



16th
ANNUAL REPORT
2013-2014

SIMPLEX MILLS COMPANY LIMITED

Board of Directors

Shri S.M.Soni
Shri O.D.Purohit
Ms. Sita Laxman
Shri S.G.Shukla
Shri Shekhar R Singh

Auditors

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

Bankers

State Bank of India

Corporate Identification Number (CIN)

CIN - L65900MH1998PLC116585

Registered Office

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

Share Transfer Agent

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

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Annual General Meeting of the Company will be held on Wednesday, the 6th August, 2014 at 12.30 P.M. or soon after the conclusion of the Annual General Meeting of Simplex Realty Limited convened on the same day, whichever is later at M.C.Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400001

NOTICE

NOTICE is hereby given that the Sixteenth **ANNUAL GENERAL MEETING** of the Members of **SIMPLEX MILLS COMPANY LIMITED** will be held on Wednesday, the 6th August, 2014 at 12.30 P.M. or soon after the conclusion of the Annual General Meeting of Simplex Realty Limited convened on the same day, whichever is later at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai 400 001 to transact the following businesses:-

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Ms. Sita Laxman (DIN 00041722), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Vijay Rungta & Co, Chartered Accountants, Mumbai (ICAI Registration Number 111427W) be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the third consecutive Annual General Meeting of the Company (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) on a remuneration as may be fixed by the Board of Directors of the Company.”

Special Business:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri S.M.Soni (DIN 00073685), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019, not liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri O.D.Purohit (DIN 00041597), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019, not liable to retire by rotation.”

SIMPLEX MILLS COMPANY LIMITED

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri S.G.Shukla (DIN 02799713), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019, not liable to retire by rotation.”

For and on behalf of the Board of Directors

Sita Laxman
Director

Mumbai, 15th May, 2014

Corporate Identification Number (CIN) - L65900MH1998PLC116585

Registered Office:

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

NOTES:

- 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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
- The Explanatory Statement pursuant to the provision of Section 102 of the Companies Act, 2013, in respect of **Item Nos. 4, 5 and 6** of the Notice dated 15th May, 2014 is appended hereto.
- The information as required pursuant to Clause 49 of the Listing Agreement about Directors proposed to be appointed / re-appointed is given in Annexure to this Notice.
- The Members/Proxy holders are requested to bring their duly filled Attendance Slip along with their copy of the Annual Report to the meeting.
- The Register of Members and Transfer Books of the Company will remain closed from Friday, the 1st August, 2014, to Wednesday, the 6th August, 2014 (both days inclusive) for the purpose of Sixteenth Annual General Meeting or any adjournment thereof.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.
- The Members who hold shares in physical form are requested to notify any change in their address to the Company's Share Transfer Agent, Freedom Registry Limited, having its office at Plot No. 101/102, 19th Street, MIDC, Satpur, Nashik-422 007. The Members who hold shares in dematerialized form are requested to notify any

change in their address to their respective Depository Participants.

8. Corporate members intending to send their Authorized Representatives to attend and vote at the Meeting are requested to ensure that the authorised representative carries a duly certified true copy of their Board Resolution.

9. Voting through Electronic means

I In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members, the facility to exercise their right to vote at the Sixteenth Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on “Shareholders” tab.

(iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”

(iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

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- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The e-voting period commences on the Thursday, 31st July, 2014 (10:00 am) and ends on the Saturday, 2nd August, 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of the Thursday, 10th July, 2014, may cast their vote electronically.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- II The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of the Thursday, 10th July, 2014.
 - III Shri Manish L. Ghia, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - IV The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - V The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.simplex-group.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
 - VI All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 6.00 pm) on all working days, up to and including the date of the AGM of the Company.

SIMPLEX MILLS COMPANY LIMITED

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item **Nos. 4, 5 and 6** of the accompanying Notice dated 15th May, 2014.

Item No. 4

Shri S.M.Soni is a Non-Executive Independent Director of the Company. He joined the Board of the Company in September, 2005.

Shri S.M.Soni is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Act, Shri S.M.Soni being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri S.M.Soni as a candidate for the office of Director of the Company. Copy of the draft letter for appointment of Shri S.M.Soni as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Your Directors therefore consider that Shri S.M.Soni has fulfilled the conditions specified in the Act and the Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri S.M.Soni as an Independent Director.

The requisite consent, pursuant to Section 152 of the Act has been filed by Shri S.M.Soni and he does not hold any equity shares in the Company.

Except Shri S.M.Soni, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

A brief profile of Shri S.M.Soni is given in the Annexure to the Notice.

The Board recommends the Resolution at item No. 4 of the Notice for your approval.

Item No. 5

Shri O.D.Purohit is a Non-Executive Independent Director of the Company. He joined the Board of the Company in September, 2005.

Shri O.D.Purohit is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Act, Shri O.D.Purohit being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri O.D.Purohit as a candidate for the office of Director of the Company. Copy of the draft letter for appointment of Shri O.D.Purohit as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Your Directors therefore consider that Shri O.D.Purohit has fulfilled the conditions specified in the Act and the Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri O.D.Purohit as an Independent Director.

The requisite consent, pursuant to Section 152 of the Act has been filed by Shri O.D.Purohit and he holds 24 equity shares in the Company.

Except Shri O.D.Purohit, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

A brief profile of Shri O.D.Purohit is given in the Annexure to the Notice.

The Board recommends the Resolution at item No. 5 of the Notice for your approval.

Item No. 6

Shri S.G.Shukla is a Non-Executive Independent Director of the Company. He joined the Board of the Company in October, 2009.

Shri S.G.Shukla is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Act, Shri S.G.Shukla being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri S.G.Shukla as a candidate for the office of Director of the Company. Copy of the draft letter for appointment of Shri S.G.Shukla as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Your Directors therefore consider that Shri S.G.Shukla has fulfilled the conditions specified in the Act and the Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri S.G.Shukla as an Independent Director.

The requisite consent, pursuant to Section 152 of the Act has been filed by Shri S.G.Shukla and he holds 71 equity shares in the Company.

Except Shri S.G.Shukla, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

A brief profile of Shri S.G.Shukla is given in the Annexure to the Notice.

The Board recommends the Resolution at item No. 6 of the Notice for your approval.

For and on behalf of the Board of Directors

Sita Laxman
Director

Mumbai, 15th May, 2014

Corporate Identification Number (CIN) - L65900MH1998PLC116585

Registered Office:

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

SIMPLEX MILLS COMPANY LIMITED

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

Brief Resume of the Directors

Name of Director	Ms.Sita Laxman	Shri S.M.Soni	Shri O.D.Purohit	Shri S.G.Shukla
Date of Birth	14.10.1972	30.04.1933	15.06.1927	06.10.1950
Date of Appointment	08.06.2009	29.09.2005	29.09.2005	31.10.2009
Experience in specific functional areas	Experience in marketing field.	He has more than five decades of experience in the field of Textile Industry.	A Fellow Member of The Institute of Company Secretaries of India having more than five decades of experience in the field of Company Law, Taxation and Legal matters.	He has more than 20 year's experience in the field of General Administration.
Qualification	B.Com.	M. Com., LL.B. and LTI	FCS	M.A., LL. B. and PGDHHM
Directorships held in other Companies	1. Simplex Papers Limited 2. Shrinathji Flour Mills Private Limited	Simplex Papers Limited	1. The Nav Bharat Refrigeration and Industries Limited 2. Simplex Papers Limited 3. The Gaekwar Mills Limited 4. Shreelekha Global Finance Limited	None
Committee positions held in other Companies	Nil	Member of Audit Committee: Simplex Papers Limited Member of Shareholders' / Investors' Grievance Committee: Simplex Papers Limited	Chairman of Audit Committee: Simplex Papers Limited Chairman of Shareholders' / Investors' Grievance Committee: Simplex Papers Limited Chairman of Remuneration Committee: The Nav Bharat Refrigeration and Industries Limited	None
Equity Shares held in Simplex Mills Company Limited	Nil	Nil	24	71

SIXTEENTH 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, 2014.

