



**107TH
ANNUAL REPORT
2019-2020**

SIMPLEX REALTY LIMITED

Board of Directors

Shri Nandan Damani
Shri Sanjay N Damani
Smt. Sandhya R Kini
Shri Vishnubhai B.Haribhakti
Shri Surendra Kumar Somany
Shri Vijay S.Jindal
Shri Sabhapati G Shukla
Smt. Renu Jain

Chairman & Managing Director
Executive Director
Executive Director

Chief Financial Officer

Shri Surendra Kabra

Company Secretary

Shri Shekhar R Singh (Resigned w.e.f 1st May, 2020)

Statutory Auditors

M/s.Khandelwal and Mehta LLP
Chartered Accountants
Mumbai

Secretarial Auditors

M/s.Taher Sapatwala & Associates
Company Secretaries
Mumbai

Corporate Identification Number (CIN)

L17110MH1912PLC000351

Bankers

State Bank of India, Mumbai
HDFC Bank Ltd., Mumbai

Solicitors

M/s. Federal & Company, Mumbai

Registered Office

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

Share Transfer Agent

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

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107th Annual General Meeting of the Company will be held on Tuesday, the 18th August, 2020 at 11:00.a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

NOTICE

NOTICE is hereby given that the Hundred and Seventh **ANNUAL GENERAL MEETING** of the Members of **SIMPLEX REALTY LIMITED** will be held on Tuesday, the 18th day of August, 2020 at 11:00 A.M. through Video Conferencing ("VC")/ Other Audio Video Means ("OAVM") to transact the following businesses: -

ORDINARY BUSINESS:

1. **Adoption of Audited Financial Statements and Reports thereon**

To receive, consider and adopt the Audited Financial Statements (including audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2020 and the Reports of the Directors' and Auditors' thereon.

2. **Appointment of Director in place of those retiring by rotation**

To appoint a Director in place of Shri Nandan Damani (DIN 00058396), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Shri Nandan Damani as a Managing Director for a period of three years w.e.f. 29th June, 2020**

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 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Act and Article 186 of the Articles of Association of the Company and pursuant to the resolution passed by the Nomination and Remuneration Committee and subject to all other sanctions, approvals and permissions as may be required and subject to such conditions and modifications as may be imposed or prescribed by any of the authorities while granting such sanctions, approvals and permissions, the consent of the Members of the Company be and is hereby accorded to the re-appointment of Shri Nandan Damani (DIN 00058396) as the Managing Director designated

as a Chairman & Managing Director of the Company for a period of three years with effect from 29th June, 2020, liable to retire by rotation, upon the terms and conditions including remuneration, as set out in the draft Agreement (the Agreement) to be executed between the Company and Shri Nandan Damani, as placed before this meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company ('the Board', which term shall be deemed to include the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions in relation to the above remuneration in such a manner as may be permitted in accordance with the provisions of the Act and any amendment thereto or re-enactment thereof;

RESOLVED FURTHER THAT in case the Company, during the currency of tenure of Shri Nandan Damani as referred above, has no profits or its profits are inadequate, Shri Nandan Damani, Chairman & Managing Director be paid the remuneration as 'Minimum Remuneration' in the respective financial year(s) as set out in the Agreement, notwithstanding that the same may exceed the ceiling limit laid down in Section 197, Schedule V to the Act and subject to the requisite approvals;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deemed necessary, proper or desirable and to settle any questions, difficulties and/or doubts that may arise in this regard in order to implement and give effect to the foregoing resolution."

For and on behalf of the Board of Directors

Nandan Damani
Chairman & Managing Director

Mumbai, 20th June, 2020

CIN: L17110MH1912PLC000351

Registered Office:

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

SIMPLEX REALTY LIMITED

NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (the Act), in respect of the Special Business under **Item number 3** of the Notice dated 20th June, 2020 is appended hereto. The relevant details of Directors seeking appointment/re-appointment pursuant to the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) is given in Annexure to this Notice.
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("the MCA") vide its Circular number 20/2020 dated May 05, 2020 read with Circulars number 14/2020 and 17/2020 dated April 08, 2020 and April 13, 2020 respectively (collectively referred to as the MCA Circulars'), has introduced certain measures enabling companies to convene their Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue and also send notice of the Annual General Meeting and other correspondences related thereto, through electronic mode. In compliance with the provisions of the Companies Act, 2013 ("Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the MCA Circulars, the 107th Annual General Meeting of the Company (AGM) is being held through VC / OAVM. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith (Refer serial no. 15) and available at the Company's website www.simplex-group.com.
3. In view of the MCA Circulars, no proxy shall be appointed by the Members and accordingly the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Corporate Members (other than Individuals, HUF, NRI etc.) intending to authorize their representatives are requested to send duly certified copy of the Board Resolution alongwith attested specimen signature of the duly authorized signatory (ies) who are authorized to participate in the AGM through VC/OAVM and to vote through remote e-voting to the Scrutinizer by e-mail to pankaj.cs@hotmail.com with a copy marked to evoting@nsdl.co.in.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

6. **Book Closure:**

The Register of Members and Transfer Books of the Company will be closed from Thursday, the 13th day of August, 2020 to Tuesday, the 18th day of August, 2020 (both days inclusive) for the purpose of the Hundred and Seventh Annual General Meeting (the AGM) or any adjournment thereof.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available for inspection in the electronic form (scanned copy) by the Members during the AGM. All documents referred to in the Notice will also be available for inspection in the electronic form (scanned copy) without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. 18th August, 2020. Members seeking to inspect such documents can send an email to company-secretary@simplex-group.com

8. **Unclaimed Dividends:**

(a) **Transfer to the Investor Education and Protection Fund:**

Members are hereby informed that the Company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years from the date on which dividend has become due for payment to the Investor Education and Protection Fund (IEPF) established by the Government. Accordingly, during the year, unclaimed dividends amounting ₹ 1,38,405/- pertaining to the financial year 2011-12 has been transferred to IEPF on 30th September, 2019.

Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed/unpaid for a period of seven years from the dates they became first due for payment. Any Member, who has not claimed the dividend in respect of the financial year ended 31st March, 2013 and onwards is requested to approach the Company/the Share Transfer Agent (STA) of the Company for claiming the same as early as possible but not later than 12th September, 2020.

(b) Details of Unclaimed Dividends on Website:

In order to help Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends for the financial year ended 31st March, 2013 and subsequent years on the website of Investor Education and Protection Fund, www.iepf.gov.in and under “Investor Relations” section on the website of the Company, - www.simplex-group.com.

(c) Transfer of “Underlying Share” into IEPF:

In terms of Section 125(6) of the Act read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Suspense Account established by the Central Government. As required under the said Rules, the Company has published a Notice in the newspapers inviting the Members attention to the aforesaid Rules. The Company has also sent individual communication to the concerned Members whose shares are liable to be transferred to IEPF Suspense Account, pursuant to the said Rules.

The Company has also uploaded full details of such shares due for transfer as well as unclaimed dividends under “Investor Relations” section on the website of the Company.

9. Nomination Facility:

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company’s website [http://www.simplex-group.com / upload_pdf / 2050Nomination%20Form.pdf](http://www.simplex-group.com/upload_pdf/2050Nomination%20Form.pdf) Members are requested to submit the said details to their DP in case the shares are held by them in electronic form or to STA in case the shares are held in physical form.

10. Updation of Members’ Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act,

requires the Company/STA to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing the additional details is appended at the end of this Annual Report. Members holding shares in physical form are requested to submit the filled in form to the Company or its STA. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

11. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company’s STA / their Depository Participants, in respect of shares held in physical/electronic mode respectively.
12. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company’s Registrars and Transfer Agent, Freedom Registry Limited for assistance in this regard.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form or to Company’s STA in case the shares are held by them in physical form.

14. Voting through Electronic means

- I In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Listing Regulations, as amended from time to time, the Company is pleased to provide the Members facility of ‘remote e-voting’ (e-voting from a place other than venue of the AGM) to exercise their right to vote at the AGM. The business may be transacted through e-voting Services provided by National Securities Depository Limited (NSDL).

The facility for voting, through electronic voting system shall also be made available during the

AGM. The Members attending the meeting, through VC/OAVM facility and who have not already cast their vote through remote e-voting shall be eligible to vote through e-voting system in the AGM. The Members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The instructions for Members voting electronically are as under:

- (i) The voting period begins on Saturday, 15th August, 2020 (10:00 A.M.) and ends on Monday, 17th August, 2020 (5:00 P.M.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Tuesday, the 11th August, 2020, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- (ii) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

The details of the process and manner for remote e-voting are explained herein below:

Step 1: The Members should log on to the NSDL e-voting website <http://www.evoting.nsdl.com>.

Step 2: Click on icon "Login" available under the Shareholders section.

Details on Step 1 are as mentioned below:

How to login to NSDL e-voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL

eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL

account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) In case, if your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- 1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

- 3. Select "EVEN" of company which is 113128.
- 4. Now you are ready for e-Voting as the Voting page opens.
- 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
- 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for shareholders

- 1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pankaj.cs@hotmail.com with a copy marked to evoting@nsdl.co.in.
- 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to at evoting@nsdl.co.in

4. In case of any grievances connected with facility for e-voting, please contact Ms. Sarita Mote, Assistant Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: evoting@nsdl.co.in/saritam@nsdl.co.in, Tel: 91 22 2499 4890/ 1800-222-990

The instructions for Members for e-voting on the day of the AGM are as under:

- (a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (b) Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- (c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (d) Details of the person who may be contacted for any assistance connected with the facility for e-voting on the day of the AGM, are, Ms. Sarita Mote, Assistant Manager, NSDL, at saritam@nsdl.co.in/022-24994890 or Ms. Megha Malviya, Assistant Manager, NSDL, at megham@nsdl.co.in / meghamnsdl@gmail.com/022-49142500 / 7987207516.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of Email ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to support@freedomregistry.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to support@freedomregistry.in

15. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM AREAS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM.
3. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at company-secretary@simplex-group.com from 12th August, 2020 (9:00 a.m. IST), to 14th August, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
4. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Ms. Sarita Mote, Assistant Manager, NSDL, at saritam@nsdl.co.in/022-24994890 or Ms. Megha Malviya, Assistant Manager, NSDL, at megham@nsdl.co.in/meghamnsdl@gmail.com/ 022-49142500/7987207516.
- II The voting rights of Members 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) i.e. Tuesday, 11th August, 2020.
- III Shri Pankaj Khandelwal, 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, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- 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 NSDL within two days of passing of the resolutions at the AGM of the Company and communicated to BSE 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 numbers 3** of the accompanying Notice dated 20th June, 2020.

Item No. 3

Shri Nandan Damani was appointed Chairman & Managing Director of the Company for a period of three years with effect from 29th June, 2017. The term of his office expires on 28th June, 2020. The Board of Directors at its meeting held on 20th June, 2020 on the recommendation of Nomination and Remuneration Committee approved the re-appointment of Shri Nandan Damani as Managing Director designated as the Chairman & Managing Director of the Company for a further period of three years with effect from 29th June, 2020, upon the terms and conditions, including as to remuneration as set out in the Agreement, subject to the necessary approvals.

Shri Nandan Damani, aged 67 years, has been associated with the Company since 1977 and holds 125316 equity shares in the Company. He is a bachelor of science from University of Mumbai and has completed business management studies. He has around 44 years of experience in business and industry. Shri Nandan Damani and Shri Sanjay N Damani are related to each other.

He currently serves as an Independent Director on the Boards of Graphite India Limited, Pudumjee Paper Products Limited and AMJ Land Holdings Limited.

In addition to his role as an Independent Director on the Board of Pudumjee Paper Products Limited, Shri Nandan Damani is also the Chairman of the Stakeholders Relationship Committee and Member of the Audit Committee and Nomination & Remuneration Committee and in AMJ Land Holdings Limited, he is a Member of the Audit Committee and Nomination & Remuneration Committee.

The Agreement to be executed between the Company and Shri Nandan Damani contains, inter-alia, the following terms and conditions:

I Remuneration:

I Salary:

The proposed remuneration is ₹ 4,48,000/- per month, payable as under:

- a Basic Salary: ₹ 2,80,000/- per month
- b House Rent Allowance: ₹ 1,40,000/- per month.
- c Perquisite as shown below upto ₹ 28,000/- per month.

ii Perquisites:

Monetary value of the perquisites shall be restricted to the aforesaid amount or such other amount as may be permissible according to law from time to time in force, and as may be determined by the Board of Directors.

- A In addition to salary, Shri Nandan Damani will be entitled to perquisites and allowances like reimbursement of expenses in respect of gas, electricity and water, furnishing and repairs, medical reimbursement and leave travel concession for self and his family, club fees, personal accident insurance and such other payments in nature of perquisites and allowances as may be decided by the Board of Directors from time to time on the recommendation of the Nomination and Remuneration Committee, to discharge his duty as a Managing Director.
- B Shri Nandan Damani shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above:

a gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and

b Leave: One month on full pay and allowances as per the Rules of the Company but not exceeding one month's leave for every 11 months of service. The leave accumulated but not availed of will be allowed to be encashed at the end of the tenure.

C The Company shall provide a car for use on Company's business and telephone at the residence of Shri Nandan Damani. Shri Nandan Damani will be billed by the Company for personal long distance calls on telephone and use of car for personal purposes.

D The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

iii Commission:

Such remuneration as calculated with reference to the net profits of the Company in particular financial year, if any, as may be determined by the Nomination and Remuneration Committee and/or the Board of Directors of the Company at the end of each financial year, subject to overall ceiling stipulated in Section 198 of the Act.

II Minimum Remuneration:

Where in respect of any financial year, during the tenure of Shri Nandan Damani as the Chairman & Managing Director of the Company, the Company has no profits or its profits are inadequate, Shri Nandan Damani shall be paid the aforementioned remuneration as "Minimum Remuneration" in the respective financial year(s) as set out in the Agreement, notwithstanding that the same may exceed the ceiling limit laid down in Section 197, Schedule V to the Act and subject to the requisites approvals.

III Other Terms and Conditions:

A The tenure of the Managing Director shall be for a period of three years commencing from 29th June, 2020.

B The Managing Director shall be vested with substantial powers of the Management for day to day affairs of the Company subject to the

supervision and direction of the Board of Directors of the Company.

C The Managing Director will devote his time and efforts for the business of the Company.

D The Managing Director undertakes to employ the best of the skill and ability to make his utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

E The personnel policies of the Company and the related Rules which are applicable to other employees of the Company will also be applicable to the Managing Director, unless specifically provided otherwise.

F The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required.

G The said draft Agreement may be terminated by either party giving to other party by Ninety days' notice in writing.

The Members are being informed of the remuneration package by way of explanatory statement as given above.

The Board of Directors and the Managing Director have agreed on the terms of employment. After obtaining approval from Members, the Board will formally execute the Agreement with the Managing Director reflecting the terms.

The appointment of Shri Nandan Damani as the Managing Director and remuneration payable to him are in line with provisions, Schedule V to the Act and subject to the approval of the Members to be obtained at the AGM and to the extent any of the provisions herein are inconsistent or contrary to terms of such approval, the latter will prevail.

The period of office of Shri Nandan Damani shall be liable to determination by retirement of directors by rotation. As per Article 182 of the Articles of Association of the Company, Shri Nandan Damani, Chairman & Managing Director, whilst holding office as Chairman & Managing Director shall not be subject to retirement by

rotation. As per Section 6 of the Companies Act, 2013, the provisions of the Act will have effect notwithstanding anything to the contrary contained in the Articles of Association of the Company.

If Shri Nandan Damani is re-appointed as a director, immediately on retirement by rotation, he shall continue to hold office of as the Managing Director designated as the Chairman & Managing Director of the Company and such re-appointment as director shall not be deemed to constitute break in his appointment as the Managing Director designated as the Chairman & Managing Director of the Company.

A scanned copy of the Agreement will be available for inspection without any fee by the Members by sending a request through e-mail at company-secretary@simplex-group.com during normal business hours on any working day upto and including the date of the AGM.

Except Shri Nandan Damani and Shri Sanjay N Damani, none of the Directors is interested in the said re-appointment and remuneration payable to Shri Nandan Damani as the Managing Director of the Company.

The Explanatory Statement together with the accompanying Notice may also be regarded as an abstract of the Agreement and Memorandum of interest under Section 190 of the Act.

The Board recommends the Resolution at Item No. 3 of the Notice for your approval.

