scale import of paper from other developing countries with low import duty and duty free imports from Nepal is still continuing against the interest of domestic paper industry. The Management is implementing ambitious expansion programs together with installation of equipments for pollution control to achieve effluent norms.

More services have been covered as taxable services together with imposition of secondary and senior secondary education cess on direct & indirect taxes of Central Government under the union budget for the year 2007-2008. This will result to the increase in cost of sales and cost of services to the company. New fringe benefit tax was imposed in the union budget for the year 2006-2007. The company has to sustain such tax even in case of unabsorbed losses and can not be passed or adjustable with other tax liabilities. The Govt. of West Bengal has changed the West Bengal value added tax 2003 resulting increase in VAT liabilities which are not viable.

The Company has taken ambitious programme for expansion of its capacity to make its Industrial undertaking economic size for which effective steps have been taken by the Company.

ACKNOWLEDGE :

Your Directors are thankful to the Government of West Bengal, BIFR, IDBI, IFCI, ICICI, WBIDC and State Bank of India for their extending all possible help in rehabilitation, expansion and revival and financial needs of this sick unit.

Your Directors have also the pleasure in acknowledging the support and coordination received from the Central and State Government, Labour Directorate, Govt. of West Bengal and their agencies as well as the scientists of Jute Technological Research Institute, Kolkata for their continuous help, advice help, advice and co-operation during the year under report.

Your Directors look forward to the future with confidence.

By order of the Board,

N. L. TODI
Chairman & Managing Director

Dated, Kolkata
The 4th September, 2007.

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ANNEXURE - I of Directors' Report - Information under clause 217 (1) (e) of the companies Act. 1956 Read with companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and Forming Part of Directors Report for the year ended 31st March, 2007.

CONSERVATION OF ENERGY :

Energy Conservation measures taken as follows :

- a) Fluidised Bed Boiler commissioned in the year 1998 has now established and working satisfactorily.
- b) Additional Investments & proposals, if any, being implemented for reducing consumption of energy.

Following measures are presently under implementation to reduce consumption of energy :

- 1) Insulation of Digesters to reduce steam losses through radiation.
 - 2) Reduction in RPM of Vacuum pumps to reduce consumption of power.
 - 3) Change over of size motors and providing the right size motors to reduce no load power loss as well as improve power factor.
 - 4) Use of Gravity pressure, strong measure to stop slow feeding and idling running.
 - 5) Installation of Voltage Stabiliser and other power & energy saving equipments.
- c) Impact of measures of the above for reduction of energy consumption and consequent impact on the cost of production of sales.

Reduction in power and steam consumption has helped fuel economy.

- d) Total Energy Consumption and Energy consumption per unit of production.

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FORM : A Form disclosure of particulars with respect to conservation of energy.

Current Year April 2006 to March 2007	Previous Year April 2005 to March 2006
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A. Power and Fuel Consumption

1. Electricity

a) Purchased KI Units (KWH)	11267919	11589476
b) Total amount (Rs.)	43762586	47603669
c) Average Per Unit (KWH)	3.88	4.11

a) Own Generation

i) Through Diesel Generator Unit	Nil	Nil
Unit per ltr. of Diesel oil	Nil	Nil
Cost/Unit	Nil	Nil
ii) Through steam turbine/generator Unit	Nil	Nil
iii) Unit per ltr. of Fuel Oil /Gas	Nil	Nil
Cost/Unit	Nil	Nil

B) Power and Fuel Consumption

2. COAL

Quantity (M/T)	11875	10972
Value	22784311	24492277
Average Rate (Rs.)	1919	2232

3. FURNACE OIL

Quantity (K. Ltrs)	Nil	Nil
Total Cost (Rs.)	Nil	Nil
Average Rate (Rs.)	Nil	Nil

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4. Other/Internal generation (125 KVA D. G. Set)

a) Quantity (KWH)	2936	2393
b) Quantity of Diesel Oil Consumed (Ltrs.)	2100	1575
c) Total Cost (Rs.)	67238	46980
d) Average Rate	32.02	29.83

B. Consumption per Unit of production	Standard, if any (at 85% efficiency)	Current Year	Previous Year
Production / Unit	12,750	9613	9427
Electricity (KWH)	1,500	1172	1229
Furnace Oil (K. Ltrs.)	Nil	Nil	Nil
Coal (M. T.)	1,250	1235	1164

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ANNEXURE - II of Directors' Report - Information under clause 217 (1) (e) of the companies Act. 1956 Read with companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and Forming Part of Directors Report for the year ended 31st March, 2007.

Form B - Form for disclosure of particulars with respect to technology absorption.