FINANCIAL RESULTS

(in ₹)

	2013-14	2012-13
Profit / (Loss) before Depreciation, Finance Costs and Taxation	(1,94,49,437)	48,48,660
Less: Depreciation	48,80,974	49,18,589
Less: Finance costs	17,28,315	21,98,909
Loss before tax	(2,60,58,726)	(22,68,838)
Less : Current tax	-	-
Loss after tax for the year	(2,60,58,726)	(22,68,838)
Balance brought forward from previous year	(5,07,58,561)	(4,84,89,723)
Balance carried forward	(7,68,17,287)	(5,07,58,561)

DIVIDEND

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

OPERATIONS

During the year, total income of the Company has decreased to ₹ 11,35,07,893/- from ₹ 16,91,49,772/- Loss after tax for the year is ₹ 2,60,58,726/- against ₹ 22,68,838/- 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 and the Company has received permission for closure of the said plant. The Labour Union was in appeal against the Order and now Union has filed an application for passing suitable Order and the said application has been allowed in the operative part of award by the Tribunal. Accordingly, the Company has offered voluntary retirement, under Voluntary Retirement Scheme and effect of the Order of the Tribunal will be given, after full Order is received by the Company.

FIXED DEPOSITS

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

DIRECTORS

Ms. Sita Laxman, Director of the Company who retires by rotation at the forthcoming Annual General Meeting and, being eligible, offer herself for re-appointment.

Shri S.M.Soni, Shri O.D.Purohit and Shri S.G.Shukla who were Independent Directors of the Company as on 31st March, 2014, continue to be Independent Directors of the Company for a period of five years from 1st April, 2014. All of them are the persons of integrity and possesses relevant expertise and experience. The Board has also opined that all of them fulfill the conditions specified in Section 149 of the Companies Act, 2013 and rules made thereunder and that they are all independent of management.

AUDITORS

M/s. Vijay Rungta & Co., Chartered Accountants are re-appointed as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the third consecutive Annual General Meeting held thereafter, subject to ratification of the appointment by the members at every Annual General Meeting of the Company after the ensuing Annual General Meeting.

SIMPLEX MILLS COMPANY LIMITED

The Auditors have confirmed that, their appointment, if made, would be within the limits prescribed under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified in terms of Section 139 of the Companies Act, 2013.

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 & Company, Cost Accountants, Mumbai, have been appointed as Cost Auditors to conduct the cost audit of the product of the Company for the year ended 31st March, 2014 and Cost Audit Report will be submitted to the concerned authorities.

PARTICULARS OF EMPLOYEES

During the year, there was no employee in receipt of remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011.

CORPORATE GOVERNANCE

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

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, Mumbai, as required under Section 383A of the Companies Act, 1956 for the financial year 2013-14 is annexed and forming part of this Annual Report.

STOCK EXCHANGE

The Company's equity shares are listed at BSE Limited and the Annual Listing Fees for the year 2014-15 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, 2014 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

Sita Laxman

Shekhar R Singh

Mumbai, 15th May, 2014

Directors

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, 2014.

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>2013-14</u>	<u>2012-13</u>
1. Electricity		
a) Purchased		
Units (in thousands)	1,896	3,270
Total Amount (₹)	1,39,60,283	1,95,23,855
Rate per unit (₹)	7.36	5.97
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 Statement of Profit and Loss and has not been shown separately.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(in ₹)

	<u>2013-14</u>	<u>2012-13</u>
Foreign Exchange Earnings	Nil	18,09,247
Foreign Exchange Outgo	Nil	Nil

For and on behalf of the Board of Directors

Sita Laxman

Shekhar R Singh

Directors

Mumbai, 15th May, 2014

SIMPLEX MILLS COMPANY LIMITED

FORM [SEE RULE 3]

COMPLIANCE CERTIFICATE

Corporate Identity No. : L65900MH1998PLC116585
Authorised Share Capital : ₹ 31,000,000/-

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') read with the applicable provisions of the Companies Act, 2013 and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company, for the financial year ended on 31st March, 2014 ('the financial year'). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure "A"** to this certificate as per the provisions of the Act and rules made there under and necessary entries therein have been duly recorded.
2. The Company has duly filed the forms and returns with the Registrar of Companies, Maharashtra, Mumbai and application to the Central Government as stated in **Annexure "B"** to this certificate as prescribed under the Act and the rules made thereunder along with the additional fees wherever required. The Company has not filed any forms and returns with the office of Regional Director, Company Law Board or any other authorities prescribed under the Act.
3. The Company, being a Public Limited Company, has the minimum prescribed paid-up share capital. As on 31st March 2014, the paid-up capital of the Company was ₹ 3,00,04,750/- (Rupees Three Crores Four Thousand Seven Hundred and Fifty only) and the restrictive provisions of Section 3(1) (iii) of the Act are not applicable.
4. The Board of Directors duly met 4 (four) times respectively on 15th May, 2013, 7th August, 2013, 23rd October, 2013 and 12th February, 2014 and as per information and explanation given by the management, proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose. No resolution by circulation was passed by the Board during the financial year.
5. The Company has closed its Register of Members from 1st August, 2013 to 7th August, 2013 (both days inclusive) during the financial year and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 7th August, 2013, after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the minutes book maintained for the purpose.
7. No 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 read with Section 185 of the Companies Act, 2013 during the financial year.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.

11. As there were no instances falling under the purview of Section 314 of the Act, the Company was not required to obtain any approvals from the Board of Directors, Members or the Central Government.
12. The Board of Directors of the company has approved the issue of duplicate share certificates during the financial year.
13. The Company:
 - i) has delivered all the share certificates on lodgment of transfer of securities in accordance with the provisions of the Act;
 - ii) was not required to deposit any amount in a separate bank account as no dividend was declared during the financial year;
 - iii) was not required to post warrants for dividend to the members of the Company as no dividend was declared during the financial year;
 - iv) does not have any amounts lying on account of unclaimed dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon; and
 - v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of retiring directors was duly made. Mr. Shekhar R Singh was appointed as Director at the Annual General Meeting held on 7th August, 2013. There was no appointment of additional director/alternate director/directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole time Director/ Manager during the financial year.
16. The Company has not appointed any sole-selling agent during the financial year.
17. During the financial year under review, the Company has obtained necessary approval from the Central Government for appointment of Cost Auditors for audit of Cost Accounting Records as per Central Government's order no. 52/26/CAB/2010 dated 30th June, 2011 and order no. 52/26/CAB/2010 dated 24th January, 2012 read with Section 233B of the Companies Act, 1956 for the financial year 2013-2014.

Except as stated above, the Company was not required to obtain any approval of the Company Law Board or Regional Director or Registrar and/or other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares/ debentures /other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares or debentures, hence the question of redemption of the same does not arise.
22. There were no transaction, which necessitates the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. During the financial year, the Company has not invited / accepted any deposits / unsecured loans falling within purview of Section 58A and Section 58AA of the Act read with the Companies (Acceptance of Deposit) Rules, 1975 / the applicable directions issued by the Reserve Bank of India/any other authorities.
24. The amount borrowed by the Company during the financial year was within the borrowing limits as prescribed

SIMPLEX MILLS COMPANY LIMITED

under Section 293(1)(d) of the Act read with Section 180 (c) of the Companies Act, 2013.