For and on behalf of the Board of Directors

Nandan Damani
Chairman & Managing Director

Mumbai, 20th June, 2020

CIN: L17110MH1912PLC000351

Registered Office:
30, Keshavrao Khadye Marg,
Sant Gadge Maharaj Chowk,
Mumbai – 400011

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT IN TERMS OF THE REGULATION 36(3) SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Re- Appointment of Shri Nandan Damani (Item Nos. 2 and 3)

For the details of the re-appointment of Shri Nandan Damani as a Director of the Company, please refer to the above Explanatory Statement in respect to Special Business set out at Item No. 3 of the Notice of the AGM pursuant to the Companies Act, 2013.

For and on behalf of the Board of Directors

Nandan Damani
Chairman & Managing Director

Mumbai, 20th June, 2020

CIN: L17110MH1912PLC000351

Registered Office:
30, Keshavrao Khadye Marg,
Sant Gadge Maharaj Chowk,
Mumbai – 400011

SIMPLEX REALTY LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Hundred and Seventh Annual Report, together with the Audited Accounts for the year ended 31st March, 2020.

FINANCIAL RESULTS

(In ₹)

	2019-20	2018-19
Total Income	13,82,74,206	10,42,30,406
Profit/(Loss) before Depreciation, Finance Costs, Exceptional Item and Taxation	1,13,82,235	(1,01,52,286)
Less: Depreciation	18,20,081	17,26,890
Less: Finance Costs	35,75,485	56,52,083
Profit/(Loss) before Exceptional Item and Tax	59,86,669	(1,75,31,259)
Less: Exceptional Item	-	5,52,99,872
Profit before Tax	59,86,669	3,77,68,613
Less: Current Tax	13,05,209	97,88,900
Deferred Tax	42,10,878	(23,53,917)
Taxes of earlier years (net)	(66,116)	(43,22,691)
Profit for the year	5,36,698	3,46,56,321
Other Comprehensive (Expense) / Income for the year, net of tax	(1,07,03,872)	27,31,688
Total Comprehensive (Expense) / Income for the year	(1,01,67,174)	3,73,88,009

DIVIDEND

The Directors do not recommend any dividend for the financial year ended 31st March, 2020 with a view to conserve the resources of the Company for long term working capital requirements.

EMERGENCE OF COVID-19 PANDEMIC

The outbreak of COVID-19 was declared as a pandemic by the World Health Organization, which has infected millions number of people globally. Covid-19 pandemic is seen having an unprecedented impact on people and economies worldwide.

Due to COVID-19 pandemic and in compliance with the directives of the Government of India/State Government / Local Authorities, the Company had during lockdown suspended its on-going work at Goa site until permission is granted by the concerned authorities to resume the operations. The uncertainty arising from the extended lockdown and the evolving situation while restarting the work may delay completion of the work. During the lockdown, there were no enquiries and sales of commercial or residential units at the completed project.

We are closely monitoring the situation and will take all necessary actions as may be required in the interest of all stakeholders.

The Company is following Government Directives regarding health and safety of all employees and has already adopted the practice of work from home for its employees in order to minimize the risk and contain the spread of COVID-19. In the operations, focus is being maintained on social distancing and hygienic practices, for the safety of the people.

OPERATIONS

The total income of the Company for the current year is ₹ 13,82,74,206/- as against ₹ 10,42,30,406/- during the previous year. The Company has made a net profit of ₹ 5,36,698/- during the current year as against the net profit of ₹ 3,46,56,321/- in the previous year. The EPS for the current year is ₹ 0.18 as against ₹ 11.59 in the previous year after the exceptional item.

ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has two Associate companies viz. Simplex Papers Limited and Simplex Mills Company

Limited. There are no joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 (the Act).

In terms of proviso to sub-section 3 of Section 129 of the Act, the salient features of the Financial Statements of the Associate Companies is set out in the prescribed form AOC-1 (Part 'B'—Associates and Joint Ventures) which forms part of the Annual Report.

PROJECTS

The Company is developing a project consisting of villas at Nachinolla, Goa. We have obtained completion certificate from the concerned authorities for the villas. Interior work for villas is going on and we are expecting these villas to be ready for sale during the current year.

The Company is exploring the options to start development on its own land at Mahalaxmi, Mumbai.

The Company's project "Simplex KhushAangan" which is a cluster of residential and commercial space located on prime location of S.V.Road, Malad (West), Mumbai is completed and handed over to the society for its day to day maintenance. The Company has inventory in this project and we are making efforts to sale the inventory.

The Company continues to focus on consolidation of its operations, rationalization of business and exploring the opportunities in the development and redevelopment projects of residential projects.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount of principal or interest on deposits was outstanding as on the balance sheet date.

LOANS, GUARANTEES AND INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Nandan Damani, Chairman and Managing Director, retires by rotation in compliance with Section 152 of the Act, at the forthcoming AGM of the Company and being eligible, offers himself for re-appointment. The Board of Directors are also of the opinion that Shri Nandan Damani fulfills all the conditions as mentioned in the Act. Upon his re-appointment as a Director, Shri Nandan Damani shall continue to hold his office of the Chairman and Managing Director, and shall not be deemed to constitute a break in his office of the Chairman and Managing Director.

The Board of Directors of the Company at its meeting held on 20th June, 2020 on the recommendation of Nomination and Remuneration Committee has recommended re-appointment of Shri Nandan Damani, as a Managing Director designated as the Chairman and Managing Director of the Company for a period of three years with effect from 29th June, 2020.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The details of the Director being recommended for re-appointment are contained in the accompanying Notice of the AGM.

Shri Shekhar R Singh, Company Secretary and Compliance Officer of the Company resigned with effect from 1st May, 2020. The Board has placed on record its appreciation for the valuable contribution made by him to the Company during his tenure.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committee and Individual Director, pursuant to the provisions of the Act and the Listing Regulations, a structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Director was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, four Board meetings were held. The details of the meetings are given in Corporate Governance Report which forms part of this Report.

REMUNERATION AND NOMINATION POLICY

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details of this policy is given in the Corporate Governance Report which forms part of this Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has practice of conducting familiarization programme for Independent Directors of the Company. The details of the said programme are given in the Corporate Governance Report which forms part of this Report.

PARTICULARS OF EMPLOYEES

During the year, there was no employee in receipt of remuneration as prescribed in the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The prescribed particulars of Employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure IV** and form part of this Report.

AUDITORS

Messrs, Khandelwal and Mehta LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. W100084), Auditors of the Company have submitted their Independent Auditors Report on the financial statements of the Company for the year ended 31st March, 2020 and they have given an unmodified opinion(s) report on the Financial Statements for the year under review. The Auditors have confirmed that they comply with all the requirements and criteria are otherwise qualified to continue to act as Auditors of the Company. No frauds have been reported by the Auditors under Section 143(12) of the Act.

SECRETARIAL AUDIT

A Secretarial Audit was conducted during the year, in accordance with provisions of Section 204 of the Act. The Secretarial Auditor's Report is attached as Annexure II and forms part of this Report. There is no secretarial audit qualification, reservation or adverse remark for the year under review.

SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meeting.

CORPORATE GOVERNANCE

The Company has complied with the mandatory provisions of Corporate Governance requirements as stipulated under the Listing Regulations. A separate report on Corporate Governance along with the requisite Auditors' Certificate is annexed and forms part of this Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act, and the Listing Regulations, 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, 2020 and the profit of the Company for the said period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no transactions during the year which would require to be reported in Form AOC-2. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large during the year that would have required Members approval under the Listing Regulations.

The policy on Related Party Transactions as approved by the Board is available on the Company's website. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the CSR Committee considered and recommended that since there is average loss for the preceding three financial year, there is no statutory requirement for spending on CSR activities in terms of the provisions of Section 135 of the Act. However, the Company and its management is committed to contribute towards the betterment of the society where we live and work as and when the Company's cash flow permits.

The details of Committee and its terms of reference are set out in Corporate Governance Report. The Annual Report on CSR activities is attached as **Annexure I** and forms part of this Report.

RISK MANAGEMENT

Risk Management Policy has been developed and implemented. The Board is kept informed of the risk mitigation measures being taken through risk mitigation report/operation report. There are no current risks which threaten the existence of the Company.

INTERNAL CONTROLS SYSTEMS AND ADEQUACY

The Company has in place an adequate system of internal controls. It has documented policies and procedures covering all financial and operating functions and processes. These have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses and compliance with regulations. The details of the internal controls system are given in the Management Discussion and Analysis Report and forms part of this Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Vigil Mechanism/Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The detail of the Policy is explained in the Corporate Governance Report and is also available on the Company's website.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is attached as **Annexure III** and the web-link for the same is http://www.simplex-group.com/upload_pdf/30064Final%20MGT%209-%20Final.pdf

STOCK EXCHANGE

The Company's equity shares are listed at BSE Limited and the Annual Listing Fees for the year 2020-2021 has been paid.

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

Considering the Company's business activities, the Directors have nothing to report under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with reference to Conservation of Energy and Technology Absorption.

Foreign Exchange Transactions:	2019-2020	2018-19
Foreign Exchange Earnings (₹)	NIL	Nil
Foreign Exchange Outgo (₹)	2,57,608	12,22,930/-

DISCLOSURE UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT, 2013

The Company has adopted a policy on Prevention, Prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year under review, there was no complaint reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGMENT

Your Directors place on record their appreciation for the assistance and support extended by all Government Authorities, Financial Institutions, Banks, Consultants, Solicitors and Members 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

Nandan Damani
Chairman & Managing Director

Mumbai, 20th June, 2020

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy including, overview of projects or programmes proposed to be undertaken.

Web-link to the CSR Policy:

http://www.simplex-group.com/upload_pdf/21524CSR%20Policy%20-%205.8.2015-SRL.pdf

2. The composition of the CSR Committee:-

Shri Surendra Kumar Somany – Chairman
Shri Nandan Damani
Shri Sanjay N Damani

3. Average net profit of the Company for last 3 financial years:

Average net loss: ₹ 4,61,66,383/-

4. Prescribed CSR Expenditure (2% of this amount as in 3 above):

The Company is not required to spend any amount towards CSR

5. Details of CSR spend for the financial year:

- a) Total amount spent for the year: Nil
- b) Amount unspent, if any : Nil
- c) Manner in which the amount spent during the financial year : Not Applicable

(In ₹)

Sr No.	Projects/Activities	Sector	Locations Districts (State)	Amount outlay (Budget) project or programme wise	Amount spent on the project/ programme	Cumulative spend upto the reporting period	Amount spent: Direct/ through implementing agency*
	-	-	-	-	-	NIL	-

6. The CSR Committee has given a responsibility statement that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. – Not Applicable

Nandan Damani
Chairman and Managing Director

Surendra Kumar Somany
Chairman of CSR Committee

Annexure II

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
SIMPLEX REALTY LIMITED
Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Simplex Realty Limited** (CIN: L17110MH1912PLC000351) and having its registered office at 30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Jacob Circle, Mumbai 400011 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Review Period)**;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Review Period)**;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Review Period)**;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Review Period)**;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Review Period)**;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Review Period)**; and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR);

SIMPLEX REALTY LIMITED

- (vi) The provisions of The Real Estate (Regulation and Development) Act, 2016 and the rules made there under are specifically applicable to the Company based on their sector/industry.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and

clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines.

I further report that during the audit period there were no major corporate events having a major bearing on the Company's affairs

This report is to be read with my letter of even date which is annexed as Annexure – 'A' and forms an integral part of this report.

Taher Sapatwala
Taher Sapatwala & Associates
Company Secretaries
FCS: 8029
C.P. No. 16149
UDIN: F008029B000341439

Place: Mumbai
Date: 20th June, 2020

Annexure A

To
The Members,
Simplex Realty Limited
Mumbai

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provided a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Taher Sapatwala
Taher Sapatwala & Associates
Company Secretaries
FCS: 8029
C.P. No. 16149
UDIN: F008029B000341439

Place: Mumbai
Date: 20th June, 2020

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020
[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1	CIN	L17110MH1912PLC000351
2	Registration Date	6 th November, 1912
3	Name of the Company	Simplex Realty Limited
4	Category / Sub-Category of the Company	Company having Share Capital
5	Address of the Registered office Contact details	30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Mumbai - 400011 Tel No. 022-23082951 E-mail: company-secretary@simplex-group.com
6	Whether listed company	Yes
7	Name, Address and Contact details of Share Transfer Agent, if any	Freedom Registry Limited Plot No. 101/102, 19 th Street, MIDC, Satpur, Nashik - 422007 Tel No. 0253-2354032 E-mail: support@freedomregistry.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Construction and Real Estate Development	4100	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Simplex Papers Ltd. 30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Mumbai - 400011	L21010MH1994PLC078137	Associate	49.01	2(6)
2	Simplex Mills Company Ltd. 30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Mumbai - 400011	L65900MH1998PLC16585	Associate	48.99	2(6)

SIMPLEX REALTY LIMITED

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters									
(1) Indian									
a Individual/ HUF	2,59,661	-	2,59,661	8.68	2,76,643	-	2,76,643	9.25	0.57
b Central Govt.				-	-	-	-	-	-
c State Govt.				-	-	-	-	-	-
d Bodies Corporate	13,42,163	-	13,42,163	44.87	13,42,163	-	13,42,163	44.87	-
e Banks /FI				-	-	-	-	-	-
f Any other...				-	-	-	-	-	-
Sub-Total A(1)	16,01,824	-	16,01,824	53.55	16,18,806	-	16,18,806	54.12	0.57
(2) Foreign									
a NRIs – Individuals	-	-	-	-	-	-	-	-	-
b Others – Individuals	-	-	-	-	-	-	-	-	-
c Bodies Corporate	-	-	-	-	-	-	-	-	-
d Banks/ FI	-	-	-	-	-	-	-	-	-
e Any Other	-	-	-	-	-	-	-	-	-
Sub- Total A (2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A)=A(1) + A(2)	16,01,824	-	16,01,824	53.55	16,18,806	-	16,18,806	54.12	0.57
B Public Shareholding									
(1) Institutions									
a Mutual Fund / UTI	-	400	400	0.01	-	400	400	0.01	0.00
b Banks / FI	-	9,046	9,046	0.30	-	4,087	4,087	0.14	-0.16
c Central Govt.	517	-	517	0.02	-	-	-	-	-0.02
d State Govt.(s)	-	-	-	-	-	-	-	-	-
e Venture Capital Funds	-	-	-	-	-	-	-	-	-
f Insurance Companies	6,89,694	-	6,89,694	23.06	5,98,654	-	5,98,654	20.01	-3.05
g FIs	-	-	-	-	-	-	-	-	-
h Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total B(1):	6,90,211	9,446	6,99,657	23.39	5,98,654	4,487	6,03,141	20.16	-3.23

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2019)				No. of Shares held at the end of the year (As on 31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non – Institutions									
a Bodies Corporate									
i Indian	56,094	2,871	58,965	1.97	1,14,468	2,684	1,17,152	3.92	1.95
ii Overseas	-	-	-	-	-	-	-	-	-
b Individuals									
i Individual Shareholders holding nominal share capital upto ₹ 1 lakh	3,27,580	1,28,317	4,55,897	15.24	3,20,611	1,20,166	4,40,777	14.73	-0.51
ii Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	60,183	-	60,183	2.01	82,803	-	82,803	2.77	0.76
c Others, if specify (HUF, Clearing Members, Foreign Nationals, NRI, Trust)	1,14,481	375	1,14,856	3.84	1,28,350	353	1,28,703	4.30	0.46
Sub – Total (B)(2)	5,58,338	1,31,563	6,89,901	23.06	6,46,232	1,23,203	7,69,435	25.72	2.66
Total Public Shareholding (B)=(B)(1)+ (B)(2)	12,48,549	1,41,009	13,89,558	46.45	12,44,886	1,27,690	13,72,576	45.88	-0.57
C. Share held by Custodian for GDRs & ADRs					-	-	-	-	-
Grand Total (A+B+C)	28,50,373	1,41,009	29,91,382	100	28,63,692	1,27,690	29,91,382	100	0.00