RESEARCH & DEVELOPMENT (R & D) :

- | | | |
|--|---|--|
| 1. Specific areas in which R & D carried out by the company | : | Higher pulp yield by process development and improvement in paper quality. Saving made in Chemical Consumptions. |
| 2. Benefits derived as a result of the above R & D | : | Reduction in fuel, economy and better quality of Paper. |
| 3. Future plan of action | : | Steps for further quality improvement of paper and higher production. |
| 4. Expenditure of R & D | | |
| a) Capital | : | Nil |
| b) Recurring | : | Rs. 435230 |
| c) Total | : | Rs. 435230 |
| d) Total R & D expenditure as a percentage of total turnover | : | 0.14 |

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5. Technology Absorption, adoption and innovation :

1. Efforts in brief made towards technology absorption, adoption and innovation : In house R & D results are put into operation after thorough study.
2. Benefit derived as result of the above efforts e.g. product improvement, cost reduction, product development, import substitution : Chemical consumption reduced and quality improvement appreciated.
3. In case of imported technology (imported during the last 5 yrs. reckoned from the beginning of the financial year). following information may be furnished.
 - a) Technology : No technology import has been made.
 - b) Year of Import : Not applicable
 - c) Has technology been fully absorbed : Not applicable
 - d) If not fully absorbed areas where this has not taken place, reasons therefore and future plan of action : Not applicable

C. Foreign Exchange Earnings & Outgo :

- i) The company has not exported any paper
- ii) Total foreign exchange used and earned

	2006 - 2007 (Rs.)	2005 - 2006 (Rs.)
a) i) CIF Value imports	71756843	74596103
ii) Books & Periodicals	Nil	Nil
b) Foreign Exchange earned	Nil	1964521

Auditors' Report to the Members

We have audited the attached Balance Sheet of SUPREME PAPER MILLS LIMITED as at 31st March, 2007, the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditors' Report) order 2003, as amended by the Companies (Auditors' Report) (Amendment) order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph (3) above, we report that :

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of Accounts 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 & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Accounts.
- (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
- (e) On the basis of the written representations received from the Directors as on 31st March, 2007, and taken on record by the Board of Directors, we report that

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none of the Directors is disqualified as on 31st March, 2007 from being appointed as a director in terms of Section 274 (i) (g) of the Companies Act, 1956.

F. In our opinion and to the best of our information and according to the explanation given to us, the said Accounts subject to following Notes of Schedule "L" :

- a) Note No. 1 (i) and 9 relating to Accounting of Certain Income & Expenses on Cash basis;
- b) Note No. 5 relating to adjustment against liabilities and provisions written back ;
- c) Note No. 8 relating to non-accounting of part value for D.G.S. & D supplies;
- d) Note No. 12 relating to Non-Provision in the accretion of Deep Discount Bond (Redeemable Debenture-Non-Convertible);
- e) Accounting of Interest on deposit from dealers is done on accrual basis.

and read with other Notes thereon as stated in Schedule "L" to give the information required by Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India :

- a) In the case of the Balance Sheet, of the state of the Company's affairs as at 31st March, 2007;
- b) In the case of the Profit & Loss Account, of the Loss for the year ended on that date and
- c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

The 4th day of September, 2007

For K. Prasad & Co.
Chartered Accountants
Rajesh Jalan
Partner
Membership No. 55232

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our Report of even date)

In terms of the information and explanations given to us and the books and record examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under :

- 1) (a) The Company has maintained proper records, showing full particulars including quantitative details and situation of the Fixed Assets.

(b) The Management has physically verified the major items of Fixed Assets during the year and no discrepancies have been noticed on such verification.

(c) No substantial part of the Fixed Assets have been disposed off during the year as to affect the going concern.
- 2) (a) The inventories have been physically verified during the year by the Management.

(b) In our opinion, the frequency of verification is reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and discrepancies noticed on verification between the physical stocks and the book records not being material have been dealt with in the accounts.
- 3) The Company has not granted secured or unsecured loan to companies, firms or other parties covered in the Register maintained under section 301 of the Act, 1956.
- 4) In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventories and fixed assets and for sale of goods. In our opinion, there is no continuing failure to correct major weakness in internal control.

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have been made at prices, which in our opinion, are reasonable with reference to acceptable business practices and having regard to prevailing market price of such goods.

- 6) The Company has not accepted any deposits from the public.
- 7) We have received the Internal Audit Report conducted for the year and is commensurate with the size of the Company and nature of its business.
- 8) During the year, we have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 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 same.
- 9) (a) According to the records of the Company, Provident Fund, Employees State Insurance, Sales Tax, Cess and any other statutory dues have been regularly deposited in time during the year with the appropriate authorities.

According to information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2007 for a period of more than six months from the date they became payable.