25. The Company has not made any loan and investment or given guarantee or provided security to other bodies corporate during the financial year.
26. The Company has not altered the provisions of its Memorandum of Association with respect to situation of its registered office from one State to another during the financial year.
27. The Company has not altered the provisions of its Memorandum of Association with respect to its objects during the financial year.
28. The Company has not altered the provisions of its Memorandum of Association with respect to its name during the financial year.
29. The Company has not altered the provisions of its Memorandum of Association with respect to its share capital during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any amount as security from its employees during the financial year.
33. The Company 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

Mumbai, 15th May, 2014

Annexure – “A”

Registers as maintained by the Company

1. Register of Charges u/s. 143 of the Act
2. Register of Members u/s. 150 of the Act.
3. Index of Members u/s. 151 of the Act
4. Register and Returns u/s. 163 of the Act.
5. Minutes Book of the Meetings of Board of Directors and General Meetings under Section 193 of the Act.
6. Books of Accounts and Cost Records under Section 209 of the Act.
7. Register of Contracts and Disclosure of Directors' Interest under Section 301 of the Act.
8. Register of Directors/ Managing Director/ Manager/Secretary under Section 303 of the Act.
9. Register of Directors' Shareholding u/s. 307 of the Act.
10. Register of Shareholders' Attendance.
11. Register of Transfer / Transmission of Shares.

Annexure – “B”

Forms, Returns and Applications as filed by the Company during the financial year ended on 31st March, 2014:

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

Sr. No.	e-Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing, whether requisite additional fee paid Yes / N.A.
1.	66	383A	Compliance Certificate for the financial year ended 31st March, 2013.	21.08.2013	Yes	N.A.
2.	23AC & 23ACA XBRL	220 (1)	Schedule – VI (Annual Accounts) for the financial year ended 31st March, 2013.	06.09.2013	Yes	N.A.
3.	20B	159 (1)	Schedule – V (Annual Return) as on the date of Annual General Meeting held on 7th August, 2013.	01.10.2013	Yes	N.A.

B) With the Office of the Regional Director, Western Region Bench at Mumbai: Nil

C) With the Office of the Ministry of Corporate Affairs (Central Government) at New Delhi:

Sr. No.	e-Form No.	Relevant Section	Description	Date of filing	Whether filed within prescribed time Yes / No	If delay in filing, whether requisite additional fee paid Yes / N.A.
1.	23C	233B (2)	Application to the Central Government for the appointment of Cost Auditor to audit cost records for the financial year 2013-2014.	27.08.2013	NO	Yes
2.	XBRL	233B (4)	Cost Audit Report with the Central Government for the financial year ended on 31st March, 2013.	01.10.2013	Yes	N.A.

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Textile Industry has an overwhelming presence in the economic life of the country. Textile Industry is providing one of the most basic needs of people and holds importance, maintaining sustained growth for improving quality of life. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing.

Textile Industry plays a significant role in the economy. The Indian Textile Industry is one of the largest and most important sector in the economy in terms of output, foreign exchange earnings and employment in India. It contributes 20 per cent of industrial production, 9 percent of excise collections, 18 percent of employment in industrial sector, nearly 20 percent to the country's total export earnings and 4 percent to the GDP. The sector employs nearly 35 million people and is the second highest employer in the country. The textile sector also has a direct link with the rural economy and performance of major fibre crops and crafts such as cotton, wool, silk, handicrafts and handlooms, which employ millions of farmers and crafts persons in rural and semi-urban areas. It has been estimated that one out of every six households in the country depends directly or indirectly on this sector.

India has several advantages in the textile sector, including abundant availability of raw material and labour. It is the second largest player in the world cotton trade. It has the largest cotton acreage, of about nine million hectares and is the third largest producer of cotton fibre in the world. It ranks fourth in terms of staple fibre production and fourth in polyester yarn production.

The Indian Textiles Industry accounts for about 24 percent of the world's spindle capacity and 8 percent of global rotor capacity. The potential size of the Indian Textiles and Apparel Industry is expected to reach US\$ 223 billion by 2021, according to a report by Technopak Advisors.

The Textile Industry in India covers a wide gamut of activities ranging from production of raw material like cotton, jute, silk and wool to providing high value-added products such as fabrics and garments to consumers.

The Textile Industry uses a wide variety of fibres ranging from natural fibres like cotton, jute, silk and wool to manmade fibres like polyester, viscose, acrylic and multiple blends of such fibres and filament yarn.

With a view to raise India's share in the global textiles trade to 10 percent by 2015, the Ministry of Textiles proposes 50 new textile parks. Out of the 50, 30 have been already sanctioned by the government (with a cost of US\$ 710 million). Set up under the Scheme for Integrated Textile Parks (SITP), this initiative will not only make the industry cost competitive, but will also enhance manufacturing capacity in the sector.

The Textile segment is highly fragmented and many large textile companies are also conglomerates of medium-sized mills. According to the statistics released by the Ministry of Textiles, the entire Textile Industry is highly fragmented except the spinning sub-segment. The organised sector contributes more than 95 percent of spinning, but hardly 5 percent of weaving fabric. SSIs perform the bulk of weaving and processing operations. The unorganised sector forms the bulk of the industry, comprising handlooms, powerlooms, hosiery and knitting, and also readymade garments, khadi and carpet manufacturing units. The organised mill sector consists of spinning mills involved only in spinning activities and composite mills where spinning, weaving and processing activities are carried out under a single roof. These organised units are mostly independent and small scale in nature unlike the composite units that undertake all activities together.

The Government of India has promoted a number of export promotion policies for the textiles sector. It has also allowed 100 percent Foreign Direct Investments (FDI) in the Indian Textiles sector under automatic route.

The following initiatives have been taken by the Government of India to promote the Textile Industry:

- Encouraged by turn around in textiles exports, the plans to set up a US\$ 60 billion target for the current financial year, a jump of over 30 per cent from the previous financial year.
- The Cabinet Committee on Economic Affairs (CCEA) has approved an Integrated Processing Development Scheme (IPDS) with a corpus of ₹ 500 crore (US\$ 83.28 million) to make textiles processing units more environment-friendly and globally competitive.
- The plans to set up a ₹ 100 crore (US\$ 16.62 million) venture capital fund to provide equity support to start-ups in the textiles sector, in order to encourage innovative ideas in this export intensive sector.

OUTLOOK, OPPORTUNITIES AND THREATS

The Indian Textiles Industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The industry is expected to reach US\$ 220 billion by 2020.

With increasing costs in China and growing compliance issues in Bangladesh, the global buying community has increased its focus on sourcing from India. This augurs well for the Indian Textile and Apparel exports and presents good opportunity for future. India's Free Trade Agreement with Japan offers very good opportunity to tap the large Japanese market for apparel in the coming years.

The domestic market continues to offer huge opportunity to the Indian Textile and Apparel Industry. With growing urbanization and increasing size of the organized market the scope for good quality apparel has increased. Several foreign brands/ retailers have entered India in the last decade or so and many more are expected to enter in future given the relaxation of FDI policies for single brand retail. This will further boost demand for Indian textiles amongst the brands entering India.

The Textile Industry is much dependent upon the availability of quality raw materials such as hybrid cotton and traditional cotton. There is lot of fluctuations in the price of raw materials, which influence the profitability of the Textile Mills. Frequent shut down of power due to shortage of power in the state also affects the operations of the Textile Mills.

RISKS AND CONCERNS

The fiscal tightening in developed markets and high labour and energy costs are matters of concern. Cotton prices which have almost stabilized now may tend to increase due to various extraneous factors and lead to uncertainty. Further, non-availability of skilled labour together with continued inflation are causes of concern.

Apart from the intensification of international competition, the areas of concern are poor infrastructure resulting in higher transaction cost, high cost of power and Government's limitation to introduce labour reforms.

The present inflationary conditions in the country have resulted in unprecedented frequent increase in the rate of interest on borrowings from the Banks and Institutions. Continuing such increase in the interest rate has created an element of uncertainty in the interest costs. Spinning units are highly capital intensive and has to maintain large raw material inventory levels due to its seasonality.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has adequate internal control systems and is in process of further strengthening the existing internal control systems. The financial statements are reviewed periodically by the management. Adherence to Internal Control Systems is ensured by detailed Internal Audit program so that the assets are correctly accounted for and the business operations are conducted as per laid down policies and procedures.