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ii. Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% Change in Shareholding during the year
	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
A Individual							
a Nandan Damani	1,20,587	4.03	-	1,25,316	4.19	-	0.16
b Nandan Damani HUF	300	0.01	-	300	0.01	-	-
c Kamladevi Devratan Bagri	33	-	-	33	-	-	-
d Nalini Somany	511	0.02	-	511	0.02	-	-
e Sanjay N Damani	61,553	2.06	-	68,731	2.30	-	0.24
f Shashi A Patodia	24,691	0.83	-	29,766	1.00	-	0.17
g Shreelekha N Damani	51,936	1.74	-	51,936	1.74	-	-
h Sumita Somany	50	-	-	50	-	-	-
B Bodies Corporate							
a Lucky Vyapaar and Holdings Pvt. Ltd.	7,43,040	24.84	-	7,43,040	24.84	-	-
b New Textiles LLP	5,99,123	20.02	-	5,99,123	20.02	-	-
Total (A+B)	16,01,824	53.55	-	16,18,806	54.12	-	0.57

iii. Change in Promoters' Shareholding (Please specify, if there is no change)

Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (From 01.04.2019 to 31.03.2020)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1 Nandan Damani				
a. At the Beginning of the year	1,20,587	4.03	-	-
b. Changes during the year				
Date Reason				
20.09.2019 Buy	4729	0.16	-	-
c. At the end of the year	-	-	1,25,316	4.19

iii. Change in Promoters' Shareholding (Please specify, if there is no change)

Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (From 01.04.2019 to 31.03.2020)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2 Sanjay Nandan Damani				
a. At the Beginning of the year	61,553	2.06	-	-
b. Changes during the year				
Date Reason				
13.03.2020 Buy	6,500	0.22	68,053	2.28
20.03.2020 Buy	678	0.02	68,731	2.30
c. At the end of the year	-	-	68,731	2.30
3 Shashi Amit Patodia				
a. At the Beginning of the year	24,691	0.83	-	-
b. Changes during the year				
Date Reason				
27.09.2019 Buy	75	0.00	24,766	0.83
06.03.2020 Buy	5,000	0.17	29,766	1.00
c. At the end of the year	-	-	29,766	1.00

iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (From 01.04.2019 to 31.03.2020)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1 Life Insurance Corporation of India				
a. At the Beginning of the year	5,98,741	20.02	-	-
b. Changes during the year				
Date Reason				
31-05-2019 Sell	-5,000	-0.17	5,93,741	19.85
07-06-2019 Sell	-20,000	-0.67	5,73,741	19.18
21-06-2019 Sell	-9,000	-0.30	5,64,741	18.88
28-06-2019 Sell	-16,000	-0.54	5,48,741	18.34
19.07.2019 Sell	-100	-0.00	5,48,641	18.34
26.07.2019 Sell	-100	-0.00	5,48,541	18.34

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For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (From 01.04.2019 to 31.03.2020)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
09.08.2019 Sell	-100	-0.01	5,48,441	18.33
20.09.2019 Sell	-15,000	-0.50	5,33,441	17.83
03.01.2020 Sell	-2,395	-0.08	5,31,046	17.75
17.01.2020 Sell	-100	-0.00	5,30,946	17.75
14.02.2020 Sell	-192	-0.01	5,30,754	17.74
06.03.2020 Sell	-13,000	-0.44	5,17,754	17.30
13.03.2020 Sell	-10,000	-0.33	5,07,554	16.97
c. At the end of the year			5,07,554	16.97
2 The Oriental Insurance Company Limited				
a. At the Beginning of the year	90,900	3.04	-	-
b. Changes during the year	No change during the year			
c. At the end of the year	-	-	90,900	3.04
3 IEPF				
a. At the Beginning of the year	62,927	2.10	-	-
b. Changes during the year				
Date Reason				
18.10.2019 Trf	8,992	0.30	71,919	2.40
c. At the end of the year			71,919	2.40
4 The Nav Bharat Refrigeration and Industries Ltd.				
a. At the Beginning of the year	30,225	1.01	-	-
b. Changes during the year				
Date Reason				
05-04-2019 Buy	21	0.00	30,246	1.01
10.05.2019 Buy	667	0.02	30,913	1.03
24.05.2019 Buy	142	0.01	31,055	1.04
07.06.2019 Buy	5,000	0.17	36,055	1.21
14.06.2019 Buy	20,146	0.67	56,201	1.88
21.06.2019 Buy	223	0.01	56,424	1.89
28.06.2019 Buy	32,177	1.07	88,601	2.96
27.09.2019 Buy	50	0.00	88,651	2.96
c. At the end of the year			88,651	2.96

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (From 01.04.2019 to 31.03.2020)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5 Tapan Kumar Dey				
a. At the Beginning of the year	27,568	0.92		
b. Changes during the year				
Date Reason				
10.05.2019 Buy	350	0.01	27,918	0.93
24.05.2019 Buy	278	0.01	28,196	0.94
20.09.2019 Buy	104	0.00	28,300	0.94
18.10.2019 Buy	200	0.01	28,500	0.95
25.10.2019 Buy	500	0.02	29,000	0.97
01.11.2019 Sell	-100	-0.00	28,900	0.97
08.11.2019 Buy	78	0.00	28,978	0.97
29.11.2019 Buy	150	0.00	29,128	0.97
27.12.2019 Buy	55	0.00	29,183	0.97
31.12.2019 Buy	110	0.01	29,293	0.98
31.03.2020 Buy	297	0.01	29,590	0.99
13.03.2020 Buy	26	0.00	29,616	0.99
27.03.2020 Buy	290	0.01	29,906	1.00
c. At the end of the year			29,906	1.00
6 Shrinathji Flour Mills LLP				
a. At the Beginning of the year	26,075	0.87		
b. Changes during the year	No change during the year			
c. At the end of the year			26,075	0.87
7 Shivani Vishal Jatia				
a. At the Beginning of the year	19,000	0.64		
b. Changes during the year				
Date Reason				
28.06.2019 Buy	1,000	0.03	20,000	0.67
05.07.2019 Buy	164	0.00	20,164	0.67
12.07.2019 Buy	808	0.03	20,972	0.70
19.07.2019 Buy	11	0.00	20,983	0.70
20.09.2019 Buy	5,000	0.17	25,983	0.87
27.09.2019 Buy	5,000	0.17	30,983	1.04
06.03.2020 Buy	8,000	0.26	38,983	1.30
13.03.2020 Buy	200	0.01	39,183	1.31
20-03-2020 Buy	99	0.00	39,282	1.31
c. At the end of the year			39,282	1.31

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For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (From 01.04.2019 to 31.03.2020)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8 Laxmi Devi Damani				
a. At the Beginning of the year	13,615	0.46	-	-
b. Changes during the year	No change during the year			
c. At the end of the year	-	-	13,615	0.46
9 Samanvitha Securities				
a. At the Beginning of the year	9,501	0.32	-	-
b. Changes during the year				
Date Reason				
03.05.2019 Buy	14	0.00	9,515	0.32
21.06.2019 Sell	-3,871	-0.13	5,644	0.19
28.06.2019 Sell	-800	-0.03	4,844	0.16
05.07.2019 Buy	50	0.00	4,894	0.16
26.07.2019 Buy	62	0.01	4,956	0.17
01.11.2019 Buy	336	0.01	5,292	0.18
06.12.2019 Sell	-24	-0.00	5,268	0.18
20.12.2019 Buy	297	0.01	5,565	0.19
27.12.2019 Buy	25	0.00	5,590	0.19
10.01.2020 Buy	26	0.00	5,616	0.19
31.01.2020 Buy	90	0.00	5,706	0.19
07.02.2020 Buy	60	0.00	5,766	0.19
14.02.2020 Buy	54	0.00	5,820	0.19
21.02.2020 Buy	10	0.00	5,830	0.19
28.02.2020 Buy	80	0.01	5,910	0.20
13.03.2020 Sell	-805	-0.03	5,105	0.17
27.03.2020 Buy	725	0.02	5,830	0.19
31.03.2020 Sell	-1,623	-0.05	4,207	0.14
c. At the end of the year			4,207	0.14
10 VSL Securities Pvt Ltd				
a. At the Beginning of the year	8,000	0.27	-	-
b. Changes during the year	No Change during the year			
c. At the end of the year	-	-	8,000	0.27

v. Shareholding of Directors and Key Managerial Personnel

For Each of the Director and Key Managerial Personnel	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (From 01.04.2019 to 31.03.2020)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1 Nandan Damani Chairman & Managing Director				
a. At the beginning of the year	1,20,587	4.03	-	-
b. Changes during the year				
Date Reason				
20.09.2019 Buy	4,729	0.16		
c. At the end of the year	-	-	1,25,316	4.19
2 Sanjay N Damani Executive Director				
a. At the beginning of the year	61,553	2.06	-	-
b. Changes during the year				
Date Reason				
13.03.2020 Buy	6,500	0.22	68,053	2.28
20.03.2020 Buy	678	0.02	68,731	2.30
c. At the end of the year	-	-	68,731	2.30
3 Sandhya R Kini Executive Director				
a. At the beginning of the year	100	0.00	-	-
b. Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
c. At the end of the year	-	-	100	0.00
4 S K Somany Non-Executive Independent Director				
a. At the beginning of the year	900	0.03	-	-
b. Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/decrease (eg. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
c. At the end of the year	-	-	900	0.03
5 V B Haribhakti Non-Executive Independent Director				
a. At the beginning of the year	300	0.01	-	-
b. Changes during the year				
Date Reason				
19.07.2019 Sell	250	0.01		
c. At the end of the year	-	-	50	0.00

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For Each of the Director and Key Managerial Personnel	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (From 01.04.2019 to 31.03.2020)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6 Sabhapati G Shukla Non-Executive Independent Director				
a. At the beginning of the year	135	0.00	-	-
b. Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	No change during the year			
c. At the end of the year	-	-	135	0.00
7 Surendra Kabra Chief Financial Officer				
a. At the beginning of the year	-	-	-	-
b. Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
c. At the end of the year	-	-	-	-
8 Shekhar R Singh Company Secretary				
a. At the beginning of the year	-	-	-	-
b. Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reason for increase/decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
c. At the end of the year	-	-	-	-

Smt.Renu Jain and Shri Vijay S.Jindal, Directors of the Company did not hold any Shares during the year.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(in ₹)

	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	3,06,27,730	-	3,06,27,730
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	3,06,27,730	-	3,06,27,730
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	1,01,83,652	-	1,01,83,652
Net Change	-	(1,01,83,652)	-	(1,01,83,652)
Indebtedness at the end of the financial year				
i) Principal Amount	-	2,04,44,078	-	2,04,44,078
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	2,04,44,078	-	2,04,44,078

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(in ₹)

Sr. No.	Particulars of Remuneration	Shri Nandan Damani (CMD)	Shri Sanjay N Damani (ED)	Smt. Sandhya R Kini (ED)	Total Amount
	Gross Salary				
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	51,40,000	7,20,000	3,24,100	61,84,100
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	7,40,000	2,40,000	2,52,000	12,32,000
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	58,80,000	9,60,000	5,76,100	74,16,100

SIMPLEX REALTY LIMITED

B. Remuneration to other Directors:

(in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri V B Haribhakti	Shri S K Somany	Shri Vijay S Jindal	Shri Sabhapati G Shukla	Smt Renu Jain	
		Independent Director	Independent Director	Independent Director	Independent Director	Non-Executive Director	
1	Independent Directors						
	Fee for attending Board/ Committee Meetings	1,00,000	1,00,000	30,000	1,00,000	-	3,30,000
	Commission	-	-	-	-	-	-
	Other, please specify	-	-	-	-	-	-
	Total (B) (1)	1,00,000	1,00,000	30,000	1,00,000	-	3,30,000
2	Other Non-Executive Directors						
	Fee for attending Board/ Committee Meetings	-	-	-	-	40,000	40,000
	Commission	-	-	-	-	-	-
	Other, please specify	-	-	-	-	-	-
	Total (B)(2)	-	-	-	-	40,000	40,000
	Total (B) = (1) +(2)	1,00,000	1,00,000	30,000	1,00,000	40,000	3,70,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Surendra Kabra	*Shri Shekhar R Singh	
		(Chief Financial Officer)	(Company Secretary)	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	42,00,000	17,06,400	59,06,400
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (C)	42,00,000	17,06,400	59,06,400

*Shri Shekhar R Singh, Company Secretary and Compliance Officer of the Company resigned with effect from 1st May, 2020.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Property/ Punishment/ Compounding fees imposed	Authority	Appeal made, if any (give details)
				[RD/NCLT/ COURT]	
A. COMPANY					
Penalty					
Punishments					
Compounding					
B. DIRECTORS					
Penalty					
Punishments					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishments					
Compounding					

PARTICULAR OF EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule(5) (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sl. No.	Requirements	Details
i.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Shri Nandan Damani : 245 : 14 Shri Sanjay N Damani : 40 : 14 Smt. Sandhya R Kini : 24 : 14
ii.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Percentage increase in remuneration is as under Shri Surendra Kabra –CFO : - Shri Shekhar R Singh –CS : 11.80% Smt. Sandhya Kini –Director : 6.67%
iii.	The percentage increase in the median remuneration of employees in the financial year	11.24%
iv.	The number of permanent employees on the rolls of Company	29 employees as on 31.03.2020
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The percentage increase made in the salaries of employees other than managerial personnel in the financial year 2019-20 was 4.62 % whereas the percentage increase in the remuneration of managerial personnel in the financial year 2019-20 was 1.65%.
vi.	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended 31 st March, 2020 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Mumbai, 20th June, 2020

Nandan Damani
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. OVERVIEW OF THE ECONOMY

An outbreak of Coronavirus (COVID-19) was first reported in Wuhan, China on December 31st, 2019 and impacted the whole world. The World Health Organization (WHO) declared the virus outbreak a pandemic in the second week of March 2020. Most of the countries are facing this pandemic and are into lockdown during this period. Everyone is facing extraordinary challenging times, this has impacted businesses and economies at large. The outbreak of COVID-19 has disrupted people's lives and is expected to result in significant adverse economic impacts across the world. The global health crisis sparked by the outbreak of the COVID-19 is projected to shrink global economy dramatically. As a result of the pandemic, the global economy is projected to contract sharply by -3 percent in 2020 as per the IMF report.

India's GDP growth was slowing down for the current fiscal and it was to an 11 year low of 4.2% in 2019-20. For the Indian economy there would be both supply and demand side disruptions. The COVID-19 outbreak came at a time when India's economy was already slowing, due to persistent financial sector weaknesses. India is likely to record its worst growth performance since 1991 liberalization in the financial year 2020-21. The World Bank projects India's economy to contract 3.2% in FY 21.

India's fiscal deficit in 2020-21 may be up to 6.2 percent of GDP from 3.5 percent Government estimate as a fallout of the COVID-19 economic stimulus package as per Fitch Solutions.

The real estate sector is a critical sector of our economy. It has a huge multiplier effect on the economy and therefore, is a big driver of economic growth. It is the second-largest employment-generating sector after agriculture. This sector has been contributing about 6-7% to India's GDP. Not only does it generate a high level of direct employment, but it also stimulates the demand in over 250 ancillary industries such as cement, steel, paint, brick, building materials, consumer durables and so on.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Real estate sector is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017. The Real estate sector contributes 6-7% of the national GDP and likely to rise 13% by 2025. It is the second largest employer in the country and has a direct effect on around 250 allied industries. The year 2019 has been another difficult year for the real estate sector, which continues to struggle with a liquidity crisis. The situation has been exacerbated by the economic slowdown resulting in poor housing demand. Currently, the real estate sector has huge unsold inventory of around 4.5 lakh housing units, even while the overall housing requirement in the country remains high. Emergence of nuclear families, rapid urbanisation and rising household income are likely to remain the key drivers for growth in all spheres of real estate, including residential, commercial and retail. Rapid urbanisation in the country is pushing the growth of real estate. More than 70 per cent of India's GDP will be contributed by the urban areas.

Real estate attracted around ₹ 43,780 crore (US\$ 6.26 billion) investment in 2019. The retail segment in Indian realty attracted PE (Private Equity) investment of around US\$ 1 billion in 2019. Institutional investment into Indian real estate sector stood at US\$ 712 million during the quarter ended March 2020. Housing sales reached 2.61 lakh units in 2019 across seven major cities.

Residential and commercial real estate was already struggling to overcome major policy reforms, structural changes and the liquidity crisis, the spread of COVID-19 is set to heavily impact real estate sector and it is likely to see more liquidity pressure, as new sales and residential demand could take a hit because of the pandemic. The covid-19 pandemic and the consequent disruption to businesses has been brutal for the real estate sector which has been going through a rough patch for the last few years. The sector is now staring at a bleak near term, with sentiment at an all-time low.