- (b) The disputed statutory dues aggregating to Rs. 26,57,310/- that have not been deposited, pending for final adjudication, on account of matters pending before appropriate authorities are as under :

Name of Statute	Nature of Dues	Forum where dispute is Pending	Amount Rs.
Central Excise Act. 1944	Excise Duty (Including Penalty)	Commissioner of C. Excise	26,57,310

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- 10) The Company has accumulated losses of Rs. 457.58 Lacs and has not incurred cash losses during the financial year covered by our audit and in the immediately preceeding financial year, the Company had the accumulated loss of Rs. 559.72 Lacs but no cash losses.
- 11) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- 12) The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, Clause 4(xiii) of the Companies (Auditors Report) Order, 2003, is not applicable to the Company.
- 13) Since there is no transaction of trading in securities and other investments the Company is not require to maintain such records.
- 14) The Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
- 15) The Term loans were applied for the purpose for which the loans were obtained.
- 16) The Company has not raised short-term loans or long-term loans.
- 17) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- 18) The debentures have been issued by the Company during the year 2005-2006 for an amount of Rs. 2,27,60,000/- to the promoters of the Company as stipulated under rehabilitation package sanctioned by BIFR New Delhi.
- 19) The Company has not raised any money by way of public issue during the year.
- 20) In our opinion and according to the information and explantations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

The 4th day of September, 2007

for K. Prasad & Co.
Chartered Accountants
Rajesh Jalan
Partner
Membership No. 55232

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BALANCE SHEET AS AT 31ST MARCH, 2007

SOURCES OF FUNDS :

	SCHEDULE	2006 - 2007		2005 - 2006	
		Rs.	Rs.	Rs.	Rs.
1. Shareholders' Funds	'A'		38828500		38828500
2. Reserves & Surplus	'B'		1500000		1500000
3. LOANS	'C'		87034212		90140724
4. Redeemable Debenture : (Unsecured, Non-convertible)			47238000		47238000
			<u>174600712</u>		<u>177707224</u>

APPLICATION OF FUNDS :

1. Fixed Assets :	'D'				
a) Gross Block		251550326		247243213	
b) Less : Depreciation		166056182		156978133	
c) Net Block			85494144		90265080
d) Capital Work-in-Progress			<u>728147</u>		<u>457607</u>
2. INVESTMENT :	'E'		86222291		90722687
3. CURRENT ASSETS, LOANS & ADVANCES :	'F'		36000		36000
a) Inventories		66481437		66852811	
b) Sundry Debtors		17813415		17790063	
c) Cash & Bank Balances		6558713		4198590	
d) Other Current Assets		1594773		1126900	
e) Loans & Advances		<u>12498566</u>	104946904	<u>8921898</u>	98890262
4. Less : Current Liabilities & Provisions :	'G'				
(a) Current Liabilities		49316541		55547032	
(b) Provisions		<u>13046892</u>	<u>62363433</u>	<u>12367068</u>	<u>67914100</u>
5. NET CURRENT ASSETS :			42583471		30976162
6. PROFIT & LOSS ACCOUNT :			45758950		55972375
Balance at Debit			<u>174600712</u>		<u>177707224</u>

Notes : As per our Report Attached

The 4th September, 2007

for K. Prasad & Co.,
Chartered Accountants,
Baleish, Jalandhar

Company
Secretary-cum-
Manager A & F

Chairman &
Managing
Director

Directors

SUPREME PAPER MILLS LIMITED

PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2007

INCOME : (A)	SCHEDULE	2006 - 2007			2005 - 2006		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
SALES : (Including export of Rs. NIL Previous Year - Rs. 19,64,521/-)		315480439			296755369		
Less : Excise Duty							
Other Income :							
Increase/(Decrease) In Stock :	'H'	<u>20227662</u>	295252777		<u>15072382</u>	281682987	
EXPENDITURE : (B)	'I'		4105771			8630689	
Raw Materials, Chemicals & Dyes Consumed			<u>4114327</u>	303472875		<u>3768774</u>	294082450
Packing Materials Consumed (Indegenous)		150218270					
Stores & Spare parts Consumed		4553733			145382545		
Power & Fuel (Net)		22975498			5733544		
Payment and Provisions for Employees		66546897			28340133		
Interest And Finance Charges (Net)	'J'	22624962			72095946		
Depreciation		5225637			21911326		
Other Expenses		9078049			4959983		
Profit / (Loss) for the Year :	'K'	<u>13160328</u>			8857415		
Loss : Brought forward from Previous year/period			294381374		7975839	295256731	
Add : Adjusted against Depreciation written back			9091501		*		(1174281)
2. Adjustment against Liabilities/Provision for earlier years written back			(55972375)			(315503606)	
A. Liabilities :-						76518556	
a. Interest accrued and due on Term Loan							
b. Term Loans							
c. Funded Interest on Term Loans			1166000		52322000		
d. Sundry Balance Adjusted					52255267		
B. Provisions :-					50200000		
a. Fuel Sur-Charge				(54806375)	<u>3804455</u>	158581722	
b. Assets damaged (Flood)							
c. Sales Tax in Disputes					3356336		
d. Frienge Benefit Tax					17409054		
Balance Carried Forward					<u>4885050</u>	25650440	
Notes : As per our Report attached			(44076)			(45206)	(54798894)
			(45750950)				(55972375)
	'L'						