SIMPLEX MILLS COMPANY LIMITED

FINANCIAL AND OPERATING PERFORMANCE

During the year under review, the Company has reported total income of ₹ 11,35,07,893/- as compared to ₹ 16,91,49,772/- in the previous year. The Company has registered a net loss of ₹ 2,60,58,726/- as against a net loss of ₹ 22,68,838/- in the previous year. The main reason of loss is low demand of industrial fabrics and high fixed costs.

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, 2014, the Board comprises of five Non-Executive Directors.

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

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

During the year ended 31st March, 2014, 4 (four) Board Meetings were held. The dates on which the said meetings were held are as follows:

15th May, 2013, 7th August, 2013, 23rd October, 2013 and 12th February, 2014.

Details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2013-2014 and at the last AGM, their Directorships in other companies and Membership in committee are as follows:

Name	Category	No. of Board Meetings held - 4	No. of Directorships and Committee Chairmanship / Membership			Attendance at AGM held on 7th August, 2013
		Attended				
			Other Directorship*	Committee Chairmanship**	Committee Membership**	
Shri S.M.Soni	Independent Non-Executive	4	1	-	4	Yes
Shri O.D.Purohit	Independent Non-Executive	4	4	4	-	Yes
Ms. Sita Laxman	Non-Executive	4	2	-	-	Yes
Shri S.G.Shukla	Independent Non-Executive	4	-	-	-	Yes
Shri Shekhar R Singh	Non-Executive	4	1	-	2	Yes

* The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

** Chairmanship/ Membership of only the Audit Committee and Shareholders'/Investors' Grievance Committee of all Public Limited Companies have been considered.

SIMPLEX MILLS COMPANY LIMITED

3. AUDIT COMMITTEE

During the year ended 31st March, 2014, 4 (four) Audit Committee Meetings were held. The dates on which the said meetings were held are as follows:

15th May, 2013, 7th August, 2013, 23rd October, 2013 and 12th February, 2014.

The composition of the Audit Committee and the number of meetings attended by each member during the year ended 31st March, 2014 is as follows:

Name of the Member	Designation	No. of Meetings held - 4
		Attended
Shri O.D.Purohit	Chairman	4
Shri S.M.Soni	Member	4
Shri Shekhar R Singh	Member	4

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

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

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

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

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- To look into the reasons for substantial defaults in the payment to creditors.
- 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.

4. REMUNERATION COMMITTEE

The Company does not have Remuneration Committee at present.

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

Details of remuneration paid to Directors during the year ended 31st March, 2014: (Amount in ₹)

Name	Salary, Perquisites & Allowances	Sitting fees
Shri S.M.Soni	Nil	1,000/-
Shri O.D.Purohit	Nil	1,000/-
Ms. Sita Laxman	Nil	1,000/-
Shri S.G.Shukla	Nil	1,000/-
Shri Shekhar R Singh	Nil	1,000/-

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

Name	No. of Equity Shares held
Shri O.D.Purohit	24
Shri S.G.Shukla	71

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

During the year ended 31st March, 2014, 4 (four) Shareholders'/Investors' Grievance Committee Meetings were held. The dates on which the said meetings were held are as follows:

15th May, 2013, 7th August, 2013, 23rd October, 2013 and 12th February, 2014.

The composition of the Shareholders'/Investors' Grievance Committee and the number of meetings attended by each member during the year ended 31st March, 2014 is as follows:

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

The Committee meets as and when required, to deal with the matters relating to monitoring and redressal of complaints from Shareholders relating of 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, 2014, all of which have been resolved during the year.

Nature of Complaints	No. of Complaints
Non-receipt of share certificates – (received directly)	1

There are no Shareholders complaints pending as at 31st March, 2014.

SIMPLEX MILLS COMPANY LIMITED

6. GENERAL BODY MEETINGS

Location, Time and Date of the AGMs held during the last three years:

Financial Year	Date of AGM	Time	Location of the Meeting
2010 – 2011	12.08.2011	12.30 P.M.	M.C.Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001
2011 – 2012	13.08.2012	12.30 P.M.	M.C.Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001
2012 – 2013	07.08.2013	12.30 P.M.	M.C.Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001

Special Resolutions

AGM	Date of AGM	Special resolution
13th	12.08.2011	No Special Resolution was passed
14th	13.08.2012	No Special Resolution was passed
15th	07.08.2013	No Special Resolution was passed

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

7. DIRECTORS

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

8. DISCLOSURES

a) Related party transactions

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

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

e) Disclosure of Accounting Treatment

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

f) Disclosure of Risk Management

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

g) CEO / CFO Certification

As per requirement of Clause 49 of the Listing Agreement, the certificate from Ms. Sita Laxman, Director, on the financial statements of the Company for the year ended 31st March, 2014 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, 2014 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

9. MEANS OF COMMUNICATION

- The quarterly, half-yearly, nine months and full year results are published in Business Standard (English edition) and Mumbai Lakshadeep (Regional edition).
- The Company has its own website i.e. 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.

10. 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.

11. GENERAL INFORMATION FOR SHAREHOLDERS

i.	Date, Time and Venue of forthcoming AGM	Date : 6th August, 2014 Time : 12.30 P. M. or soon after the conclusion of the Annual General Meeting of Simplex Realty Limited convened on the same day, whichever is later. Venue : M.C.Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400 001
ii.	Financial Calendar (2014-2015)	i) First Quarterly Results - Upto 15th August, 2014 ii) Second Quarterly Results - Upto 15th November, 2014 iii) Third Quarterly Results - Upto 15th February, 2015 iv) Annual Results - Upto 30th May, 2015
iii.	Date of Book Closure	From Friday, 1st August, 2014 to Wednesday, 6th August, 2014 (both days inclusive)
iv.	Dividend payment date	N.A.
v.	Listing on Stock Exchanges	BSE Limited (BSE) P. J. Towers, Dalal Street, Fort, Mumbai – 400 001
vi.	Stock Code ISIN	533018 INE457H01019

SIMPLEX MILLS COMPANY LIMITED

vii) Market Price Data

The monthly high and low quotations of shares traded on the BSE from April, 2013 to March, 2014 are as follows:

Month	Volume (No. of shares)	Price (₹)		BSE Sensex	
		High	Low	High	Low
April, 2013	36	21.55	21.55	19,622.68	18,144.22
May, 2013	74	21.50	21.00	20,443.62	19,451.26
June, 2013	316	20.00	19.05	19,860.19	18,467.16
July, 2013	911	18.10	11.00	20,351.06	19,126.82
August, 2013	-	-	-	19,569.20	17,448.71
September, 2013	-	-	-	20,739.69	18,166.17
October, 2013	99	11.00	10.46	21,205.44	19,264.72
November, 2013	-	-	-	21,321.53	20,137.67
December, 2013	-	-	-	21,483.74	20,568.70
January, 2014	815	10.98	9.90	21,409.66	20,343.78
February, 2014	548	9.60	8.56	21,140.51	19,963.12
March, 2014	2,590	8.51	7.00	22,467.21	20,920.98

viii) Share Transfer Agent

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

ix) Share Transfer System

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

x) Shareholding Pattern as at 31st March, 2014

Category	Number of shares held	Percentage of Shareholding
(A) Shareholding of Promoter and Promoter Group	21,61,944	72.05
(B) Public shareholding		
(1) Institutions		
(a) Mutual Funds/ UTI	357	0.01
(b) Financial Institutions/ Banks	4,843	0.16
(c) Insurance Companies	4,48,760	14.96
(2) Non-Institutions		
(a) Bodies Corporate	24,784	0.83
(b) Individuals -		
i. holding nominal share capital up to ₹ 1 lac.	3,53,432	11.78
ii. holding nominal share capital in excess of ₹ 1 lac.	-	-
(c) Non Residents	6,243	0.21
(d) Directors and their Relatives	112	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	8,38,531	27.95
TOTAL (A)+(B)	30,00,475	100.00

Distribution of Shareholding as on 31st March, 2014

Category	Number of Shareholders	Percentage of Total Number of Shareholders	Total Number of Shares	Percentage of Total Number of Shares
1 to 500	5,249	97.67	2,30,409	7.68
501 to 1,000	65	1.21	44,301	1.48
1,001 to 5,000	46	0.86	97,800	3.26
5,001 to 10,000	2	0.04	11,457	0.38
10,001 & above	12	0.22	26,16,508	87.20
Total	5,374	100.00	30,00,475	100.00

xi) Dematerialization of Shares and Liquidity

About 94.67 percent shares have been dematerialized as on 31st March, 2014. The Equity shares of the Company are traded on BSE Limited.