The Govt has set up a 'Special Window' in the form of alternate investment fund (AIF) with ₹ 25000 crore to provide priority debt financing for the completion of stalled housing projects. The fund is to provide last mile funding required to complete

construction of stalled, brownfield, RERA registered residential developments that are in the affordable housing / mid-income category, are net worth positive.

Country wide lock down for more than two months has halted all activities, Project sites are shut and no construction activities has impacted sales. Real estate sector is labor intensive and migrant workers form a major chunk of the workforce, these workers have gone back to their hometowns and this will result in slow-down in real estate construction activity.

Residential real estate

The residential sector has been grappling with subdued demand for the past few years. Demand in residential has shifted mostly to end users as against investors and end users are looking for ready to move in projects to avoid any kind of risks related to delay in project completion or default of builders.

The Government has been pushing for the affordable housing segment (less than 45 lacs). As a result of this during the year around 50% of the total residential sales accounts from this segment. Many new developers have entered in this segment. Affordable housing became popular for new launches and around 40% of new launches in top 7 cities was in affordable segment. Sales across top 7 cities in 2019 improved by 9% over the previous year. In 2018 unsold inventory was declined by 7% while it declined by 4% in 2019.

The COVID-19 has severely hit real estate and the sector has come to standstill and it is going to be tough time for the next few quarters. Reduction in the availability of labour for project execution, together with the disruption in material supply chains, are expected to result in a slow-down in real estate construction activity.

Housing sales in the first quarter of 2020 plunged by 42% over the corresponding period in 2019.

Commercial real estate

The commercial real estate sector has been showing good traction. Sustained robust demand for office space has pushed leasing activity across the country in 2019 to a new high record. Total office space absorption was at a new high of over 60

million sq ft in the year 2019. Pan India gross office leasing volume touched 69.4 million sq.ft. in 2019, compared to 49.5 million sq.ft. a year ago, according to Cushman and Wakefield. The office space gained traction in most cities with IT/ITeS players contributing to majority of the leases. The IT sector in India is moving towards high value segments like artificial intelligence, data analytics and product development, supporting the rise in demand. The growth of co-working spaces has been very sharp, with the segment accounting for around 13 per cent of the total office transactions in 2019 from 5 per cent in 2017. Small start-ups as well as large IT players are finding this an attractive model.

The office segment has been growing over the last three years, net absorption in top 7 cities was recorded at 40 Mn. sq. growing by 19% over 2018 as per Anarock report. Amidst the pandemic and the global health crisis, the demand for office space may suffer significant contraction. The US companies take on lease almost 40-50% of the office space in India but in the coming period there may be drop in demand from these companies because of the pandemic impact on the US economy. As the demand for commercial space may be slow due to sluggish business environment post the COVID-19, it will put rentals under pressure and the existing occupiers may also be looking for reduction in rentals. Demand for office space will be affected as the net absorption are likely to drop by 17% to 34% in 2020 from the pre covid-19 projections as per a report of Anarock.

Retail space

The retail sector was already reeling under the contrast of vacant space at a few unsuccessful malls and no or low occupancy in successful malls and tepid consumer demand resulting into dropping sales for the retailers. On line shopping has been in trend for some time and now it has reached out from metro to tier II or tier III cities and people have moved from malls to ecommerce platforms where products are available with many benefits compared to the offers from retailer. COVID-19 has built pressure on retailer with all cities are under lock down and this has brought retail business to standstill and it may take time to recover from the pandemic impact. Presently malls across top 7 cities have an overall vacancy rate of around 14%. Amidst the COVID-19 pandemic, leasing activities in retail might be slow down

significantly considering the business will remain muted for the next few months following decline in footfall.

3. OPPORTUNITIES

The government's 'Housing for All' initiative aims to build 20 million affordable homes for the urban poor by 2022. Affordable housing will be a sector that will continue to be a key driver for the real estate market and provide a big opportunity for both developers as well as investors in the next few years. The government has been pushing for affordable housing to achieve the mission of Housing for All. For this sector the government has been giving incentives like lower GST, tax benefits to the builder and additional deduction of interest upto ₹ 1,50,000/- to the first time purchaser of affordable house, Credit Linked Subsidy Scheme (CLSS) etc. Almost 95% of the country's population consists of the striving middle class, and the demand in this sector is still huge while supply is limited and there are only a handful dedicated developers.

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

- Under Pradhan Mantri Awas Yojana (Urban) [PMAY (U)], 1.12 crore houses have been sanctioned in urban areas creating 1.20 crore jobs.
- Government has created an Affordable Housing Fund (AHF) in the National Housing Bank (NHB) with an initial corpus of ₹10,000 crore (US\$ 1.43 billion) using priority sector lending short fall of banks/financial institutions for micro financing of the HFCs.

4. THREATS

- The Indian real estate sector is still highly unorganized with lots of middle men and depressed demand, together with increased construction costs - both material and labour which has been putting pressure on the cost of projects and profit margins.
- Non-availability of land within city limits along

with rising land and construction costs, making affordable housing projects unviable.

- The lengthy and complex approval process leads to a high gestation period which eventually results in project cost escalation by 20-30 percent.
- The level of unsold inventory has increased to manifold due to stagnancy in the market.
- Finance plays an imperative role in the construction industry, liquidity crisis or any adverse move by the banking sector towards the lending policy on the real estate loans may adversely impact the execution of the projects and increase the cost of borrowing.
- The delay in approvals of project and amendments in the various Rules and Regulations can adversely impact new launches and increase in the cost of the projects. Retrospective applicability of policy changes may impact profitability.
- Acute shortage of skilled workforce at all levels.

5. ON GOING PROJECT

The Company is developing a project consisting of villas at Nachinolla, Goa. We have obtained completion certificate from the concerned authorities for the villas. Interior work for villas going on and we are expecting of these villas to be ready for sale during the current year.

The Company is exploring the options to start development on its own land at Mahalaxmi, Mumbai.

The Company continues to focus on consolidation of its operations, rationalization of business and exploring the opportunities in the development and redevelopment of residential projects.

6. OUTLOOK

The outlook for the residential sector was looking good for the 2020 but post COVID-19 there may be depressed demand, reduced new launches and delay in completion of the projects. Due to lockdown to contain the spread of the virus, construction and sales have come to a complete

halt across the real estate sector. The reverse migration of the workers since lock down announced, is a serious issue for labour intensive sectors such as real estate and disruption in material supply chains are expected to delay completion of the projects and consequently increasing the overall cost for developers. Demand in office space may fall as remote working increases.

The government took various measures to improve the liquidity of NBFC and HFCs. Some of the steps were – Liquidity support for HFC through NHB, ₹ 30,000 crore affordable Housing Fund, partial credit guarantee scheme for purchase of loan pools by PSBs up to ₹ 1 lakh crore, reducing GST for affordable and non-affordable housing, and extended the date of availing home loan for affordable housing scheme till 31st March 2021, additional tax benefit of ₹1.5 lakhs is given to the first time home buyers for buying house under affordable housing scheme. Further RBI has decided to conduct targeted long-term repo operations for an aggregate amount of ₹ 50000 crore, the funds available under this will be invested in investment grade bonds, commercial papers and NCD of NBFC and MFI, which could be utilized for onwards lending to real estate sector. RBI has also reduced reverse repo rate by 25 bps to 3.75% which will enables banks to lend more. The RBI extended the date of commencement of commercial operations (DCCO) of project loans for commercial real estate projects that are delayed for reasons beyond the control of promoters by additional one year over and above the one year extension permitted in the normal course, without treating the same as restructuring. It has been decided to extend similar treatment to loans given by NBFC's. This extension will provide relief to NBFC's and real estate sector.

The government may support this sector which has been facing liquidity crisis, high inventory overhang and subdued demand, by taking several measures such as one-time restructuring of loans, relaxation in GST and stamp duty for upto 12 months to revive the sector and reduction in interest rate for housing loans to make purchases more lucrative in residential sector.

With uncertainty looming over jobs, salary cuts and future cash flows, most people defer plans to make big ticket purchases. The existing inventory and subdued demand is expected to keep performance

of residential realty muted and lead to overall inventory levels registering modest growth over the near to medium term.

7. RISKS AND CONCERNS

The Company's ability to foresee and manage business risks is crucial in achieving favorable results. While management is positive about the Company's long term outlook, we are subject to few risks and uncertainties as given below

Market price fluctuation:

The performance of your company may be affected by the sales at a price which are driven by prevailing market conditions, the nature and location of the projects.

Price risk of the input material

The primary building materials like steel and cement are subject to price volatility due to general economic conditions, competition, production levels, transportation costs and domestic and import duties and any adverse impact of rise in input cost will have impact on the profitability of the Company.

Development & regulatory risk

Development depends on several factors which include receipt of required approvals, weather conditions, labour availability, material shortages etc. and any of these factor may have an adverse impact on execution.

Economic risk

Any adverse change in any macroeconomic variables like GDP growth, interest rates, inflation, changes in tax, trade, fiscal and monetary policies etc. may adversely impact the Company's business, profitability and financial condition.

Health and safety risks

Real estate Companies constantly face the risk of injury or illness to the Company's or third parties' construction workers.

8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate system of internal control procedure commensurate with its size and nature of the business so as to ensure that all assets are safeguarded from loss, damage or disposition and ensure that all transactions are authorized, recorded and reported correctly and adequately. All operations parameters are periodically monitored and strengthened. The Company continuously upgrades these systems in line with best accounting practices. The internal control system is further supplemented by a programme of internal audit conducted by an independent firm of Chartered Accountants. The Audit Committee of the Board of Directors reviews the effectiveness of internal controls and suggests improvements for strengthening them whenever required.

9. FINANCIAL AND OPERATING PERFORMANCE

The total income of the Company for the current year is ₹13,82,74,206/- as against ₹ 10,42,30,406/- during the previous year. The Company has made a profit of ₹5,36,698/- during the year as against the profit of ₹ 3,46,56,321/-. The EPS for the current year is ₹ 0.18 as against ₹ 11.59 in the previous year.

10. KEY FINANCIAL RATIOS

The Key Financial Ratios for the financial year ended 31st March, 2020 are as under:

Particulars	2019-20	2018-19
Inventory Turnover	0.23	0.11
Interest Coverage Ratio	2.67	13.13
Current Ratio	31.02	30.58
Debt Equity Ratio	0.02	0.03
EBIDTA Margin %	8	-24
Net Profit/(Loss) Margin %	0.39	33
Return on Networth (%)	0.05	3.12

During the FY 2019-20 there was higher sales compared to the previous year which has improved inventory turnover ratio. In the FY 2018-19 the company received interest of ₹ 5,52,99,872/- on refund of income tax for earlier years which had major impact on net profit margin, interest coverage ratio and return on net worth. Debt equity ratio has improved due to partial repayment of loan during the year.

11. HUMAN RESOURCES

Employees are the key to achieve the Company's objectives and strategies. The Company provides to the employees a fair equitable work environment and support from their peers with a view to develop their capabilities leaving them with the freedom to act and to take responsibilities for the tasks assigned. The Company strongly believes that its team of capable and committed manpower, which is its core strength, is the key factor behind its achievements, success and future growth.

We are continuously working to create and nurture an organization that is highly motivated, result oriented and adaptable to the changing business environment.

The industrial relations remained cordial during the year.

12. CAUTIONARY STATEMENT

The statements in this report on "Management Discussion and Analysis", describing the Company's objectives, estimations, expectations or projections, outlook etc., may constitute forward looking statements within the meaning of the applicable Rules, Laws and Regulations. Actual results may vary from such expectations, projections etc., whether express or implied. These statements are based on certain assumptions and expectations of future events over which the Company has no direct control.

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 the 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.

A Report on compliance with the principles of Corporate Governance as prescribed by the SEBI in Chapter IV read with Clause C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the Listing Regulations) is 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, 2020, the Board comprises of three Executive Directors and five Non-Executive Directors. The composition of the Board is in compliance with the requirements of Regulation 17 of the Listing Regulations as on 31st March, 2020.

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

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

During the year ended 31st March, 2020, 4 (four) Board Meetings were held. The dates on which the said meetings were held are as follows:

8th May, 2019, 7th August, 2019, 14th November, 2019 and 4th February, 2020.

Attendance of Directors at Board Meetings during 2019-2020 and Directorship(s) and Committee Chairmanship(s)/Membership(s) of other companies as on 31st March, 2020

Name of the Director	Category	No. of Board Meetings held - 4	No. of Directorship(s) and Committee Chairmanship(s)/Membership(s)			Attended Last AGM held on 7 th August, 2019
		Attended	Other Directorship(s)*	Committee Chairmanship(s)**	Committee Membership(s)**	
Shri Nandan Damani	Executive	4	5	1	2	Yes
Shri Sanjay N Damani	Executive	4	2	-	-	Yes
Smt. Sandhya R Kini	Executive	4	-	-	-	Yes
Shri Vishnubhai B. Haribhakti	Independent Non-Executive	4	1	1	1	Yes
Shri Surendra Kumar Somany	Independent Non-Executive	4	5	3	3	Yes
Smt. Renu Jain	Non-Executive	4	-	-	-	Yes
Shri Vijay S Jindal	Independent Non-Executive	3	-	-	-	Yes
Shri Sabhapti G Shukla	Independent Non-Executive	4	2	2	-	Yes

*The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

**Chairmanship(s)/Membership(s) of only the Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.

Shri Nandan Damani and Shri Sanjay N Damani are related to each other.

c) Details of Directorship in other Listed Companies:

Name	Name of Listed Company	Category
Shri Nandan Damani	Graphite India Limited	Independent Non-Executive
	Pudumjee Paper Products Limited	Independent Non-Executive
	AMJ Land Holdings Limited	Independent Non-Executive
Shri Sanjay N Damani	Nil	Nil
Smt. Sandhya R Kini	Nil	Nil
Shri Vishnubhai B Haribhakti	Nil	Nil
Shri Surendra Kumar Somany	The Jamsbhai Ranjitsinghji Spinning & Weaving Mills Company Limited	Independent Non-Executive
	Soma Textiles & Industries Limited	Non-Executive - Non Independent
Shri Vijay S Jindal	Nil	Nil
Shri Sabhapati G Shukla	Simplex Mills Company	Independent Non-Executive
Smt. Renu Jain	Nil	Nil

d) List of Core Skills/ Expertise / Competences of Directors

The Board has identified the following skills/expertise /competences for the effective function of the Company which are currently available with the Board:

Industry	<ul style="list-style-type: none"> Experience in and knowledge of the industry in which the Company operates Experience in and knowledge of broader industry environment and business planning
Professional	Expertise in professional areas such as Technical, Accounting, Finance, Taxation, Legal, Management, Human Resources , Marketing, etc.
Governance	Experience in developing governance practices, serving the best interest of all stakeholders, maintaining the Board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values
Behavioral	Knowledge and skills to function well as team Members, effective decision making process, integrity effective communication, innovative thinking

e) Key Board Qualifications

Director	Area of Expertise			
	Industry	Professional	Governance	Behavioural
Shri Nandan Damani	✓	-	✓	✓
Shri Sanjay N Damani	✓	✓	✓	-
Smt. Sandhya R Kini	✓	-	✓	✓
Shri Vishnubhai B Haribhakti	-	✓	✓	-
Shri SurendraKumar Somany	✓	-	-	✓
Shri Vijay S Jindal	✓	-	-	✓
Shri Sabhapati G Shukla	-	✓	✓	-
Smt. Renu Jain	-	✓	-	✓

3. AUDIT COMMITTEE

During the year ended 31st March, 2020, 4 (four) Audit Committee Meetings were held. The dates on which the said meetings were held are as follows:

8th May, 2019, 7th August, 2019, 14th November, 2019 and 4th February, 2020.

The composition of the Audit Committee and the number of meetings attended by each Member during the year ended 31st March, 2020 is as follows:

Name of the Member	Designation	No. of Meetings held - 4
		Attended
Shri Vishnubhai B Haribhakti	Chairman	4
Shri Surendra Kumar Somany	Member	4
Shri Sabhapati G Shukla	Member	4

All the Members of the Audit Committee are financially literate and one Member has accounting and related financial management expertise.

The Company Secretary acts as the Secretary to the Committee.