for K. Prasad & Co.,
Chartered Accountants,
Rajesh Jalan
Partner

Company
Secretary-cum-
Manager, A & F

Chairman &
Managing
Director

Directors

The 4th September, 2007

SUPREME PAPER MILLS LIMITED**SCHEDULE - "A"****Share Holder Funds :****2006 - 2007
Rs.****2005 - 2006
Rs.****SHARE CAPITAL :****Authorised :**

87,50,000 Equity Shares of Rs. 10/- Each

87500000

41500000

Issued, Subscribed & Paid up :
38,83,200 Equity Shares of Rs. 10/- Each
fully paid up in cash

38832000

38832000

Less : Calls in Arrear (From ors.)

3500

3500

3882850038828500**SCHEDULE - "B"****RESERVES & SURPLUS :**

Capital Reserve (Capital Subsidy) :

15000001500000

SUPREME PAPER MILLS LIMITED

SCHEDULE - "C"

	2006 - 2007 Rs.	2005 - 2006 Rs.
<u>LOANS :</u>		
(A) <u>Secured :</u>		
Term Loans From :		
1. Govt. of West Bengal		
a) Term Loan	1735713	1735713
b) Interest Accrued & Due	173521	173521
	<u>1909234</u>	<u>1909234</u>
2. Excise Loan (Interest free)	—	1350000
3. Sales Tax (Funded)	18526151	18526151
4. Sales Tax (Funded) interest accrued and Due.	7503090	7503090

The Term Loans are secured by pari-passu Equitable Mortgage/Hypothecation of present and future immovable and movable properties, assets of the company excepting stock of Raw Materials, Finished and Semi-finished products, consumable stores, Book-Debts, and uncalled capital which are hypothecated to company's Banker for Cash-Credit and overdraft facilities. The Loans are guaranteed by some Directors. However, Sales Tax (Funded) has been secured by a residuary charge running next only to the charges in favour of Financial Institution & Bank and Three Ha Industries Ltd.

SUPREME PAPER MILLS LIMITED**SCHEDULE - "C" (Contd....)**

	2006 - 2007 Rs.	2005 - 2006 Rs.
<u>From State Bank of India :</u>		
Cash Credit Loan (Secured by first charge on present & future Book Debts, Stocks of Raw Materials, Consumables, Finished and Semi-Finished Goods, etc. including Personal Guarantee of Directors and third parties and by second charge on present & future fixed assets of the Company)	32269392	36450537
Sub-Total (A) :	<u>60207867</u>	<u>65739012</u>
(B) <u>Unsecured :</u>		
Sales Tax Loan (Interest Free)	21300600	21300600
Trade Deposits	4685022	2255982
Interest accrued & due on Trade deposits	840723	845130
Sub-Total (B) :	<u>26826345</u>	<u>24401712</u>
Grand Total (A) + (B) :	<u>87034212</u>	<u>90140724</u>

SUPREME PAPER MILLS LIMITED

SCHEDULE - "D"

FIXED ASSETS

Description	Gross Block				Depreciation				Net Block	
	As on 1.04.2006	Additions	Less Adjustment/ Sales	Total as on 31.3.07	Upto 31.3.06	For the Year	Less Adjustment/	Total as on 31.3.07	As on 31.3.2007	As on 31.3.2006
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land & Development (Including Leasehold Land but excluding cost of land for development for Rs. 81304/- taken to plant & Machinery)	627224	134182	—	761406	—	—	—	—	761406	627224
Building	15436919	—	—	15436919	8615152	515593	—	9130745	6306174	6821767
Plant & Machinery	222818257	3831114	—	226649371	142957463	8028992	—	150986455	75662916	79860794
Construction Machinery	119491	—	—	119491	119491	—	—	119491	—	—
Furniture & Fixtures	4360921	8000	—	4368921	2704236	257924	—	2962160	1406761	1656685
Office Equipments	3743027	328164	—	4071191	2476251	266511	—	2742762	1328429	1266776
Laboratory Equipments	127668	5653	—	133321	95834	9029	—	104863	28458	31834
Vehicles	9706	—	—	9706	9706	—	—	9706	—	—
Total	247243213	4307113	—	251550326	156978133	9078049	—	166056182	85494144	90265080
Previous Year	236717542	10525671	—	247243213	224639274	8857415	76518556	156978133	90265080	12078268