The Company has paid the Listing fees for the year 2014 – 2015 to the BSE Limited on which its shares are listed.

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

There are no outstanding 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- 400011
Tel. : (022) 2308 2951
Fax : (022) 2307 2773
E-mail : investors@simplex-group.com
Website : www.simplex-group.com

OR Freedom Registry Limited

Registered Office

Plot No. 101/102, 19th Street,
MIDC, Satpur, Nashik- 422007

Tel. : (0253) 2354032

Fax : (0253) 2351126

E-mail : support@freedomregistry.in

Liasioning Office

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

SIMPLEX MILLS COMPANY LIMITED

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

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed adherence to and compliance with the Code of Conduct for the year ended 31st March, 2014.

For **Simplex Mills Company Limited**

Sita Laxman
Director

Mumbai, 15th May, 2014

CERTIFICATE OF COMPLIANCE FROM THE AUDITORS

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 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the BSE Limited.

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

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

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

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

Ajay Rungta
Partner
Membership No.F- 40333

Mumbai, 15th May, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIMPLEX MILLS COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Simplex Mills Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

SIMPLEX MILLS COMPANY LIMITED

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Ajay Rungta
Partner
Membership No.F- 40333

Mumbai, 15th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in Paragraph 1 of our report of even date to the members of Simplex Mills Company Limited on the financial statements for the year ended 31st March, 2014]

- (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) The Company has not granted / taken any loans, secured or unsecured to/from companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to information and explanation given to us, during the year under report, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets, and for the sale of goods. Further, on the basis of our examination of books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section.
- (b) In our opinion and according to the information and explanations given to us, transactions (other than those already dealt with in paragraph (iii) above) made pursuant to contracts or arrangements referred to in (v)(a) above and exceeding the value of ₹ five hundred thousand in respect of each party during the year, have been made at prices which are reasonable having regard to the market prices prevailing at that time, where available.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public, to which the directives issued by the Reserve Bank of India and the provisions of Sections 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.

SIMPLEX MILLS COMPANY LIMITED

- (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 ₹3,03,04,158/- on account of the following disputes pending before authorities:

Period to which dues relate	Pending before	(In ₹)
1984-85 and 1994 to 1996	Assistant Commissioner	49,13,695
1981-84, 1981-95, and 2004	CESTAT	1,52,86,878
1981 to 1984	High Court	59,53,030
2002-03	Supreme Court	41,50,555
	Total	3,03,04,158

- (x) As at the balance sheet date, the Company's accumulated losses does not exceed fifty percent of its net worth within the meaning of Section 2(29A) of the Companies Act, 1956. The Company has incurred cash losses during the year under report. However, the Company has not incurred cash loss in the immediately preceding year.
- (xi) According to the information and explanations given to us, the Company has not committed default in repayment of dues in respect of its bank borrowings. 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.
- (xvi) In our opinion and according to the information and explanations given to us, the Company did not avail any term loans during the year under report. Accordingly, the provisions of clause (xvi) of paragraph 4 of the said Order are not applicable.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, prima facie, funds raised on a short-term basis have not been used for long-term investments.

- (xviii) According to the information and explanations given to us, during the year under report, the Company did not make any preferential allotment of shares to parties listed in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures during the year under report.
- (xx) During the year under report, the company did not raise any money through a public issue; consequently, the provisions of clause (xx) of paragraph 4 of the Order are not applicable.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, there have been no cases of fraud on or by the Company noticed or reported during the year under report.

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

Ajay Rungta
Partner
Membership No.F- 40333

Mumbai, 15th May, 2014

SIMPLEX MILLS COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	As at 31.03.2014 ₹	As at 31.03.2013 ₹
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share capital	2	3,00,04,750	3,00,04,750
Reserves and surplus	3	5,35,41,801	7,96,00,527
		<u>8,35,46,551</u>	<u>10,96,05,277</u>
2. Non-Current Liabilities			
Deferred tax liability (net)	4	-	-
Long-term provisions	5	1,50,46,846	1,37,75,789
		<u>1,50,46,846</u>	<u>1,37,75,789</u>
3. Current Liabilities			
Short-term borrowings	6	1,05,54,359	1,19,42,136
Trade payables		23,85,223	1,03,56,966
Other current liabilities	7	1,14,63,612	89,70,241
Short-term provisions	8	40,63,873	39,05,960
		<u>2,84,67,067</u>	<u>3,51,75,303</u>
TOTAL		<u>12,70,60,464</u>	<u>15,85,56,369</u>
II ASSETS			
1. Non Current Assets			
Fixed assets	9		
Tangible assets		11,42,48,303	11,91,61,735
Long-term loans and advances	10	41,99,175	41,99,175
		<u>11,84,47,478</u>	<u>12,33,60,910</u>
2. Current Assets			
Trade receivables	11	91,800	88,53,154
Inventories	12	30,00,718	2,07,87,960
Cash and cash equivalents	13	2,05,592	3,45,476
Short-term loans and advances	14	50,04,770	46,28,679
Other current assets	15	3,10,106	5,80,190
		<u>86,12,986</u>	<u>3,51,95,459</u>
TOTAL		<u>12,70,60,464</u>	<u>15,85,56,369</u>
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 TO 32		

As per our report of even date attached

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

Ajay Rungta
Partner
Membership No.F - 40333
Mumbai, 15th May, 2014

For and on behalf of the Board

Sita Laxman
Shekhar R Singh
Directors

Mumbai, 15th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note	2013-14 ₹	2012-13 ₹
I Revenue from operations	16	11,29,29,759	16,76,55,799
II Other income	17	5,78,134	14,93,973
III Total Revenue (I+II)		11,35,07,893	16,91,49,772
IV Expenses			
Cost of materials consumed	18	6,97,07,824	8,91,57,217
Purchase of stock-in-trade	19	32,02,697	1,40,67,699
Changes in inventories of work-in-progress, finished goods and Stock-in-trade	19	92,28,813	26,68,040
Employee benefits expense	20	2,95,75,407	2,90,72,970
Finance costs	21	17,28,315	21,98,909
Depreciation	9	48,80,974	49,18,589
Other expenses	22	2,12,42,589	2,93,35,186
Total Expenses		13,95,66,619	17,14,18,610
V Loss before tax		(2,60,58,726)	(22,68,838)
Current tax		-	-
VI Loss for the period		(2,60,58,726)	(22,68,838)
Earnings per equity share [nominal value of share ₹ 10/- each]			
Basic		(8.68)	(0.76)
Diluted		(8.68)	(0.76)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 1
NOTES FORMING PART OF THE FINANCIAL STATEMENTS 1 TO 32