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 Regulation 18 read with Part C of Schedule II of the Listing Regulations in

consonance with the provisions of Section 177 of the Companies Act, 2013 (the Act). The brief descriptions of terms of reference are as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible.
- Recommending the appointment/re-appointment/replacement, if required, of Statutory Auditors, fixation of audit fees and approval of payments for any other services.
- Reviewing with management, the annual Financial Statements before submission to the Board for approval with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement are included in the Directors' Report in terms of sub-section 3(c) of Section 134 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; and
 - Un-modified opinion(s) in draft audit report.
- Reviewing with management, quarterly Financial Statements before submission to the Board for approval;
- Review and monitor the Auditor's independence and performance and effectiveness of Audit process;
- Reviewing performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management 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 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 the shareholders (in case of non payment of declared dividends) and creditors;
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm length pricing basis and to review and approve such transactions subject to the approval of the Board;
- To review the functioning of the Whistle Blower mechanism;
- 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. **NOMINATION AND REMUNERATION COMMITTEE**

During the year ended 31st March, 2020, 2 (two) Nomination and Remuneration Committee Meetings were held. The dates on which the said meetings were held are as follows:

8th May, 2019 and 7th August, 2019.

The composition of the Nomination and Remuneration Committee and the number of meetings attended by each Member during the year ended 31st March, 2020 is as follows:

Name of the Member	Designation	No. of Meetings held - 2
		Attended
Shri Vishnubhai B Haribhakti	Chairman	2
Shri Surendra Kumar Somany	Member	2
Shri Sabhapati G Shukla	Member	2

The terms of reference of this Committee includes those specified under Regulation 19 read with Part D of Schedule II of the Listing Regulations in consonance with the provisions of Section 178 of the Act. The brief descriptions of terms of reference of the Committee inter-alia include the following:

- Succession planning of the Board of Directors and other Senior Management Employees;
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to remuneration for the Directors and Key Managerial Personnel and other Senior Management Employees;
- Review the performance of the Board of Directors and other Senior Management Employees in accordance with the criteria laid down;
- To oversee the matters pertaining to HR Policies.

Non-Executive Directors are paid remuneration by way of sitting fees. The Commission payable to Executive and Non-Executive Directors is decided by the Nomination and Remuneration Committee.

The Company Secretary acts as the Secretary to the Committee.

REMUNERATION TO DIRECTORS

The Non-Executive Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. They are also entitled to commission not exceeding one percent of net profits of the Company, if paid.

The Nomination and Remuneration Policy, which was approved by the Board is available on the Company's website and the web-link for the same is [http://www.simplex-group.com/upload_pdf/20173 Nomination% 20and%20 Reumenration % 20Policy.pdf](http://www.simplex-group.com/upload_pdf/20173%20Nomination%20and%20Reumenration%20Policy.pdf)

Details of remuneration and sitting fees paid to Directors during the year ended 31st March, 2020 are as under:

Name of the Director	Designation	Remuneration (₹)
Shri Nandan Damani	Chairman & Managing Director	58,80,000
Shri Sanjay N Damani	Executive Director	9,60,000
Smt. Sandhya R Kini	Executive Director	5,76,100

Name of the Non- Executive Director	Sitting fees (₹)
Shri Vishnubhai B Haribhakti	1,00,000
Shri Surendra Kumar Somany	1,00,000
Smt. Renu Jain	40,000
Shri Vijay S Jindal	30,000
Shri Sabhapati G Shukla	1,00,000

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

Name of Member	No. of Equity Shares held
Shri Vishnubhai B Haribhakti	50
Shri Surendra Kumar Somany	900
Shri Sabhapati G Shukla	135

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year ended 31st March, 2020, 4 (four) Stakeholders' Relationship Committee Meetings were held. The dates on which the said meetings were held are as follows:

8th May, 2019, 7th August, 2019, 14th November, 2019 and 4th February, 2020.

The composition of the Stakeholders' Relationship Committee and the number of meetings attended by each Member during the year ended 31st March, 2020 is as follows:

Name of Member	Designation	Number of Meetings held- 4
		Attended
Shri Surendra Kumar Somany	Chairman	4
Shri Nandan Damani	Member	4
Shri Sabhapati G Shukla	Member	4

The brief descriptions of terms of reference of the Committee inter-alia, include the following:

- To allot shares/securities from time to time;
- To consider all matters pertaining to securities, including but not limited to offer of securities alongwith issue and allotment of securities, crediting of securities in depository system, listing and de-listing of securities on/from stock exchange in India, transfer and transmission of securities, demat and remat of securities, issue of duplicate securities certificate, consolidation and split of securities certificate and to do all acts required to be done under the applicable rules, regulations and guidelines, from time to time and to consider matters incidental thereto;
- To monitor the shareholding pattern and related reports on securities;
- To approve the opening, operations and closure of bank accounts for payment of interest and dividend, issue and redemption of securities, to authorize officials to open, operate and close the said accounts from time to time;
- To consider and resolve the grievances of security holders of the Company;
- To appoint/change and fix the fees and other charges payable to the Share Transfer Agents (STA) for handling the work related to securities and to delegate powers to the STA as may be deemed fit and to monitor all activities of the STA;
- To consider and resolve the matters / grievances of Shareholders / Investors in regard to the following:
 - transfer of shares
 - non-receipt of dividends
 - non-receipt of shares in demat account
 - non-receipt of annual report

- any other matter of shareholder/investor grievance

- To delegate any of the aforesaid matters to Director(s)/official(s) and/or the officials of the STA, as the Committee may deem fit.

Shri Shekhar R Singh, was the Compliance Officer of the Company till 30th April, 2020.

INVESTOR RELATIONS

During the year ended 31st March, 2020, one complaint was received by the Company pertaining to transmission of shares, which was resolved within the prescribed period.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with Section 135 of the Act, the Board has constituted a Corporate Social Responsibility Committee. The Corporate Social Responsibility Policy, which was approved by the Board, is available on the Company's website and the web-link for the same is http://www.simplex-group.com/upload_pdf/21524CSR%20Policy%20-%205.8.2015- SRL.pdf

During the year ended 31st March, 2020, Corporate Social Responsibility Committee Meeting was held on 4th February, 2020.

The composition of the Corporate Social Responsibility Committee and the number of meetings attended by each Member during the year ended 31st March, 2020 is as follows:

Name of Member	Designation	Number of Meetings held- 1
		Attended
Shri Surendra Kumar Somany	Chairman	1
Shri Nandan Damani	Member	1
Shri Sanjay N Damani	Member	1

The terms of reference of the Committee is to comply with the requirements of Section 135 of the Act, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other relevant compliances.

7. INDEPENDENT DIRECTORS' MEETING

During the year under review, Independent Directors met on 4th February, 2020, inter- alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, quantity content and timeliness of flow of information between the Management and the Board.

8. GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Time	Location of the Meeting
2016 – 2017	08.08.2017	11:30 A. M.	M. C. Ghia Hall, 4 th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai – 400001
2017 – 2018	01.08.2018	11:30 A. M.	
2018 – 2019	07.08.2019	11:30 A. M.	Babubhai Chinai Committee Room, 2 nd Floor, Indian Merchants Chamber, IMC Marg, Churchgate, Mumbai – 400020

(ii) Special Resolutions passed in previous three AGMs:

AGM	Date of AGM	Special Resolutions
104 th	08.08.2017	Nil
105 th	01.08.2018	Nil
106 th	07.08.2019	Re-appointment of Shri Vijay Jindal as an Independent Director of the Company

9. DIRECTORS

Resume and other information regarding the Director seeking re-appointment as required by Regulation 36(3) of the Listing Regulations has been given in the Notice of the Hundred and Seventh Annual General Meeting annexed to the Annual Report.

10. DISCLOSURES

a) Related party transactions

All transactions entered into with Related Parties as defined under the Act and the

Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. The Board has approved a policy for related party transactions which has been uploaded on the Company's website and the web-link for the same is - http://www.simplex-group.com/upload_pdf/24517Revised%20Related%20Party%20Policy.pdf

The detailed suitable disclosure as required by the Indian Accounting Standards (Ind AS) 24 on material significant related party transactions has been made in the notes to the Financial Statements.

b) Compliance by the Company

The Company has complied with the requirements of the Stock Exchange, 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) Familiarization Programme for Independent Director

At the time of appointment, a formal letter of appointment is given to Independent Directors which inter-alia explain the role, functions, duties and responsibilities expected from them as a Director of the Company. The Company conducts structure orientation programmes for the Independent Directors to understand and get updates on the business and operations of the Company on a continuous basis. Such programmes provide an opportunity to the Independent Directors to interact with Senior Leadership team of the Company and help them to understand the Company's strategy models, operations, services, product-offerings, finance, human resources and such other areas may arise from time to time. The Familiarization Programmes are available on the Company's website and the web-link for the same is http://www.simplex-group.com/upload_pdf/26609Familiarization-Programme-for-Independent-Directors-of-SRL.pdf

d) Vigil Mechanism/Whistle-blower Policy

The Company has adopted Vigil Mechanism/Whistle-blower Policy, which is available on the Company's website. No personnel has been denied access to the Audit Committee to lodge his/her grievances.

e) 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 Managing Director of the Company, forms part of this report.

f) Disclosure of Accounting Treatment

In the preparation of the Financial Statements, the Company has followed Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act 2013.

g) 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.

h) CEO/CFO Certification

The Chairman & Managing Director and Chief Financial Officer of the Company gave Annual Certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations and they also given quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of the Listing Regulations. The annual certification is being annexed to this report.

i) Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2020 have been prepared as per applicable Indian Accounting Standards (Ind AS) and policies and that sufficient care has been taken for maintaining adequate accounting records.

11. MEANS OF COMMUNICATION

- The quarterly, half-yearly, nine months and full year results are published in The Financial Express (English edition) and Mumbai Lakshdeep (Regional edition).
- The Company has its own website i.e. www.simplex-group.com and has been uploading financial results and quarterly shareholding pattern along with other relevant information useful to investors on Company's website.
- At present, the Company does not make presentation to Institutional Investors or to the Analysts.
- The Management Discussion and Analysis is given separately in this Annual Report.

12. 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, 2015 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 and the web-link for the same is - http://www.simplexgroup.com/upload_pdf/6909Final%20Policy%20Insider%20Trading%202015.pdf

13. GENERAL INFORMATION FOR SHAREHOLDERS

i)	Date, Time and Venue of forthcoming AGM	Date : Tuesday, 18 th August, 2020 Time : 11:00 A.M. Through Video conferencing / Other Audio Video Means (OAVM)
ii)	Financial Calendar (2020 – 2021)	i) First Quarterly Results Upto 14 th August, 2020 ii) Second Quarterly Results Upto 14 th November, 2020 iii) Third Quarterly Results Upto 14 th February, 2021 iv) Annual Results Upto 30 th May, 2021

iii)	Date of Book Closure	Thursday, the 13 th August, 2020 to Tuesday, the 18 th August, 2020 (both days inclusive)
iv)	Dividend payment date	Not Applicable

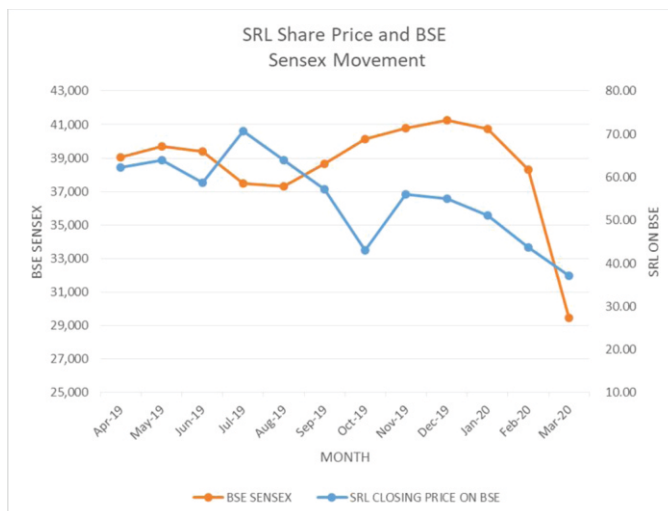
v)	Listing on Stock Exchanges	BSE Limited (BSE) P. J. Towers, Dalal Street, Fort, Mumbai – 400 001
vi)	Security Code ISIN	503229 INE167H01014

vii) Market Price Data

The monthly high and low quotations of shares traded on the BSE from April, 2019 to March, 2020 are as follows:

Month	Volume (No. of shares)	Price (₹)		BSE Sensex	
		High	Low	High	Low
April, 2019	1825	65.25	60.45	39,487.45	38,460.25
May, 2019	8483	69.55	56.40	40,124.96	36,956.10
June, 2019	54,448	65.00	56.75	40,312.07	38,870.96
July, 2019	2072	70.75	53.30	40,032.41	37,128.26
August, 2019	555	70.60	64.00	37,807.55	36,102.35
September, 2019	20,447	62.90	55.10	39,441.12	35,987.80
October, 2019	5,596	59.95	43.10	40,392.22	37,415.83
November, 2019	2,353	59.15	41.50	41,163.79	40,014.23
December, 2019	1,299	61.50	55.00	41,809.96	40,135.37
January, 2020	3,665	57.75	46.00	42,273.87	40,476.55
February, 2020	1,573	59.50	43.75	41,709.30	38,219.97
March, 2020	31,390	45.15	33.80	39,083.17	25,638.90

Performance of the share price of the Company in comparison to the BSE Sensex:



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

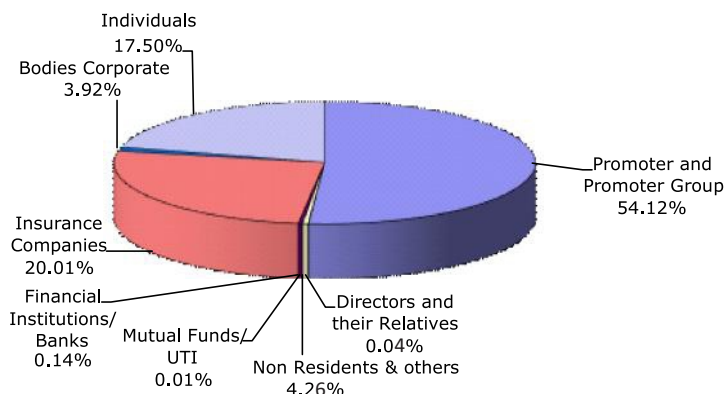
ix) Share Transfer System

In terms of regulation 40 (1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. 1st April, 2019 except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Transfer of equity shares in electronic form are effected through the Depository with no involvement of the Company. The approved transfers are noted at subsequent Board Meetings.

x) Shareholding Pattern as on 31st March, 2020

	Category	Number of shares held	Percentage of Shareholding
(A)	Shareholding of Promoter and Promoter Group	16,18,806	54.12
(B)	Public shareholding		
(1)	Institutions		
	(a) Mutual Funds/ UTI	400	0.01
	(b) Financial Institutions/ Banks	4,087	0.14
	(c) Insurance Companies	5,98,654	20.01
	(d) Central Govt.	-	-
(2)	Non-Institutions		
	(a) Bodies Corporate	1,17,152	3.92
	(b) Individuals -		
	i. holding nominal share capital up to ₹ 2 lakh.	4,54,392	15.19
	ii. holding nominal share capital in excess of ₹ 2 lakh.	69,188	2.31
	(c) Non Residents	8,964	0.30
	(d) Directors and their Relatives	1,185	0.04
	(e) Others	1,18,554	3.96
	Total Public Shareholding (B)= (B)(1)+(B)(2)	13,72,576	45.88
	TOTAL (A)+(B)	29,91,382	100

Shareholding Pattern as on 31 March, 2020



Distribution of Shareholding as on 31st March, 2020

Category	Number of Shareholders	Percentage of Total number of Shareholders	Total Number of Shares	Percentage of Total Number of Shares
1 to 500	3666	95.44	263357	8.80
501 to 1,000	88	2.29	62339	2.09
1,001 to 5,000	61	1.59	128706	4.30
5,001 to 10,000	10	0.26	64581	2.16
10,001 & above	16	0.42	2472399	82.65
Total	3841	100	2991382	100.00

xi) Dematerialization of Shares and Liquidity

About 95.73 percent shares have been dematerialized as on 31st March, 2020. The Equity shares of the Company are traded on BSE Limited.