SUPREME PAPER MILLS LIMITED

SCHEDULE - "E"

		2006 - 2007 Rs.	2005 - 2006 Rs.
INVESTMENTS :			
I.	(Quoted at Cost)		
	Other than Trade :		
	Fully paid-up Equity		
	Shares of Rs. 10/- each		
	Sehgal Papers Ltd.	50	500
	Ellora Paper Mills Ltd.	50	500
	North Bihar Pulp & Paper Co. Ltd.	50	500
		500	500
		1500	1500
II)	National Savings Certificates	34500	34500
	Total Investments (I + II)	36000	36000
	Market value of quoted Investment	1725	1725

SUPREME PAPER MILLS LIMITED**SCHEDULE - "F"**

	2006 - 2007 Rs.	2005 - 2006 Rs.
<u>CURRENT ASSETS, LOANS & ADVANCES</u>		
A) <u>INVENTORIES :</u>		
(As valued & Certified by the Management)		
Stores, Spares & Tools	22018039	17309644
Raw Materials, Chemicals & Dyes and Coal	19197478	30325688
Stock-in-process	2076806	1360479
Finished Goods	21255000	17857000
Coal in Transit	1934114	—
	<u>66481437</u>	<u>66852811</u>
B) <u>SUNDRY DEBTORS :</u>		
(Unsecured - Considered Goods) due for more than six months		
	215006	224740
Others	17598409	17565323
	<u>17813415</u>	<u>17790063</u>
C) <u>CASH & BANK BALANCES :</u>		
Cash in Hand	303118	296588
<u>With Scheduled Banks :</u>		
In Term Deposit Account	5751650	3668591
In Current Account	500593	230059
In No Lien Account	3352	3352
	<u>6558713</u>	<u>4198590</u>

SUPREME PAPER MILLS LIMITED**SCHEDULE - "F" (Continued)**

	2006 - 2007 Rs.	2005 - 2006 Rs.
D) <u>OTHER CURRENT ASSETS :</u>		
(Unsecured - Considered Good) • Interest & Other Receivables	<u>1594773</u>	<u>1126900</u>
 E) <u>LOANS & ADVANCES :</u>		
(Unsecured - Considered Good)		
Advances recoverable in Cash or in kind or for value to be received	9159653	5749830
Deposits	3273853	3153822
Balances with Custom & Excise Authorities	20984	18246
Fringe Benefit Tax	44076	—
	<u>12498566</u>	<u>8921898</u>

SUPREME PAPER MILLS LIMITED**SCHEDULE - "G"**

	2006 - 2007 Rs.	2005 - 2006 Rs.
<u>CURRENT LIABILITIES & PROVISIONS</u>		
a) <u>Current Liabilities :</u>		
Sundry Creditors for consumable Goods, Capital Goods, Expenses & Statutory Liabilities (including not payable within one year Rs. 6588462/-, (P/Y : Rs. 5773154/-)	47034027	54333069
Advance from Customers	2282514	1213963
Total of (a)	<u>49316541</u>	<u>55547032</u>
b) <u>Provisions :</u> (Not payable within a year)		
Provision for Gratuity (as certified by the Actuary upto 03-04) (as certified by the Management for the current year)	7708358	7367815
Provision for Bad & doubtful debts	215007	215006
Provision for Central Excise Duty	513474	218270
Cenvat credit in dispute	4565977	4565977
Fringe Benefit Tax	44076	—
Total of (b)	<u>13046892</u>	<u>12367068</u>
Total of (a) + (b)	<u>62363433</u>	<u>67914000</u>

SUPREME PAPER MILLS LIMITED**SCHEDULE - "H"**

	2006 - 2007 Rs.	2005 - 2006 Rs.
<u>OTHER INCOME :</u>		
Interest on Term Deposit (TDS Rs. 3883)	579776	232678
Sundry Balance Adjusted	3181648	509678
Claim Received	274192	1584366
Insurance Claim Received	—	5947106
Interest Recd. on Security	—	13280
Liability W/back - Provision of Bonus	—	343581
Export Incentive Received	58370	—
Dividend Received	60	—
Miscellaneous Receipt	11725	—
	<u>4105771</u>	<u>8630689</u>

SUPREME PAPER MILLS LIMITED**SCHEDULE - "I"**

	2006 - 2007 Rs.	2005 - 2006 Rs.
<u>INCREASE/(DECREASE) IN STOCKS :</u>		
Closing Stock :		
Finished Goods	21255000	17857000
Stock-in-process	2076806	1360479
	<u>23331806</u>	<u>19217479</u>
Opening Stock :		
Finished Goods	17857000	14499756
Stock-in-Process	1360479	948949
	<u>19217479</u>	<u>15448705</u>
Increase/(Decrease) in Stocks	<u>4114327</u>	<u>3768774</u>