As per our report of even date attached

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

Ajay Rungta
Partner
Membership No.F - 40333
Mumbai, 15th May, 2014

For and on behalf of the Board

Sita Laxman
Shekhar R Singh
Directors

Mumbai, 15th May, 2014

SIMPLEX MILLS COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹	2012-13 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET LOSS BEFORE TAX	(2,60,58,726)	(22,68,838)
Adjustment for :		
Depreciation	48,80,974	49,18,589
Interest expense	17,28,315	21,98,909
Interest income	(2,89,560)	(1,22,975)
Loss / (Profit) on sale of fixed assets	17,458	(16,482)
Balances written off	(58,723)	(44,549)
	<u>62,78,464</u>	<u>69,33,492</u>
OPERATING (LOSS)/PROFIT BEFORE WORKING CAPITAL CHANGES	(1,97,80,262)	46,64,654
(Increase)/Decrease in :		
Inventories	1,77,87,241	5,42,261
Trade receivables	87,61,354	16,86,946
Loans, advances and other current assets	(53,362)	(13,99,738)
Trade payables	(79,71,743)	2,19,699
Other current liabilities	39,81,064	(13,96,092)
	<u>2,25,04,554</u>	<u>(3,46,924)</u>
CASH GENERATED FROM OPERATIONS	27,24,292	43,17,730
Direct taxes (paid)	(18,860)	(89,738)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(A) 27,05,432	42,27,992
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	-	(25,714)
Sale of fixed assets	15,000	46,222
Interest received	2,55,775	93,865
NET CASH GENERATED FROM INVESTING ACTIVITIES	(B) 2,70,775	1,14,373

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹	2012-13 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Net change in borrowings	(13,87,776)	(32,15,384)
Interest paid	(17,28,315)	(21,98,909)
NET CASH (USED IN) FINANCING ACTIVITIES (C)	(31,16,091)	(54,14,293)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,39,884)	(10,71,928)
CASH AND CASH EQUIVALENTS - AT START OF THE YEAR	3,45,476	14,17,404
CASH AND CASH EQUIVALENTS - AT END OF THE YEAR	2,05,592	3,45,476
 Cash and cash equivalents comprise of :	 As on 31-Mar-14	 As on 31-Mar-13
Cash on hand	29,328	18,075
Balances with Scheduled Banks :		
- in Current accounts	1,46,873	2,97,955
Earmarked balance with bank	29,391	29,446
	2,05,592	3,45,476

NOTES FORMING PART OF THE FINANCIAL STATEMENTS - NOTE 1 TO 32

As per our report of even date attached

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

Ajay Rungta
Partner
Membership No.F - 40333
Mumbai, 15th May, 2014

For and on behalf of the Board

Sita Laxman
Shekhar R Singh
Directors

Mumbai, 15th May, 2014

SIMPLEX MILLS COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

CORPORATE INFORMATION

Simplex Mills Company Limited ("the Company") is in manufacturing of cotton yarn and industrial fabrics and trading in textile products (i.e. cloths). The Company is a Public Limited Company and is listed on BSE Limited.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

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

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

(ii) Revenue recognition

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

(iii) Tangible fixed assets

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

(iv) Capital work-in-progress

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

(v) Investments

Investments are either classified as current or long term based on Management's intention at the time of purchase.

Long Term investments are carried at cost less provision recorded to recognize any decline, other than of a temporary nature, in the carrying value of each investment. Current investments are valued at cost or fair value whichever is lower and the resultant decline, if any, are charged to Statement of Profit and Loss.

(vi) Inventories

Stores and spare parts are valued at cost. Process stock is valued at estimated cost. Raw materials and Traded goods 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 statement of profit and loss.

(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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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 Statement of Profit and Loss in the period in which they arise.

(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

Liabilities on account of gratuity and leave encashment benefit are determined by actuarial valuation at each balance sheet date using the Projected Unit Credit Method. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss for the period in which they occur. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

The Company's contributions to provident fund and family pension fund are recognised as expenses in the Statement of Profit and Loss in the period in which they are incurred.

(xii) Taxation

Current income tax is determined as the amount of tax payable in respect of taxable income for the period based on applicable tax rate and laws. Deferred tax is recognized on timing difference, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax effect is calculated using the tax rates and the tax laws enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty of realization, except in case of unabsorbed depreciation and business losses in respect of which, deferred tax asset is recognized only if the Company is virtually certain of having sufficient future taxable income against which the losses/depreciation can be set off. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realization.

(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 and contingent liabilities

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

(xv) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(xvi) Use of estimates

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

SIMPLEX MILLS COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014	31.03.2013
	₹	₹
2. SHARE CAPITAL		
AUTHORISED		
31,00,000 Equity shares of ₹ 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 ₹10/- each fully paid up	<u>3,00,04,750</u>	<u>3,00,04,750</u>
Total Issued, subscribed and fully paid up share capital	<u>3,00,04,750</u>	<u>3,00,04,750</u>

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

Particulars	31.03.2014		31.03.2013	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	30,00,475	3,00,04,750	30,00,475	3,00,04,750
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,00,475	3,00,04,750	30,00,475	3,00,04,750

b. Terms/rights attached to the equity shares

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

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

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Simplex Realty Limited	14,70,000	48.99	14,70,000	48.99
Life Insurance Corporation of India	3,78,869	12.63	3,78,869	12.63
Shreelekha Global Finance Limited	2,52,553	8.42	2,52,553	8.42
New Textiles Private Limited	2,51,505	8.38	2,50,847	8.36

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014 ₹	31.03.2013 ₹
3. RESERVES AND SURPLUS		
CAPITAL RESERVE - Backward area incentive	25,00,000	25,00,000
GENERAL RESERVE	12,78,59,088	12,78,59,088
(SURPLUS) IN THE STATEMENT OF PROFIT AND LOSS		
Opening balance	(5,07,58,561)	(4,84,89,723)
Loss for the year	(2,60,58,726)	(22,68,838)
Closing balance	(7,68,17,287)	(5,07,58,561)
Total Reserves and Surplus	5,35,41,801	7,96,00,527
	31.03.2014 ₹	31.03.2013 ₹
4. DEFERRED TAX LIABILITY		
Difference between tax depreciation and depreciation charged for financial reporting	95,69,382	1,07,30,298
Gross deferred tax liability	95,69,382	1,07,30,298
Deferred tax assets		
1. Provision for gratuity	55,64,432	51,71,675
2. Provision for leave benefits	3,40,780	2,91,985
3. Unabsorbed depreciation	21,78,086	18,25,386
4. Carried forward business losses	1,05,75,308	46,68,298
Gross deferred tax assets	1,86,58,606	1,19,57,344
Net deferred tax liability / (Asset)*	-	-
* Deferred tax assets not recognised.		
	31.03.2014 ₹	31.03.2013 ₹
5. LONG-TERM PROVISIONS		
For employee benefits (Refer Note 20)		
Gratuity	1,50,46,846	1,37,75,789
	1,50,46,846	1,37,75,789

SIMPLEX MILLS COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014 ₹	31.03.2013 ₹
6. SHORT-TERM BORROWINGS		
Cash credit from bank (secured)*	27,37,291	75,55,240
Bills discounted from bank	-	23,61,397
Interest free Loans and advances taken from related parties (Unsecured, repayable on demand)	78,17,068	20,25,499
	1,05,54,359	1,19,42,136

*Cash credit facility from bank is 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.

	31.03.2014 ₹	31.03.2013 ₹
7. OTHER CURRENT LIABILITIES		
Other Liabilities		
Advance received from customers	32,30,152	31,78,340
Unpaid fractional shares entitlement	29,391	29,446
Unpaid bonus/wages	1,84,092	2,05,972
Other advance received	12,50,000	-
Cumulative time deposit	-	1,205
Other payables		
Tax deducted/collected at source	68,128	1,09,932
Interest free deposit	-	30,000
Wages, ex-gratia and bonus	36,76,274	22,03,672
Statutory dues	-	2,23,114
Electricity charges	15,43,825	19,11,700
Professional fees	2,96,586	2,38,602
Liabilities for expenses	3,48,141	3,89,174
Statutory recoveries from salaries/wages	8,37,023	4,49,084
	1,14,63,612	89,70,241

	31.03.2014 ₹	31.03.2013 ₹
8. SHORT-TERM PROVISIONS		
For employee benefits (Refer note 20)		
Gratuity	29,61,023	29,61,023
Leave benefits	11,02,850	9,44,937
	40,63,873	39,05,960