The Company has paid the Listing fees for the year 2020-2021 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

The Company has not made any ADRs, GDRs, Warrants or any convertible instruments issues in the recent past. Thus, there are no outstanding ADRs, GDRs,

xiii) Corporate Identification Number (CIN):

L17110MH1912PLC000351

Registered Office:

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

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 Realty Limited
30, Keshavrao Khadye Marg,
Sant Gadge Maharaj Chowk,
Mumbai – 400 011
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 – 422 007
Tel. : (0253) 2354032
Fax : (0253) 2351126
E-mail: support@freedomregistry.in

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

xv) Compliance with the Listing Regulations

The Company has complied with all the mandatory requirements of the Listing Regulations. The certificate from Statutory Auditors of the Company on compliance of the conditions of Corporate Governance by the Company is annexed and form part of this Report.

xvi) Dematerialisation of Shares

Members are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held by them.

xvii) Revalidation of Dividend Warrants

In respect of Members who have neither opted for NECS/ECS mandate nor have such facility with their banker and who have not encashed earlier dividends paid by the Company, are requested to write to the Company's Share Transfer Agent for revalidation of expired dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividend owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

xviii) Update Address/ E-Mail Address/Bank Details / Mobile No.

As a part of Green Initiative, the Act allow companies to go for paperless compliances by sending Notices, Annual Report and other related documents by e-mail to its Members. Many of the Members have not registered their e-mail address

so far, may, as a support to this initiative, register their e-mail address by sending an e-mail to support@freedomregistry.in quoting their Name, Folio No./DP ID/Client ID, E-mail address and Mobile No. to get registered with us for enabling us to send the said documents in electronic form.

xix) Certificate from Company Secretary in Practice

Mr. Binit Kumar, Practicing Company Secretary, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

xx) Details of Total Fees Paid to Statutory Auditors

The details of total fees for all services paid by the Company, on a consolidated basis, to the Statutory Auditor and all entities in the network firm / network entity of which the statutory auditor is a part, are as follows:

	(In ₹)
Audit Fees	3,65,000
Tax Audit Fees	50,000
Taxation Matters	30,000
Re- imbursement	5,191
Total	4,50,191

DECLARATION UNDER REGULATION 26(3) READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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, 2020.

For **Simplex Realty Limited**

Mumbai, 20th June, 2020

Nandan Damani
Chairman and Managing Director

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

To,
The Members,
Simplex Realty Limited

I, Mr. Binit Kumar (Practicing Company Secretary) verified the relevant data and information available on the Ministry of Corporate affairs, MCA 21 Portal and various documents provided individually by the Directors to the Company, furnished to me for my review.

On the basis of the above and according to the information and data as available in public domain, in my opinion, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

CS Binit Kumar
Company Secretary in Practice
ACS No.: 39868
C.P. No.: 21698

Kolkata, 20th June, 2020

SIMPLEX REALTY LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Simplex Realty Limited

We have examined the compliance of the conditions of Corporate Governance by Simplex Realty Limited for the year ended 31st March, 2020 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) 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 according to 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 Chapter IV of the Listing Regulations.

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 **Khandelwal and Mehta LLP**
Chartered Accountants
Firm's Reg. No. 102200W

Sunil L Khandelwal
Partner
Membership No:101388

Mumbai, 20th June, 2020

CERTIFICATION BY CEO / CFO UNDER REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Board of Directors
Simplex Realty Limited

We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief:

- a) i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in

the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d) We have indicated, to the Auditors and the Audit committee:
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and
Managing Director

Mumbai, 20th June, 2020

INDEPENDENT AUDITORS' REPORT

To The Members of Simplex Realty Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Simplex Realty Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2020, the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2020;
- in the case of the Statement of Profit and Loss (including Other Comprehensive Income), of the Profit and Total Comprehensive Expense for the year ended on that date;
- in the case of the Statement of Changes in Equity, of the changes in equity for the year ended on that date; and

- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	Auditor's Response
1	Review of the value of realty stock-in-trade & investments held by the company as on 31st March, 2020	<p><u>Principal Audit Procedures</u></p> <p>The assessment of various procedures adopted by the management which includes;</p> <ol style="list-style-type: none"> Ascertaining the value of investments and realty stock-in-trade held as at 31st March, 2020. Considering the impact (if any) of Covid-19 pandemic on investments and stock-in-trade held as at date. Verification of amount invested, current value of investments, regularity of receipt of income on those investments and it's fair classification and presentation in the audited financial statements. Assessing the appropriateness of value of realty stock-in-trade disclosed in the financial statements.
2	Review of financial health of companies in which inter corporate deposits are held	<p><u>Principal Audit Procedures:</u></p> <p>The assessment of procedures adopted by management, including;</p> <ol style="list-style-type: none"> Obtaining the latest audited financial statements of the companies to whom inter-corporate deposits are granted; thereby also assessing the financial soundness and the capability to repay the amount on demand or as per the terms of agreement; Verification of amounts and regularity of receipt of interest income on such inter corporate deposits; Obtaining regular confirmation of the closing balance of the deposits held by the borrowers with that of records in the company.
3	Review, effect and presentation of completed tax assessments	<p><u>Principal Audit Procedures</u></p> <p>Obtained details of completed tax assessments and demands for the year ended 31st March, 2020 from the management, followed by verification of tax refunds on completed tax assessments and treatment of the same in books of accounts and standalone financial statements.</p>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence

obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 38 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Khandelwal & Mehta LLP
Chartered Accountants
Firm's Reg. No. W100084

Sunil Khandelwal
Partner
Membership No. 101388

Mumbai, Date: 20th June, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of Simplex Realty Limited ('the Company') for the year ended on 31st March, 2020. We report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Management of the Company has physically verified the fixed assets in accordance with its policy of physical verification at reasonable intervals. The discrepancies, if any noticed during such verification have been suitably adjusted in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) a) According to the information and explanations given to us, the management has conducted physical verification of the inventories at reasonable intervals.
- 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 are reasonable and adequate in relation to the size of the Company and the nature of the business.
- c) No material discrepancies have been noticed on physical verification of the stocks as compared to book records in so far as it appears from our examination of the books.
- iii) According to the information and explanations given to us and on the basis of our examination of books of account, the Company has not granted any loans, secured or unsecured covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made; the Company has not given any guarantee or security.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi) According to information and explanations given to us and on the basis of our examination of books of accounts, the Company need not require to maintain cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148(1) of the Act.
- vii) a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2020 for a period of more than six months from the date it became payable.
- b) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, there are no pending dues to be deposited of income tax, sales tax or service tax or duty of customs or duty of excise or value added tax on account of any disputes.
- viii) On the basis of our examination of the books and according to the information and explanations given to us, during the year, there are no defaults in repayment of dues to financial institutions, banks, Government or debenture holders.
- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

SIMPLEX REALTY LIMITED

- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **Khandelwal & Mehta LLP**
Chartered Accountants
Firm's Reg. No. W100084

Sunil Khandelwal
Partner
Membership No. 101388

Mumbai,
Date: 20th June, 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SIMPLEX REALTY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Simplex Realty Limited** ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial

controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Khandelwal & Mehta LLP
Chartered Accountants
Firm's Reg. No. W100084

Sunil Khandelwal
Partner
Membership No. 101388

Mumbai,
Date: 20th June, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

	Note	As at 31.03.2020 ₹	As at 31.03.2019 ₹
A ASSETS			
I Non-Current Assets			
Property, Plant and Equipment	2	1,38,94,642	1,47,87,667
Financial Assets:			
Investments	3 a	26,13,34,110	11,69,50,250
Loans	4	4,38,710	4,65,796
Other Financial Assets	5	12,50,000	12,50,000
Deferred Tax Assets (Net)	6	4,31,70,287	4,60,92,208
Other Non-Current Assets	7	1,54,35,237	1,66,28,826
Total Non-Current Assets		33,55,22,986	19,61,74,747
II Current Assets			
Inventories	8	35,14,14,528	39,10,74,720
Financial Assets:			
Investments	3 b	10,05,21,233	2,04,08,579
Cash and Cash Equivalents	9	21,74,653	21,73,417
Bank Balances other than above	10	11,01,689	12,42,078
Loans	11	22,38,20,000	45,33,66,290
Other Financial Assets	12	4,93,67,862	3,41,58,365
Other Current Assets	13	8,41,37,395	7,65,03,864
Total Current Assets		81,25,37,360	97,89,27,313
TOTAL ASSETS		1,14,80,60,346	1,17,51,02,060
B EQUITY AND LIABILITIES			
I Equity			
Equity Share Capital	14	2,99,36,870	2,99,36,870
Other Equity	15	1,07,16,35,899	1,08,18,03,073
Total Equity		1,10,15,72,769	1,11,17,39,943
II Liabilities			
Non-Current Liabilities			
Financial Liabilities:			
Borrowings	16	1,65,29,265	2,79,53,436
Other Financial Liabilities	17	15,89,487	14,36,678
Provisions	18	19,55,011	15,98,754
Other Non-Current Liabilities	19	2,17,229	3,59,729
Total Non-Current Liabilities		2,02,90,992	3,13,48,597
III Current Liabilities			
Financial Liabilities :			
Trade Payables			
Total outstanding dues of Micro and Small Enterprises		-	-
Others		14,77,620	22,14,333
Other Financial Liabilities	20	1,81,39,030	2,04,63,730
Other Current Liabilities	21	13,30,786	20,04,842
Provisions	22	52,49,149	46,90,567
Current Tax Liabilities (Net)	23	-	26,40,048
Total Current Liabilities		2,61,96,585	3,20,13,520
Total Liabilities		4,64,87,577	6,33,62,117
TOTAL EQUITY AND LIABILITIES		1,14,80,60,346	1,17,51,02,060

Significant Accounting Policies

1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

For Khandelwal and Mehta LLP
Chartered Accountants
Firm's Registration No. W100084

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 20th June, 2020

Surendra Kumar Somany
Independent Director

Mumbai, 20th June, 2020

SIMPLEX REALTY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note	2019-20 ₹	2018-19 ₹
Income			
I Revenue from Operations	24	9,09,22,886	4,74,72,617
II Other Income	25	4,73,51,320	5,67,57,789
III Total Income (I+II)		13,82,74,206	10,42,30,406
IV Expenses			
Cost of Sales	26	8,37,40,112	4,19,48,366
Employee Benefits Expense	27	2,58,43,620	2,79,78,899
Finance Costs	28	35,75,485	56,52,083
Depreciation	2	18,20,081	17,26,890
Other Expenses	29	1,73,08,239	4,44,55,427
Total Expenses (IV)		13,22,87,537	12,17,61,665
V Profit / (Loss) before Exceptional Item and Tax (III-IV)		59,86,669	(1,75,31,259)
VI Exceptional Item	30	-	5,52,99,872
VII Profit / (Loss) before Tax (V-VI)		59,86,669	3,77,68,613
VIII Tax Expense:			
(1) Current tax		13,05,209	97,88,900
(2) Deferred tax		42,10,878	(23,53,917)
(3) Earlier year taxes		(66,116)	(43,22,691)
IX Profit / (Loss) for the year (VII-VIII)		5,36,698	3,46,56,321
X Other Comprehensive Income / (Expense) - (OCI):			
Items that will not be reclassified to Statement of Profit and Loss			
1. Re-measurement gains / (losses) on defined benefit plans		52,382	2,59,073
2. Changes in fair values of equity instruments through OCI		(1,09,54,113)	25,44,689
3. Income tax effect on above		10,61,795	(72,074)
		(98,39,936)	27,31,688
Items that will be reclassified to Statement of Profit and Loss			
1. Changes in fair values of debt instruments through OCI		(10,91,098)	-
2. Income tax effect on above		2,27,162	-
		(8,63,936)	-
Total Other Comprehensive Income / (Expense) for the year, net of tax		(1,07,03,872)	27,31,688
Total Comprehensive Income / (Expense) for the year (IX+X)		(1,01,67,174)	3,73,88,009
Earnings per Equity Share (Face Value of ₹10/- each)			
Basic and Diluted Earnings Per Share (in ₹)		0.18	11.59

Significant Accounting Policies

1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

For Khandelwal and Mehta LLP
Chartered Accountants
Firm's Registration No. W100084

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 20th June, 2020

Surendra Kumar Somany
Independent Director

Mumbai, 20th June, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

1. EQUITY SHARE CAPITAL

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
Balance at the beginning of the year	2,99,36,870	2,99,36,870
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	2,99,36,870	2,99,36,870

2. OTHER EQUITY

(In ₹)

	Reserves and Surplus				Other Comprehensive Income		Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity instruments - FVTOCI	Debt instruments - FVTOCI	
Balance as at 1st April, 2018	60,71,263	1,43,23,904	70,09,00,000	31,42,85,045	88,34,852	-	1,04,44,15,064
Profit for the year	-	-	-	3,46,56,321	-	-	3,46,56,321
Other comprehensive income / (expense)	-	-	-	1,86,999	25,44,689	-	27,31,688
Total comprehensive income / (expense)	-	-	-	3,48,43,320	25,44,689	-	3,73,88,009
Balance as at 31st March, 2019	60,71,263	1,43,23,904	70,09,00,000	34,91,28,365	1,13,79,541	-	1,08,18,03,073
Profit for the year	-	-	-	5,36,698	-	-	5,36,698
Other comprehensive income / (expense)	-	-	-	39,198	(98,79,134)	(8,63,936)	(1,07,03,872)
Total comprehensive income / (expense)	-	-	-	5,75,896	(98,79,134)	(8,63,936)	(1,01,67,174)
Balance as at 31st March, 2020	60,71,263	1,43,23,904	70,09,00,000	34,97,04,261	15,00,407	(8,63,936)	1,07,16,35,899

Significant Accounting Policies - Note 1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **Khandelwal and Mehta LLP**
Chartered Accountants
Firm's Registration No.W100084

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 20th June, 2020

Surendra Kabra
Chief Financial Officer

For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

Surendra Kumar Somany
Independent Director

Mumbai, 20th June, 2020

SIMPLEX REALTY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	2019-20 ₹	2018-19 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT BEFORE TAX	59,86,669	3,77,68,613
Adjustments for :		
Depreciation on property, plant and equipment	18,20,081	17,26,890
Interest expenses	35,75,485	56,52,083
Profit on sale of investments (net)	(6,50,293)	(40,281)
Dividend income	(9,52,230)	(1,27,681)
Interest income	(4,27,64,892)	(5,20,47,192)
Loss / (Profit) on sale of fixed assets	-	2,37,601
Sundry balances written off / (back) - (net)	-	49,044
Changes in fair value of financial assets at fair value through profit or loss	(3,92,095)	-
Unwinding of discount on security deposit	(1,73,786)	-
Sundry assets written off	-	1,030
Exceptional item	-	(5,52,99,872)
OPERATING LOSS BEFORE EXCEPTIONAL ITEM AND WORKING CAPITAL CHANGES	(3,35,51,061)	(6,20,79,765)
Adjustment for changes in working capital		
Adjustment for (increase) / decrease in operating assets:		
Inventories	3,96,60,192	(4,36,13,143)
Trade receivables	-	1,85,77,647
Other financial assets	(3,15,90,564)	(12,290)
Other current assets	(76,33,531)	8,86,94,497
Other bank balances	1,40,389	1,94,143
Adjustment for increase / (decrease) in operating liabilities:		
Other financial liabilities	(23,26,177)	(46,17,672)
Trade payables	(7,36,713)	5,53,610
Long-term provisions	4,08,639	3,08,288
Short-term provisions	5,58,582	59,290
Other liabilities	(6,42,770)	(1,16,08,116)
CASH (USED IN) OPERATIONS BEFORE EXCEPTIONAL ITEM	(3,57,13,014)	(1,35,43,511)
Direct taxes (paid) / refund received	(26,85,552)	79,55,408
NET CASH (USED IN) OPERATING ACTIVITIES BEFORE EXCEPTIONAL ITEM	(3,83,98,566)	(55,88,103)
Exceptional item	-	5,98,51,545
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES (A)	(3,83,98,566)	5,42,63,442
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(9,27,056)	(8,46,418)
Sale of fixed assets	-	2,50,000
Purchase of investments	(37,95,78,736)	(11,10,28,250)
Sale of investments	14,39,63,815	60,40,281
Dividend received	9,52,230	1,27,681
Interest received	5,92,88,629	4,79,65,268
Loans / Inter corporate deposits refund / (given) - net	22,95,46,290	89,47,656
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	5,32,45,172	(4,85,43,782)

	2019-20 ₹	2018-19 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from / (repayment) of borrowings (net)	(1,14,24,171)	(24,95,204)
Interest paid	(34,21,199)	(34,98,396)
NET CASH (USED IN) FINANCING ACTIVITIES (C)	(1,48,45,370)	(59,93,600)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1,236	(2,73,940)
CASH AND CASH EQUIVALENTS - AT THE START OF THE YEAR	21,73,417	24,47,357
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR	21,74,653	21,73,417
Cash and cash equivalents comprise of :	As on 31.03.20	As on 31.03.19
Balances with Banks :		
- in Current accounts	20,55,509	21,49,375
Cheques on hand	12,890	-
Cash on hand	1,06,254	24,042
Cash and cash equivalents (Note no 9)	21,74,653	21,73,417

Significant Accounting Policies - Note 1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **Khandelwal and Mehta LLP**
Chartered Accountants
Firm's Registration No.W100084

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 20th June, 2020

Surendra Kabra
Chief Financial Officer

For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

Surendra Kumar Somany
Independent Director

Mumbai, 20th June, 2020

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

CORPORATE INFORMATION

Simplex Realty Limited ("the Company") is a public limited company, incorporated and domiciled in India having its registered office at 30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Mumbai – 400 011, Maharashtra, India. The equity shares of the Company are listed on BSE Limited. The Company is in real estate development. The Company develops residential as well as commercial properties.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities, which are measured at fair value.