SCHEDULE - "J"**PAYMENT TO & PROVISIONS FOR EMPLOYEES :**

Salary, Wages & Allowances (Including Gratuity for the year (Rs.650,000/- P/Y Rs. 6,50,000/-))	20137509	19517930
Contribution to Provident Fund etc.	2487453	2393396
	<u>22624962</u>	<u>21911326</u>

SUPREME PAPER MILLS LIMITED**SCHEDULE - "K"**

	2006 - 2007 Rs.	2005 - 2006 Rs.
<u>OTHER EXPENSES :</u>		
Travelling & Conveyance	155873	53954
Rent	423089	192139
Rates & Taxes	960486	683855
Directors' Fees	18000	7500
Conversion Charges	2254499	2051806
Repairs & Maintenance :		
Plant & Machinery	1882235	1094450
Building	124824	45874
Others	317284	312927
Postage, Telegram, Telephone & Telex	337901	266210
Prior Period Adjustments (As per schedule -"K" (i))	1031660	(1896189)
Excise Duty	513474	218270
Miscellaneous Expenses	5090503	4894543
Payment to Auditors :		
As Audit Fees	31000	31000
For Tax Audit	12500	12500
Payment to Cost Auditors	7000	7000
	<u>13160328</u>	<u>7975839</u>

SUPREME PAPER MILLS LIMITED**SCHEDULE - "K" (i)**

	2006 - 2007 Rs.	2005 - 2006 Rs.
<u>PRIOR PERIOD ADJUSTMENTS : (Net)</u>		
Raw Materials, Chemicals & Dyes Consumed	316336	179382
Stores & Spare parts consumed	104248	54475
Other Expenses	450203	(2122625)
Salary	155895	2343
Sales A/c.	4978	(9764)
	<u>1031660</u>	<u>(1896189)</u>

SUPREME PAPER MILLS LIMITED

SCHEDULE - "L"**NOTES**

1. <u>ACCOUNTING POLICIES</u>	2006 - 2007 Rs.	2005 - 2006 Rs.
a) General : All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis.		
b) Fixed Assets : Fixed Assets are stated at cost. Depreciation is provided on S.L.M. on original cost of Fixed Assets under section 205 (2) (b) of the Companies Act 1956		
c) Investments : Investments are stated at Cost.		
d) The company has valued Raw Materials, stores & spare parts, finished goods and packing materials at lower of cost or net realisable value, Stock-in-Process has been valued at estimated cost.		
e) Revenue Recognition : Sales have been taken after deduction of Excise Duty & Education Cess Rs. 20227662/- (P/Y Rs. 15072382/-) claims, discount, sales return & local taxes, etc. if any.		
f) Excise Duty : As per AS-2, Excise Duty has been provided on the stock of finished paper as on 31.03.2007.		

SUPREME PAPER MILLS LIMITED

SCHEDULE - "L" (Contd.)

	2006 - 2007 Rs.	2005 - 2006 Rs.
g) Purchases of input and Capital goods have been reduced to the extent of CENVAT CREDIT Utilised.		
h) Retirement Benefit : Retirement Benefit comprises of Gratuity to Employees calculated on actuarial basis has been provided by the company.		
i) Interest on Term Loans, Sales Tax funded have been accounted for on cash basis since 1998-99, 1999 - 00 respectively.		
j) Foreign Currency Transactions : Unbooked transactions are accounted for on the basis of rates prevailing on date of payment.		
2. Small Scale Industries : In absence of information from creditors as to the status the amount due to S. S. I. Units is unascertainable.		
3. Contingent Liabilities not provided for in respect of :		
a) Outstanding Bank Guarantee (Net of Margin Money)	12744500	12744500
b) Outstanding Bank L/C	11126000	3064328
c) Demand relating to Risk Purchase made by D. G. S. & D., New Delhi stayed by Calcutta High Court and referred to arbitration.	3985103	3985103

SUPREME PAPER MILLS LIMITED

SCHEDULE - "L" (Contd.)

	2006 - 2007 Rs.	2005 - 2006 Rs.
4. The company, being a sick Industrial Co. U/s. 3(1) (0) of the Sick Industrial Companies (Special Provisions) Act, 1985. A scheme of rehabilitation has been approved by the BIFR, vide their order dt. 20.3.1991 and 23.4.1991 and subsequently modified vide their order dated 16.7.1996.		
5. Certain Liabilities & Provisions made in earlier years has been written back pursuant to settlement of the issue.		
6. Plant and Machinery includes payments to West Bengal State Electricity Board for installation of Power & Elec. Sub-station owned by the Board.	937878	937878
7. Stores & Spares consumed has been taken after deducting sale of iron scrap.	Nil	416
8. Bills for 2% to 5% value of goods supplied against D.G.S. & D contract in few cases, are not raised and accounted for pending availability of receipt certificate from consignees. On receipt of certificates, bills would be raised on the consignee.		
9. Interest on investment & security deposit, Medical & Leave Travel Allowances and claims have been accounted for on cash basis.		