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

9. TANGIBLE ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2013	Additions during the year	Deductions during the year	As at 31st March, 2014	Upto 31st March, 2013	Provided during the year	On Deductions	Upto 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Land	3,76,89,402	-	-	3,76,89,402	-	-	-	-	3,76,89,402	3,76,89,402
Buildings	4,43,82,473	-	-	4,43,82,473	1,10,22,139	12,99,084	-	1,23,21,223	3,20,61,250	3,33,60,334
Plant, Machinery and Computers*	7,45,36,678	-	-	7,45,36,678	2,74,49,946	33,78,942	-	3,08,28,888	4,37,07,790	4,70,86,732
Furniture and Office Equipments	12,90,208	-	-	12,90,208	9,92,930	53,807	-	10,46,737	2,43,471	2,97,278
Vehicles	17,54,469	-	1,65,375	15,89,094	10,26,480	1,49,141	1,32,917	10,42,704	5,46,390	7,27,989
Total	15,96,53,230	-	1,65,375	15,94,87,855	4,04,91,495	48,80,974	1,32,917	4,52,39,552	11,42,48,303	11,91,61,735
Previous Year	15,97,27,516	25,714	1,00,000	15,96,53,230	3,56,43,166	49,18,589	70,260	4,04,91,495		

* Includes Electrical Installations, Humidifiers, Fire Services and Sprinkler Installations.

SIMPLEX MILLS COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014 ₹	31.03.2013 ₹
10. LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Capital advances	20,77,797	20,77,797
Security deposits	21,21,378	21,21,378
	<u>41,99,175</u>	<u>41,99,175</u>

	31.03.2014 ₹	31.03.2013 ₹
11. TRADE RECEIVABLES		
(Unsecured, considered good, unless stated otherwise)		
Outstanding for a period exceeding six months	-	15,341
Other receivables	91,800	88,37,813
	<u>91,800</u>	<u>88,53,154</u>

	31.03.2014 ₹	31.03.2013 ₹
12. INVENTORIES		
(As valued and certified by the management)		
Raw materials	-	86,18,065
Process stock	13,72,201	62,26,551
Finished goods (including waste)	5,73,942	49,48,405
Stores and spare parts	10,54,575	9,94,939
	<u>30,00,718</u>	<u>2,07,87,960</u>

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.

	31.03.2014 ₹	31.03.2013 ₹
13. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks:		
In Current accounts	1,46,873	2,97,955
Cash on hand	29,328	18,075
Earmarked balance with bank	29,391	29,446
	<u>2,05,592</u>	<u>3,45,476</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	31.03.2014 ₹	31.03.2013 ₹
14. SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)		
Advance income tax (net of provisions for taxation)	2,45,470	2,26,610
Loans to employees	1,50,141	2,40,739
Value added tax receivables	41,45,068	37,87,267
Balances with government authorities	4,30,609	2,70,458
Other advances	33,482	1,03,605
	50,04,770	46,28,679
	31.03.2014 ₹	31.03.2013 ₹
15. OTHER CURRENT ASSETS		
Interest accrued on deposits	1,60,000	1,26,215
Prepaid expenses	1,19,645	4,09,364
Others	30,461	44,611
	3,10,106	5,80,190
	2013-14 ₹	2012-13 ₹
16. REVENUE FROM OPERATIONS		
Revenue from operations		
Sale of products		
Finished goods	10,87,94,419	15,14,99,106
Traded goods	35,49,333	1,55,51,350
Other operating revenue		
Waste sales	7,84,641	11,30,938
Conversion charges received	1,300	4,16,568
Revenue from operations (gross)	11,31,29,693	16,85,97,962
Less: Excise duty	1,99,934	9,42,163
Revenue from operations (net)	11,29,29,759	16,76,55,799
Details of products sold		
Finished goods		
Cloth	2,18,31,083	4,86,97,748
Yarn	8,69,63,336	10,28,01,358
	10,87,94,419	15,14,99,106
Traded goods		
Cloth	35,49,333	1,55,51,350
	11,23,43,752	16,70,50,456

SIMPLEX MILLS COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹	2012-13 ₹
17. OTHER INCOME		
Interest received from others	2,89,560	1,22,975
Building rent received	-	9,68,518
Sale of duty entitlement pass book licences	-	62,126
Inspection charges received	1,21,477	2,71,352
Sales tax refund	1,25,306	-
Foreign exchange gain	-	23,247
Insurance claims	21,363	26,573
Miscellaneous receipts	37,886	2,700
(Loss)/Profit on sale of assets	(17,458)	16,482
	5,78,134	14,93,973

	2013-14 ₹	2012-13 ₹
18. COST OF MATERIALS CONSUMED		
Inventory at the beginning of the period	86,18,065	63,18,605
Add: Purchases during the year	6,10,89,759	9,14,56,677
	6,97,07,824	9,77,75,282
Less: Inventory at the end of the year	-	86,18,065
Cost of raw materials consumed	6,97,07,824	8,91,57,217
Products		
Cotton	6,92,87,847	8,73,26,713
Yarn	4,19,977	18,30,504
	6,97,07,824	8,91,57,217

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹	2012-13 ₹
19. INCREASE/(DECREASE) IN INVENTORIES		
Closing stock		
Traded goods	-	-
Process stocks	13,72,201	62,26,551
Finished goods	5,73,942	49,48,405
	<u>19,46,143</u>	<u>1,11,74,956</u>
Less:		
Opening stock		
Traded goods	-	8,310
Process stocks	62,26,551	64,08,011
Finished goods	49,48,405	74,26,675
	<u>1,11,74,956</u>	<u>1,38,42,996</u>
Decrease in stock	<u>(92,28,813)</u>	<u>(26,68,040)</u>
Details of purchase of traded goods		
Cloth	32,02,697	1,40,67,699
	<u>32,02,697</u>	<u>1,40,67,699</u>
Details of Inventory		
Work in progress		
Cotton	6,79,510	25,41,024
Cloth	19,280	4,09,220
Yarn	6,73,411	32,76,307
	<u>13,72,201</u>	<u>62,26,551</u>
Finished goods		
Cloth	3,88,748	10,75,989
Yarn	65,792	35,50,693
Waste	1,19,402	3,21,723
	<u>5,73,942</u>	<u>49,48,405</u>

	2013-14 ₹	2012-13 ₹
20. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	2,63,58,442	2,60,25,750
Contribution to provident and other funds	23,18,633	21,45,086
Staff welfare expenses	8,98,332	9,02,134
	<u>2,95,75,407</u>	<u>2,90,72,970</u>

Retirement benefit plans

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

I) Defined Contribution Plan

- Provident Fund
- Pension Fund

SIMPLEX MILLS COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

The Company has recognized the following amounts in the Statement of Profit and Loss which are included under Contribution to Provident fund and other funds;

	2013-14 ₹	2012-13 ₹
Contribution to:		
Provident fund	9,95,057	8,63,190
Pension fund	13,04,838	12,59,372
	22,99,895	21,22,562

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:

	2013-14 ₹	2012-13 ₹
Actuarial assumptions		
Discount rate	8.00%	8.00%
Salary escalation rate	5.00%	5.00%
Attrition rate	0.50%	0.50%

GRATUITY

A. Changes in value of obligations

Liability at the beginning of the year	1,67,36,812	1,43,24,073
Interest cost	13,01,645	12,02,034
Current service cost	16,35,318	15,32,154
Benefit paid	(9,32,498)	(8,55,449)
Actuarial (gain)/loss on obligations	(7,33,408)	5,34,000
Liability at the end of the year	1,80,07,869	1,67,36,812

B. Amount recognized in the Balance Sheet

Present value of defined benefit obligation as at the year end	1,80,07,869	1,67,36,812
Fair Value of Plan Assets as at the year end	-	-
Liability/(Net asset) recognized in the Balance Sheet	1,80,07,869	1,67,36,812

C. Expenses recognized in the Statement of Profit and Loss

Interest cost	13,01,645	12,02,034
Current service cost	16,35,318	15,32,154
Net actuarial (gain)/loss recognized	(7,33,408)	5,34,000
Expenses recognized in the Statement of Profit and Loss	22,03,555	32,68,188