(ii) Current and non-current classification:

The normal operating cycle in respect of operation relating to under construction real estate project depend on signing of agreement, size of the project, type of development, project complexities, approvals needed and realization of project into cash and cash equivalent. Accordingly, project related assets and liabilities have been classified into current and non-current based on operating cycle of the respective project. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

(iii) Fair value measurement:

The Company's accounting policies and disclosures require the measurement of fair values for certain financial assets and liabilities.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2- Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3-Inputs based on unobservable market data.

(iv) Revenue Recognition:

Ind AS 115- Revenue from Contracts with Customers, is mandatory for reporting periods beginning on or after 1st April, 2018. Under Ind AS 115, revenue is recognized when or as it satisfies each performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. Under Ind AS - 115, transfer of control of a good or service over time rather than at a point in time is considered when one of the following criteria are met:

- The Customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If it is not possible to demonstrate that the performance obligation is satisfied over time, the revenue cannot be recognized over time (means revenue is to be recognized following Completed Control Method, instead of Percentage of Completion Method (POCM)).

Costs incurred is being used to measure progress towards completion as there is a direct relationship between input and productivity. Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of technical nature, concerning where relevant, the percentage of completion, cost to completion, the expected revenue from the project or activity and the foreseeable losses to completion. The effect of changes, if any, to estimates is recognized in the financial statements for the period in which such changes are determined.

Revenue in excess of invoicing are classified as contract assets (which is referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which is referred as unearned/deferred income).

Rental income from operating leases is recognized on a straight line basis over the lease term.

The Company receives maintenance amount from the customers and utilize the same towards the maintenance of the respective projects. The balance amount of maintenance expenses to be incurred is reflected as liability under the head other current liabilities.

Interest income is recognized on accrual basis at effective interest rate.

Dividend income is accounted when right to receive is established.

(v) **Property, Plant and Equipment:**

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment includes purchase price, including freight, duties, taxes and expenses incidental to acquisition and installation. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

Subsequent expenditures

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repair and maintenance costs are recognized in the Statement of Profit and Loss during the year in which they are incurred.

Depreciation

Depreciation is provided on all property, plant and equipment (excluding furniture and office equipments) on straight-line method and on furniture and office equipments on the written down value method on pro-rata basis over the useful lives of the assets as prescribed in the Schedule II to the Companies Act, 2013.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Assets class	Useful life
Buildings	60 years
Furniture and fixtures	5-10 years
Office equipments	5 years
Vehicles	8 years
Electrical installations	10 years
Computers	3 years

(vi) Impairment of Non-Financial Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal 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. If such recoverable amount of the asset or cash generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date, there is any indication that any impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the recoverable amount is reassessed and such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

(vii) Leases:

Leases in which the Company does not transfer substantially all the risk and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight line basis over the terms of the relevant lease unless the payments are structured to increase in line with general inflation to compensate expected inflationary cost increase.

Lease deposits received are financial instruments (financial liability) and need to be measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as deferred rental income and recognized over the lease term on a straight line basis. Unwinding of discount is treated as interest expense for deposit received and is accrued as per the effective interest rate method.

(viii) Investments in Associates:

Investments in equity shares and preference shares of Associates are recorded at cost and reviewed for impairment at each reporting date and if any impairment is required, the same is recognized in the Statement of Profit and Loss.

(ix) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets

Initial recognition and measurement

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Subsequent measurement

For the purpose of subsequent measurement, the financial assets are classified as under:

i) Financial assets at amortised cost

A financial asset is measured at the amortised cost, if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in other income using the EIR in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are classified as FVTOCI, if both of the following criteria are met:

- These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to other income in the Statement of Profit and Loss.

iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

iv) Equity instruments

All equity instruments other than investments in associates are measured at fair value. Equity instruments which are for trading are classified as FVTPL. All other equity instruments are measured at fair value through other comprehensive income (FVTOCI). The classification is made on initial recognition and is irrevocable.

Where the Company's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit and loss when the Company's right to receive payments is established.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Impairment of financial assets

The Company applies 'simplified approach' for recognition of impairment loss on financial assets for loans, deposits and trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected Credit Loss at each reporting date, right from its initial recognition.

De-recognition

A financial asset is derecognized when:

- the rights to receive cash flows from the assets have expired or
- the Company has transferred substantially all the risk and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction cost.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to short maturity of these instruments.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. Gain and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction costs. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Derecognition

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reflected in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(x) Inventories:

Construction work-in-progress are valued at cost which includes cost of land, premium for development rights, construction cost, allocated interest and expenses incidental to the project undertaken by the Company. Inventory of completed flats/units is valued at lower of cost or net realisable value.

(xi) Taxes:

The tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

i. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

ii. Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amount used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

(xii) Employee benefits:

Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

Defined contribution plans

The Company's contribution to Provident Fund, Pension, Superannuation Fund and Employees State Insurance Fund are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contribution made to the respective fund/scheme and are charged as an expense based on the amount of contribution required to be made.

Defined benefit plans

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefits obligation is calculated annually by actuaries using the projected unit credit method.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gain and losses arising from experience adjustments, changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (OCI). They are included in retained earnings in the Statement of Change in Equity and in the Balance Sheet.

Compensated absences

The liabilities for accumulated leave are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

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 12 months after the reporting date.

(xiii) Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are Capitalised 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.

Interest and other costs incurred in connection with borrowing of funds, which are incurred for the development of long term projects, are transferred to construction work-in- progress, as part of the cost of the project upto the time all the activities necessary to prepare these projects for its intended use or sale are complete.

All other borrowing costs are recognized as expense in the period in which these are incurred.

(xiv) Cash and Cash Equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(xv) Provisions and Contingent Liabilities:

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(xvi) Earnings Per Share:

Basic earnings per share is calculated by dividing the profit / (loss) for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(xvii) Dividend

Dividend to the equity shareholders is recognized as a liability in the Company's financial statements in the period in which the dividend is approved by the shareholders.

1 (a) USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

i. Evaluation of percentage completion

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, cost to completion, the expected revenue from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the financial statements for the period in which such changes are determined.

ii. Recognition and measurement of defined benefit obligations

The cost of defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iii. Fair value measurement of financial instruments

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from the observable market, where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Changes in assumptions relating to these assumptions could affect the fair value of financial instruments.

iv. Deferred taxes

Deferred tax is recorded on temporary differences between tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences and the tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward periods are reduced.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company, as at the date approval of these financial results has considered internal and external sources of information, in assessing the possible effects that may result from the global health pandemic relating to COVID-19 on the carrying amounts of loans, investments, receivables, inventories and other assets. As on the date of approval of these financial results, the Company has concluded that the impact of COVID - 19 is not material based on these estimates and expects to recover the carrying amount of these assets. The impact of COVID-19 on the Company's Financial Statements may differ from that estimated as at the date of approval of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

2. PROPERTY, PLANT AND EQUIPMENT

(In ₹)

	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 st April, 2019	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2020	Upto 31 st March, 2019	Provided during the year	On Deductions/ Adjustments	Upto 31 st March, 2020	As at 31 st March, 2020	As at 31 st March, 2019
Freehold Land	50,00,318	-	-	50,00,318	-	-	-	-	50,00,318	50,00,318
Buildings	32,57,166	5,37,449	-	37,94,615	2,12,312	77,491	-	2,89,803	35,04,812	30,44,854
Computers	11,77,832	2,01,807	-	13,79,639	4,78,384	2,98,408	-	7,76,792	6,02,847	6,99,448
Electrical Installations	25,99,735	-	-	25,99,735	3,06,145	2,45,589	-	5,51,734	20,48,001	22,93,590
Furniture and Fixtures	5,47,909	66,300	-	6,14,209	3,12,643	57,813	-	3,70,456	2,43,753	2,35,266
Vehicles	58,83,666	-	-	58,83,666	26,25,183	10,10,824	-	36,36,007	22,47,659	32,58,483
Office Equipments	3,65,845	1,21,500	-	4,87,345	1,10,137	1,29,956	-	2,40,093	2,47,252	2,55,708
Total	1,88,32,471	9,27,056	-	1,97,59,527	40,44,804	18,20,081	-	58,64,885	1,38,94,642	1,47,87,667

(In ₹)

	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 st April, 2018	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2019	Upto 31 st March, 2018	Provided during the year	On Deductions/ Adjustments	Upto 31 st March, 2019	As at 31 st March, 2019	As at 31 st March, 2018
Freehold Land	50,00,318	-	-	50,00,318	-	-	-	-	50,00,318	50,00,318
Buildings	32,57,166	-	-	32,57,166	1,41,541	70,771	-	2,12,312	30,44,854	31,15,625
Computers	5,64,616	6,13,216	-	11,77,832	2,20,313	2,58,071	-	4,78,384	6,99,448	3,44,303
Electrical Installations	25,99,735	-	-	25,99,735	60,556	2,45,589	-	3,06,145	22,93,590	25,39,179
Furniture and Fixtures	5,18,697	29,212	-	5,47,909	2,50,624	62,019	-	3,12,643	2,35,266	2,68,073
Vehicles	66,74,271	-	7,90,605	58,83,666	18,59,856	10,68,331	3,03,004	26,25,183	32,58,483	48,14,415
Office Equipments	1,62,885	2,03,990	1,030	3,65,845	88,028	22,109	-	1,10,137	2,55,708	74,857
Total	1,87,77,688	8,46,418	7,91,635	1,88,32,471	26,20,918	17,26,890	3,03,004	40,44,804	1,47,87,667	1,61,56,770

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

3 (a) NON-CURRENT INVESTMENTS

Sr. No.	Particulars	Associate / Others	Face value - fully paid	No. of Shares/Units		Value (₹)	
				31.03.2020	31.03.2019	31.03.2020	31.03.2019
	In Associates						
I	Investments in Equity Instruments						
	Quoted - (At cost)						
	(a) Simplex Mills Company Ltd.	Associate	10	14,70,000	14,70,000	1,46,10,800	1,46,10,800
	(b) Simplex Papers Ltd.	Associate	10	14,71,000	14,71,000	1,47,25,431	1,47,25,431
						2,93,36,231	2,93,36,231
	Less: Impairment in value of investments					(1,03,85,981)	(1,03,85,981)
II	Investments in Preference Shares - Unquoted - In associate (At cost)						
	Non-Cumulative Redeemable Preference Shares of Simplex Mills Company Ltd.	Associate	10	90,00,000	90,00,000	9,00,00,000	9,00,00,000
	Other Investments						
I	Investment in Preference Shares - Unquoted- Others - (At FVTOCI)						
	7.50% Tata Capital Limited - Non Convertible Redeemable Preference shares	Others	1000	20,000	-	2,00,00,000	-
II	Investments in Bonds/Debentures - Quoted (At FVTOCI)						
	8.75% Axis Bank Limited - unsecured perpetual, additional tier I, Basel III, Non Convertible Debenture - Series 28 (with first call option 28/06/2022)	Others	1000000	20	-	2,00,84,000	-
	9.60% Aadhar Housing Finance Limited - secured Non Convertible Debenture (29/09/2021)	Others	1000	10,000	-	1,00,59,000	-
	10.32% Andhra Pradesh Capital Region Development Authority- unsecured redeemable Non Convertible Bonds - series E (16/08/2028)	Others	200000	50	-	1,00,50,000	-
	10.88% Chola mandalam Investment and Finance Company Limited - unsecured Non Convertible Debenture series PDI 20 (with first call option 12/02/2029)	Others	500000	60	-	3,00,15,000	-
	8.15% State Bank of India perpetual series IV additional tier I bonds under Basel III (with first call option 02/08/2022)	Others	1000000	10	-	99,62,000	-
	11.40% Tata Power Company Limited - unsecured perpetual Non Convertible Debenture (call date 02/06/2021)	Others	1000000	10	-	1,02,28,000	-
	8.97% UP Power Corporation Limited- Non Convertible Bonds Series III 2016-17 (25% each on 14/05/2021, 16/08/2021, 15/11/2021 and 15/02/2022)	Others	1000000	10	-	97,16,000	-
	10.15% UP Power Corporation Limited-Non Convertible Bonds Series II- 2017-18 (20/01/2028)	Others	1000000	20	-	1,91,10,000	-
III	Investments in Alternate Investment Funds - Unquoted - (At FVTPL)						
	India Realty Excellence Fund IV					65,00,000	35,00,000
	Walton Street Blacksoil Real Estate Fund					66,59,860	45,00,000
	Total Non-Current Investments					26,13,34,110	11,69,50,250

Details of total investments:	31.03.2020	31.03.2019
Financial assets measured at cost	10,89,50,250	10,89,50,250
Financial assets measured at Fair Value through Other Comprehensive Income (FVTOCI)	13,92,24,000	-
Financial assets measured at Fair Value through Profit or Loss (FVTPL)	1,31,59,860	80,00,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

3 (b) CURRENT INVESTMENTS - (measured at Fair Value Through Other Comprehensive Income - FVTOCI)

Sr. No.	Particulars	Associate / Others	Face value - fully paid	No. of Shares/Units		Value (₹)	
				31.03.2020	31.03.2019	31.03.2020	31.03.2019
I	Investments in Equity Instruments						
	Quoted - fully paid up						
(a)	Peninsula Land Ltd.	Others	2	10,750	10,750	25,155	89,440
(b)	Prime Urban Development (I) Ltd.	Others	2	2,500	2,500	12,950	22,650
(c)	HDFC Ltd.	Others	2	1,400	1,400	22,82,630	27,54,220
(d)	Piramal Enterprises Ltd.	Others	2	6,250	5,482	58,67,500	1,51,01,265
(e)	Piramal Phytocare Ltd.	Others	10	-	276	-	10,005
(f)	Hindustan Unilever Ltd.	Others	1	360	360	8,27,334	6,14,808
(g)	Delta Magnets Ltd.	Others	10	750	750	20,925	59,063
(h)	Morarjee Textiles Ltd.	Others	7	2,109	2,109	17,273	47,874
(i)	Integra Garments and Textiles Ltd.	Others	3	2,109	2,109	3,143	5,441
(j)	Reliance Industries Ltd.	Others	10	1,250	1,250	13,90,562	17,03,813
	Total quoted current investments in equity instruments					1,04,47,472	2,04,08,579
	Unquoted - fully paid up						
(k)	Universal Conveyor Beltings Ltd.	Others	10	27,500	27,500	-	-
	Total unquoted current investments in equity instruments					-	-
II	Investments in Bonds/Debentures- Quoted (At FVTOCI)						
	9.95% Future Consumers Ltd. - secured Non Convertible Debenture series III (05/09/2020)	Others	100000	100	-	1,00,06,000	-
	Total current investments in bonds/debentures					1,00,06,000	
III	Investments in Mutual Funds-Unquoted (at FVTPL)						
	DSP Overnight Fund - Regular - Growth	Others	1000	1345.799	-	14,36,486	-
	Tata Liquid Fund - Direct Plan - Growth	Others	1000	18686.711	-	5,85,26,495	-
	Tata Money Market Fund - Direct Plan - Growth	Others	1000	1451.96	-	50,32,720	-
	Tata Treasury Advantage Fund - Direct Plan - Growth	Others	1000	5157.02	-	1,50,72,060	-
	Total investments in mutual funds					8,00,67,761	-
	Total Current Investments					10,05,21,233	2,04,08,579

Details of total investments:	31.03.2020	31.03.2019
Financial assets measured at fair value through Other Comprehensive Income (FVTOCI)	2,04,53,472	2,04,08,579
Financial assets measured at fair value through Profit or Loss (FVTPL)	8,00,67,761	-
Total Current Investments	10,05,21,233	2,04,08,579

	Value (₹)	
	31.03.2020	31.03.2019
Aggregate market value of quoted investments		
Non-Current	13,52,62,500	1,83,76,860
Current	2,04,53,472	2,04,08,579
Aggregate carrying value of unquoted investments		
Non-Current	12,31,59,860	9,80,00,000
Current	8,00,67,761	-
Aggregate amount of impairment in value of investments		
Non-Current	(1,03,85,981)	(1,03,85,981)

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

4. LOANS - NON-CURRENT	31.03.2020	31.03.2019
(Considered good-Unsecured)	₹	₹
Security deposits	4,38,710	4,65,796
	4,38,710	4,65,796

5. OTHER FINANCIAL ASSETS - NON - CURRENT	31.03.2020	31.03.2019
	₹	₹
Bank deposit with more than 12 months maturity	12,50,000	12,50,000
	12,50,000	12,50,000

The above bank deposit is given to the bank as security for issuing bank guarantee.