SUPREME PAPER MILLS LIMITED

SCHEDULE - "L" (Contd.)

	2006 - 2007 Rs.	2005 - 2006 Rs.
10. In the absence of "Profit" Unprovided Investment Allowance Reserve pertaining to earlier years (calculated @ 100% of allowances) amounts to	12546516	12546516
11. Purchases of raw materials, chemicals and stores & spare parts, are accounted for on receipt of the materials at the company's factory at Chakdaha.		
12. No provision has been made for accretion in the value of Deep Discount Bond. (Redeemable Debenture - Non-convertible). In view of the Rehabilitation scheme sanctioned by the BIFR.		
13. The Company has applied for delisting of their Equity shares with Kolkata Stock Exchange since then there is no communication from the said exchange in this connection. The company has deemed that their Equity Shares are de-listed.		
14. Deferred Tax : The company has accumulated carry forward losses. As per Management's perception no taxable Income will be available in the near future. As such, no deferred tax assets has been created.		
15. Break-up of interest and finance charges.		
<u>Expenditure :</u>		
On Dealers Deposit	139755	149890
On Bank & Others includes Rs. 212822/- (P/Y Rs. 338026/-) as charge for B/Guarantee.	5085882	4810093
	<u>5225637</u>	<u>4959983</u>
16. Figures of the previous year have been regrouped and/or re-arranged wherever necessary.		

SUPREME PAPER MILLS LIMITED

SCHEDULE - "L" (Contd.)

17. Quantitative & Other Information :

(As certified by the Management)

A) Particulars in respect of capacities and production :

	Unit	Licensed Capacity		Installed Capacity		Production	
		60 GSM . basis		60 GSM basis		Mixed GSM (Finished)	
	M/T	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Paper	M/T	17325	17325	15000	15000	*9621	*9427
Paper Products	M/T	—	—	—	—	3440	3280

(Converted by third party)

- *i) Includes 3586 M/T (Previous year 3214 M/T) issued for captive consumption (for conversion) 8 M/T re-processed (P/Y - 16 M/T)
- ii) Entire Pulp, Sodium Sulphite & Alum are produced only for captive consumption and hence no separate figures have been given for the same.

(B) Particulars in respect of Finished Goods :

Description	Opening Stock		Sales (Nett)		Closing Stock	
	M/T	Rs.	M/T	Rs.	M/T	Rs.
Paper	183	5515000	5789	170281667	429	14666000
	*(230)	(7146986)	(6260)	(175332749)	(183)	(5515000)
Paper Products	345	12342000	3606	124971110	179	6589000
(Converted by Third Party)*	(233)	(7352770)	(3168)	(106350238)	(345)	(12342000)

* Includes Stock of Wrapping Paper and Paper if any, in process of C.P. Section.

NOTE : Figures in bracket () represent previous year's figures.

SUPREME PAPER MILLS LIMITED

SCHEDULE - "L" (Contd.)

(C) Raw materials, chemicals and Dyes Consumed :

	2006 - 2007		2005 - 2006	
	M/T	Rs.	M/T	Rs.
Waste Paper	5,837	82904440	3947	63688454
Hessian & Jute Waste	—	—	8	50870
Straw	12,397	13400583	13932	16016939
Pulp	81	2221317	361	8869038
Chemical & Dyes	—	49192308	—	54643406
Other Raw Materials	—	2497622	—	2113838
		<u>150216270</u>		<u>145382545</u>

(D) Value of Imported/Indigenous Raw Materials, Chemicals & Dyes and Spares Consumed :

	2006 - 2007		2005 - 2006	
	Value (Rs.)	%	Value (Rs.)	%
i) Raw Materials, Chemicals & Dyes :				
Indigenous	68992868	45.93	73375423	50.47
Imported	81223402	54.07	72007122	49.53
	<u>150216270</u>	<u>100.00</u>	<u>145382545</u>	<u>100.00</u>
ii) Stores & Spares :				
(Including packing materials)				
Indigenous	25157625	91.39	30184643	88.59
Imported	2371606	08.61	3889034	11.41
	<u>27529231</u>	<u>100.00</u>	<u>34073677</u>	<u>100.00</u>

SUPREME PAPER MILLS LIMITED

SCHEDULE - "L" (Contd...)