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹	2012-13 ₹
LEAVE BENEFIT		
A. Changes in value of obligations		
Liability at the beginning of the year	9,44,937	3,78,039
Interest cost	48,812	14,310
Current service cost	24,762	6,28,067
Benefit paid	(6,69,566)	(4,25,220)
Actuarial (gain)/loss on obligations	7,53,905	3,49,741
Liability at the end of the year	11,02,850	9,44,937
B. Amount recognized in the Balance Sheet		
Present value of defined benefit obligation as at the year end	11,02,850	9,44,937
Fair value of plan assets as at the year end	-	-
Liability/ (Net asset) recognized in the Balance Sheet	11,02,850	9,44,937
C. Expenses recognized in the Statement of Profit and Loss		
Interest cost	48,812	14,310
Current service cost	24,762	6,28,067
Actuarial (gain)/loss recognized	7,53,905	3,49,741
Expenses recognized in the statement of Profit and Loss	8,27,479	9,92,118
21. FINANCE COSTS		
Interest expense	16,38,315	17,65,341
Other borrowing cost	90,000	4,33,568
	17,28,315	21,98,909

SIMPLEX MILLS COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹	2012-13 ₹
22. OTHER EXPENSES		
Stores and spare parts consumed	20,16,200	39,43,851
Packing Materials	63,846	1,79,119
Power and fuel	1,39,60,283	1,95,23,855
Hank yarn obligation	1,79,033	2,59,238
Water charges	19,340	46,047
Repairs to:		
Buildings	24,932	31,953
Machinery	4,80,182	5,96,771
Insurance	1,80,299	1,03,241
Excise duty	6,86,949	-
Discount, commission and brokerage on sales	9,40,064	14,32,842
Rates and taxes	3,89,907	3,89,905
Travelling and conveyance expenses	1,91,961	3,33,396
Director's sitting fees	5,000	5,250
Advertisements	50,664	42,951
Postage, stationery and printing	1,78,464	2,26,387
Bank charges/commission	9,075	35,427
Motor maintenance	2,16,249	1,84,436
Professional fees	11,63,782	14,39,057
Sundry expenses	3,45,909	4,21,010
Auditor's remuneration:		
Audit fees	80,000	80,000
Tax audit fees	25,000	25,000
In other capacity	20,000	20,000
For reimbursement of expenses and service tax	15,450	15,450
	2,12,42,589	2,93,35,186

23. Contingent Liabilities :

Claims against the Company not acknowledged as debt:

	31.03.2014	31.03.2013
Appeals filed in respect of disputed demands:		
i) Central Excise	3,03,04,158	5,51,42,947
ii) Labour Matters	5,74,290	5,74,290

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

24. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 2,85,99,008/- (net of advances) (Previous year ₹ 2,85,99,008/-).
25. The Company has received permission for closure of its Akola Plant under Section 25-O of the Industrial Disputes Act 1947. The labour union was in appeal against the order and now union has filed an application for passing suitable order and the said application has been allowed in the operative part of award by the Tribunal. Accordingly, the Company has offered voluntary retirement under Voluntary Retirement Scheme and effect of the order of the Tribunal will be given after full order is received by the Company.
26. 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.
27. Earnings per Share (EPS) is calculated by dividing the profit/(loss) attributable to the equity share holders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except when the results would be anti-dilutive.

Particulars

	2013-14	2012-13
(a) Loss after tax - ₹	(2,60,58,726)	(22,68,838)
(b) Weighted average number of shares	30,00,475	30,00,475
(c) Face value of shares (₹ per share)	10/-	10/-
(d) Basic - ₹	(8.68)	(0.76)
(e) Diluted - ₹	(8.68)	(0.76)

28. 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.
29. Related party disclosure (as identified by the management):

(In ₹)

Name of Related Party	Type of Related Party	Description of the nature of the transactions	Volume of transactions during 2013-14	Volume of transactions during 2012-13	As on 31.03.14 Receivable/ (Payable)	As on 31.03.13 Receivable/ (Payable)
Simplex Realty Ltd.	Controlling Company	Loan taken / (repaid)	(9,88,431)	3,21,105	(10,37,068)	(20,25,499)
Simplex Papers Ltd.	Common Directors	Loan taken Loan (repaid)	1,79,80,000 (1,12,00,000)	- -	(67,80,000)	-

30. Earnings in foreign exchange on account of export of goods on FOB basis:

Particulars	2013-14 ₹	2012-13 ₹
Direct Exports	-	18,09,247

SIMPLEX MILLS COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

31. Value of materials consumed

(In ₹)

Particulars	2013-14		2012-13	
	Value in ₹	% of Total Consumption	Value in ₹	% of Total Consumption
(i) Raw Materials				
(a) Directly imported	-	-	-	-
(b) Indigenously obtained	6,97,07,824	100	8,91,57,217	100
(ii) Stores, Spare Parts and Components				
(a) Directly imported	-	-	-	-
(b) Indigenously obtained	20,16,200	100	39,43,851	100

32. Previous year figures

The previous year's figures have been reclassified, wherever necessary to conform current year's presentation.

As per our report of even date attached

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

Ajay Rungta
Partner
Membership No.F - 40333
Mumbai, 15th May, 2014

For and on behalf of the Board

Sita Laxman
Shekhar R Singh
Directors

Mumbai, 15th May, 2014



Corporate Identification Number (CIN) - L65900MH1998PLC116585

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

ATTENDANCE SLIP

I hereby record my presence at the 16th ANNUAL GENERAL MEETING held at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai-400001, at 12.30 P.M. or soon after the conclusion of the Annual General Meeting of Simplex Realty Limited convened on the same day, whichever is later on Wednesday, the 6th day of August, 2014.

DP. ID. No. _____

Client I.D. No. _____

Folio No. _____

Full Name of the Member _____

Signature _____

Full Name of Proxy (in Block Capitals) _____

Signature _____

- 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.
- Members / Proxy holders should bring their copy of the Annual Report for reference at the Meeting.



Corporate Identification Number (CIN) - L65900MH1998PLC116585

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

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	E-mail Id:
Registered address:	Folio No/ *Client Id:
	*DP ID

* Applicable for members holding shares in electronic form.

I/We, being the member(s) holdingshares of Simplex Mills Company Limited, hereby appoint:

- Name :..... Address:.....
E.mail ID:..... Signature:..... or failing him
- Name :..... Address:.....
E.mail ID:..... Signature:..... or failing him
- Name :..... Address:.....
E.mail ID:..... Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Company, to be held on Wednesday, the 6th day of August, 2014 at 12.30 P. M. or soon after the conclusion of the Annual General Meeting of Simplex Realty Limited convened on the same day, whichever is later at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001 or at any adjournment thereof in respect of such resolutions as are indicated below:



** I/ We wish my above proxy(ies) to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Adoption of the Audited Financial Statements, the Reports of the Directors' and Auditors		
2. Re-appointment of Ms. Sita Laxman who retires by rotation		
3. Re-appointment of Auditors and fixing their remuneration		
4. Appointment of Shri S.M.Soni as an Independent Director		
5. Appointment of Shri O.D.Purohit as an Independent Director		
6. Appointment of Shri S.G Shukla as an Independent Director		

Signed this.....day of2014.

Signature of Member

Signature of Proxy holder(s)

Affix a
15 paise
Revenue
stamp

Notes:

- 1) This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of attorney, if any under which the Proxy Form is signed, not less than 48 hours before the time for holding the meeting. A Proxy need not be a member of the Company.
- 2) **This is only optional. Please put a "✓" in the appropriate column against the resolutions indicated in the Box. If you leave the " For" or "Against" column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 3) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- 4) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

If undelivered, please return to:

Simplex Mills Company Limited

30, Keshavrao Khadye Marg,

Sant Gadge Maharaj Chowk,

Mumbai - 400 011