(E) C. I. F. VALUE OF IMPORTS	2006 - 2007 Rs.	2005 - 2006 Rs.
A. C I F Value of imports		
i) Raw Materials, Chemicals & Dyes	68530188	70465339
ii) Stores & Spare parts	3226655	4130764
B. Expenditure In Foreign Currency		
i) Books and Periodicals.	NIL	NIL
(F) EARNING FOREIGN EXCHANGE		
i) For Value of Export	NIL	1964521
(G) MINIMUM REMUNERATION TO MG. DIRECTOR :		
Salary	12	12

19. Balance Sheets Abstract and Company's General Business Profile

I. Registration Details :

Registration No.	29542	State Code	021
Balance Sheet Date	31.3.2007		

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

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of mobilisation and development of Funds (Amount in Rs. Lacs)

Total Liabilities	2369.64	Total Assets	2369.64
Sources of Funds			
Paid-up Capital	388.29	Reserve & Surplus	15.00
Secured Loans	602.07	Unsecured Loans	
		(including Deep Discount Bond	
		& redeemable debenture)	740.64

SUPREME PAPER MILLS LIMITED

Application of Funds			
Net Fixed Assets	862.22	Investments	0.36
Net Current Assets	425.83	Misc. Expenditure	Nil
Accumulated Losses	457.59		

IV. Performance of Company (Amount in Rs. Lacs)

Turnover (Gross Revenue)	2993.59	Total Expenditure	2902.67
Profit/(Loss) before Tax	(90.92)	Profit/Loss after Tax	(90.92)
Earning per Share in Rs.	2.34	Dividend Rate %	Nil

V. Generic names of three principals products/services of the company (As per monetary terms)

Item Code No.	4802.10
Product description	Paper and Paper Board and Article thereof (All varieties of Paper & Paper Board & Articles thereof)

Signed for identification

for K. Prasad & Co.
Chartered Accountants
Rajesh Jalan
Partner
Membership No. 55232

Company
Secretary-cum-
Manager, A&F

Chairman & Directors
Managing
Director

The 4th September, 2007.

SUPREME PAPER MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	A M O U N T	
	(Rs. in Thousand)	
	2006 - 2007	2005 - 2006
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	10213	259532
Adjustments for :		
Depreciation	9078	(67662)
Prior Period Adjustments	1032	(1896)
	<u>10110</u>	<u>(69558)</u>
Add :		
Interest Paid	5226	4960
Interest Received	(580)	(245)
	<u>4646</u>	<u>4715</u>
Operating Profit before working capital Changes	<u>24969</u>	<u>194689</u>
Add :		
(Increase)/Decrease in Inventories	372	(2094)
(Increase)/Decrease in Trade & Ors. Assets	(4068)	(4757)
Increase/(Decrease) in Current Liabilities	(5552)	(25967)
Increase/(Decrease) in Working Capital Finance	9248	(32818)
Cash from Operations	<u>15721</u>	<u>161871</u>
Less :		
Interest paid	5226	4960
Prior Period Adjustments	1032	(1896)
	<u>6258</u>	<u>3064</u>
Net Cash Outflow from Operating Activities	9463	158807
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4577)	10271
Interest Received	580	245
Net Cash realised from investing activities	(3997)	(10026)

SUPREME PAPER MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	A M O U N T (Rs. in Thousand)	
	<u>2006 - 2007</u>	<u>2005 - 2006</u>
C. <u>Cash Flow From Financing Activities</u>		
Proceeds from Long term Borrowing	(3106)	(149360)
Net Cash from Financing Activities	(3106)	(149360)
Net Increase / (Decrease) In Cash and Cash Equivalents (A + B + C)	2360	(579)
Cash and Bank Equivalent at the Beginning of the Year	4199	4778
Cash and Cash Equivalent at the Close of the Year	6559	4199

Company
Secretary-cum-
Manager, A & F

Chairman &
Managing
Director.

Directors

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Supreme Paper Mills Limited for the year ended 31st March, 2007. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreements with Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

K. PRASAD & CO.
Chartered Accountants

The 4th September, 2007.

(RAJESH JALAN)
Partner

SUPREME PAPER MILLS LIMITED

PROXY FORM

I/We
of
being a member / Members of **SUPREME PAPER MILLS LIMITED**, hereby
appoint* of
(or failing him)
of
(or failing him)
as my / our proxy to attend and vote for me/us and on my/our behalf at the
32nd Annual General Meeting of the Company to be held at No. 2.
Queen's Park, Kolkata - 700 019 on Saturday the 29th September, 2007 and at any
adjournment thereof.

Signed this.....day of2007.

Signed by the said.....

Affix Re. 1/-
Revenue
Stamp

NOTE : If a member is unable do attend the Meeting, he may sign this Form and
send it to the Company at its Registered Office so as to reach the Company
not less than 48 hours before the time of holding the Meeting.