6. DEFERRED TAX ASSET (NET)	31.03.2020	31.03.2019
	₹	₹
Deferred Tax Liability		
Long term capital gain on conversion of land into stock-in-trade	(6,77,655)	(7,25,091)
Other items	(2,46,358)	(2,40,414)
Deferred Tax Assets		
Property, plant and equipment	3,39,955	3,56,030
Expenses that are allowed on payment basis	22,57,006	22,00,586
Unused tax losses	4,02,93,880	4,45,01,097
Others	12,03,459	-
Net deferred tax asset	4,31,70,287	4,60,92,208

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

a) Movement in deferred tax balances

Movement in deferred tax during the year ended 31st March, 2020

	Opening balance as at 01.04.2019	Recognised in profit or loss	Recognised in OCI	Closing balance as at 31.03.2020
				(In ₹)
Property, Plant and Equipment	3,56,030	(16,075)	-	3,39,955
Expenses that are allowed on payment basis	22,00,586	56,420	-	22,57,006
Unused tax losses	4,45,01,097	(42,07,217)	-	4,02,93,880
Long term capital gain on conversion of land into stock-in-trade	(7,25,091)	47,436	-	(6,77,655)
Actuarial gain on defined benefit obligations	(2,28,266)	-	(13,184)	(2,41,450)
Interest income on unwinding of financial liability	(12,148)	7,240	-	(4,908)
Others	-	(98,682)	13,02,141	12,03,459
Net deferred tax asset	4,60,92,208	(42,10,878)	12,88,957	4,31,70,287

Movement in deferred tax during the year ended 31st March, 2019

	Opening balance as at 01.04.2018	Recognised in profit or loss	Recognised in OCI	Closing balance as at 31.03.2019
				(In ₹)
Property, plant and equipment	3,15,974	40,056	-	3,56,030
Expenses that are allowed on payment basis	19,88,557	2,12,029	-	22,00,586
Unused tax losses	4,23,42,077	21,59,020	-	4,45,01,097
Long term capital gain on conversion of land into stock-in trade	(6,71,139)	(53,952)	-	(7,25,091)
Actuarial gain on defined benefit obligations	(1,56,192)	-	(72,074)	(2,28,266)
Interest income on unwinding of financial liability	(8,912)	(3,236)	-	(12,148)
Net deferred tax asset	4,38,10,365	23,53,917	(72,074)	4,60,92,208

b) Income tax recognised in profit and loss

	31.03.2020 ₹	31.03.2019 ₹
Current tax		
In respect of current year	13,05,209	97,88,900
In respect of earlier years	(66,116)	(43,22,691)
Deferred tax		
Relating to origination and reversal of temporary differences	42,10,878	(23,53,917)
Total income tax recognised for the year	54,49,971	31,12,292

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

c) Income tax recognised in other comprehensive income	31.03.2020	31.03.2019
	₹	₹
Deferred tax arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligations	(13,184)	(72,074)
Changes in fair value of equity instruments through FVTOCI	10,74,979	-
Changes in fair value of debt instruments through FVTOCI	2,27,162	-
Total income tax recognised in other comprehensive income	12,88,957	(72,074)

d) The income tax expense for the year can be reconciled to the accounting profit / (loss) as follows:

	31.03.2020	31.03.2019
	₹	₹
Profit before tax	59,86,669	3,77,68,613
Tax expense calculated at 25.168% (2018-19:27.82%)	15,06,725	1,05,02,746
Effect of expenses that are not deductible or deductible on payment basis	8,43,811	17,69,063
Effect of incomes which are exempt from tax	(2,39,657)	(35,521)
Effect of expenses that are deductible under Income tax act	(7,09,456)	(12,10,582)
Utilisation of brought forward unabsorbed depreciation adjusted during the year	-	(9,31,160)
Others	(3,00,858)	4,19,848
Adjustment due to changes in tax rates	44,15,522	(34,52,558)
Effect of previously unrecognised tax losses	-	3,73,147
	55,16,087	74,34,983
Adjustments recognised in the current year in relation to the current tax of earlier years	(66,116)	(43,22,691)
Income tax expense recognised in profit and loss	54,49,971	31,12,292

The tax rate used for the above reconciliations is the corporate tax rate of 25.168% for the year 2019-20 and 27.82% for the year 2018-19 payable by the Company.

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the period in which those temporary differences and tax loss carry - forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income in making this assessment.

Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

As at 31st March, 2020, the Company has recognized deferred tax asset of ₹ 4,02,93,880/- (as at 31st March, 2019 ₹ 4,45,01,097/-) on unused tax losses. Such tax losses include major items which are not expected to recur in future. Based on realistic estimates of future earnings, there is reasonable certainty that the Company will generate sufficient taxable income to utilise such tax losses.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

7. OTHER NON-CURRENT ASSETS	31.03.2020	31.03.2019
	₹	₹
Advance income tax (net of provisions)	1,54,35,237	1,66,28,826
(net of provision of ₹ 10,93,58,083/- as at 31st March, 2020, ₹ 9,83,30,090/- as at 31st March, 2019)	1,54,35,237	1,66,28,826

8. INVENTORIES	31.03.2020	31.03.2019
	₹	₹
Construction work-in-progress	18,84,21,724	14,27,05,077
Realty stock-in-trade	16,29,92,804	24,83,69,643
	35,14,14,528	39,10,74,720

9. CASH AND CASH EQUIVALENTS	31.03.2020	31.03.2019
	₹	₹
Balances with banks:		
In current accounts	20,55,509	21,49,375
Cheques on hand	12,890	-
Cash on hand	1,06,254	24,042
	21,74,653	21,73,417

10. OTHER BANK BALANCES	31.03.2020	31.03.2019
	₹	₹
Unclaimed dividend accounts	11,01,689	12,42,078
	11,01,689	12,42,078

11. LOANS-CURRENT	31.03.2020	31.03.2019
	₹	₹
Loans receivable considered good - Unsecured		
Inter corporate deposits	22,37,90,000	45,32,06,290
Loans to employees*	30,000	1,60,000
	22,38,20,000	45,33,66,290

* includes due from officers of the Company - 55,000

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

12. OTHER CURRENT FINANCIAL ASSETS	31.03.2020	31.03.2019
	₹	₹
Interest receivable	1,65,43,915	3,29,62,880
Deposits	3,00,00,000	-
Others	28,23,947	11,95,485
	4,93,67,862	3,41,58,365

13. OTHER CURRENT ASSETS	31.03.2020	31.03.2019
	₹	₹
Income tax paid against disputed demand	6,87,03,074	6,87,03,074
Balances with government authorities	1,00,08,994	38,98,431
Prepaid expenses	2,78,419	3,59,449
Other advances	51,46,908	35,42,910
	8,41,37,395	7,65,03,864

14. EQUITY SHARE CAPITAL	31.03.2020	31.03.2019
	₹	₹

AUTHORISED

1,00,00,000 (31st March, 2019 - 1,00,00,000) Equity Shares of ₹ 10/- each	10,00,00,000	10,00,00,000
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ISSUED, SUBSCRIBED AND PAID UP

29,91,382 (31st March, 2019 - 29,91,382) Equity shares of ₹ 10/- each fully paid up (of which 360 (31st March, 2019 - 360) shares remain to be exchanged for fractional certificates)	2,99,13,820	2,99,13,820
Add : Forfeited shares account	23,050	23,050
Total issued, subscribed and fully paid up share capital	2,99,36,870	2,99,36,870

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Particulars	31.03.2020		31.03.2019	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820

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 per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 31st March, 2020		As at 31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Lucky Vyapaar and Holdings Pvt. Ltd.	7,43,040	24.84	7,43,040	24.84
Life Insurance Corporation of India	5,07,754	16.97	5,98,741	20.02
New Textiles LLP (formerly known as New Textiles Pvt. Ltd.)	5,99,123	20.03	5,99,123	20.03

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

15. OTHER EQUITY	31.03.2020	31.03.2019
	₹	₹
CAPITAL RESERVE		
Opening balance	60,71,263	60,71,263
Addition during the year	-	-
Closing balance	60,71,263	60,71,263
SECURITIES PREMIUM ACCOUNT		
Opening balance	1,43,23,904	1,43,23,904
Addition/(utilisation) during the year	-	-
Closing balance	1,43,23,904	1,43,23,904
GENERAL RESERVE		
Opening balance	70,09,00,000	70,09,00,000
Addition/(utilisation) during the year	-	-
Closing balance	70,09,00,000	70,09,00,000
OTHER COMPREHENSIVE INCOME - EQUITY INSTRUMENTS (FVTOCI)		
Opening balance	1,13,79,541	88,34,852
Add/(less): changes in fair value during the year of FVTOCI equity instruments (net of tax)	(98,79,134)	25,44,689
Closing balance	15,00,407	1,13,79,541
OTHER COMPREHENSIVE INCOME - DEBT INSTRUMENTS (FVTOCI)		
Opening balance	-	-
Add/(less): changes in fair value during the year of FVTOCI debt instruments (net of tax)	(8,63,936)	-
Closing balance	(8,63,936)	-
RETAINED EARNINGS		
Opening balance	34,91,28,365	31,42,85,045
Profit for the year	5,36,698	3,46,56,321
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurement of defined benefit obligation (net of tax)	39,198	1,86,999
Closing balance	34,97,04,261	34,91,28,365
Total other equity	1,07,16,35,899	1,08,18,03,073

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

CAPITAL RESERVE

Pertains to share application money forfeited in the case where remaining amount was not paid. The reserve can be utilised in accordance with the provisions of the Act.

SECURITIES PREMIUM RESERVE

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

GENERAL RESERVE

General Reserve represents amounts transferred from Retained Earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956. The reserve can be utilised in accordance with the provisions of the Act. Declaration of dividend out of such reserve shall not be made except in accordance with the rules prescribed in this behalf under the Act.

OTHER COMPREHENSIVE INCOME - EQUITY INSTRUMENTS (FVTOCI)

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfer amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

OTHER COMPREHENSIVE INCOME- DEBT INSTRUMENTS (FVTOCI)

This reserve represents the cumulative gains (net of losses) arising on revaluation of debt instruments measured at fair value through Other Comprehensive Income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in this reserve is reclassified from equity to Profit or Loss.

16. BORROWINGS-NON - CURRENT	31.03.2020 ₹	31.03.2019 ₹
Unsecured loan from other		
Term loan	1,65,29,265	2,79,53,436
	1,65,29,265	2,79,53,436

(Unsecured loan availed against the security of assets given by a company in which Directors are interested and carries interest @ 11.55% per annum (previous year 11.55% p.a.) and is repayable in equated monthly installment over a period of 5 years (previous year 7 years). Last installment is in July 2024).

17. OTHER FINANCIAL LIABILITIES-NON-CURRENT	31.03.2020 ₹	31.03.2019 ₹
Security deposit	15,89,487	14,36,678
	15,89,487	14,36,678

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

18. PROVISIONS-NON-CURRENT	31.03.2020 ₹	31.03.2019 ₹
For employee benefits- Gratuity (refer note 31)	19,55,011	15,98,754
	<u>19,55,011</u>	<u>15,98,754</u>

19. OTHER LIABILITIES-NON-CURRENT	31.03.2020 ₹	31.03.2019 ₹
Deferred income	2,17,229	3,59,729
	<u>2,17,229</u>	<u>3,59,729</u>

20. OTHER FINANCIAL LIABILITIES-CURRENT	31.03.2020 ₹	31.03.2019 ₹
Current maturities of long term debt	39,14,813	26,74,294
Unpaid dividends	11,01,689	12,42,078
Other liabilities	1,03,40,461	1,25,74,931
Retention money	27,82,067	39,72,427
	<u>1,81,39,030</u>	<u>2,04,63,730</u>

21. OTHER CURRENT LIABILITIES	31.03.2020 ₹	31.03.2019 ₹
Statutory dues	5,26,002	6,04,087
Deferred income	1,73,784	1,59,928
Others	6,31,000	12,40,827
	<u>13,30,786</u>	<u>20,04,842</u>

22. PROVISIONS-CURRENT	31.03.2020 ₹	31.03.2019 ₹
For employee benefits - (refer note 31)		
Gratuity	20,97,422	20,79,299
Leave benefits	31,51,727	26,11,268
	<u>52,49,149</u>	<u>46,90,567</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

23. CURRENT TAX LIABILITIES- (NET)	31.03.2020	31.03.2019
	₹	₹
Provision for taxation (net)	-	26,40,048
	-	26,40,048

24. REVENUE FROM OPERATIONS	2019-20	2018-19
	₹	₹
Sale of products	8,32,79,100	3,74,08,350
Rental income	76,43,786	1,00,64,267
	9,09,22,886	4,74,72,617

25. OTHER INCOME	2019-20	2018-19
	₹	₹
Interest income on financial assets		
Bank deposits	91,751	45,555
Inter corporate deposits	3,21,46,054	5,02,11,929
Interest income on financial assets fair valued through other comprehensive income	61,41,992	-
Interest income on investments carried at fair value through profit or loss	16,45,795	8,80,883
Interest on deposits	21,31,346	-
Others	14,230	9,08,825
Interest on income tax refund	5,93,724	-
Dividend income	9,52,230	1,27,681
Building rent	25,80,000	45,32,250
Other non-operating income	11,810	10,385
Profit on sale/redemption of investments (designated at fair value through profit or loss)	6,50,293	40,281
Changes in fair value of financial assets at fair value through profit or loss (FVTPL)	3,92,095	-
	4,73,51,320	5,67,57,789

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

26. COST OF SALES	2019-20	2018-19
	₹	₹
Opening stock		
Construction work-in-progress	14,27,05,077	5,88,51,842
Finished stock	24,83,69,643	28,86,09,735
Add: Expenses incurred during the year		
Materials, structural, labour and contract cost incurred	1,77,22,792	23,27,133
Rates and taxes	1,44,330	-
Professional charges	2,45,77,574	1,52,000
Other cost	16,35,224	69,27,014
Transferred from advances	-	7,61,55,362
	4,40,79,920	8,55,61,509
Less: Closing stock		
Construction work-in-progress	18,84,21,724	14,27,05,077
Finished stock	16,29,92,804	24,83,69,643
Cost of sales	8,37,40,112	4,19,48,366

27. EMPLOYEE BENEFITS EXPENSE	2019-20	2018-19
	₹	₹
Salaries and wages	2,40,26,414	2,62,10,773
Contribution to provident and other funds	7,92,156	8,07,865
Staff welfare expenses	10,25,050	9,60,261
	2,58,43,620	2,79,78,899

28. FINANCE COSTS	2019-20	2018-19
	₹	₹
Interest on		
Term loan	30,89,512	33,05,753
Income tax	2,87,012	21,53,687
Others	1,98,961	1,92,643
	35,75,485	56,52,083

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

29. OTHER EXPENSES	2019-20	2018-19
	₹	₹
Electricity	8,04,448	6,75,706
Repairs to		
Buildings	5,84,304	67,024
Machinery	1,80,707	1,38,415
Others	3,56,462	1,78,824
Insurance	73,560	85,266
Rent	63,357	61,336
Rates and taxes	9,44,970	9,39,900
Advertisements	37,104	94,832
Business promotion expenses	4,42,228	6,83,107
Travelling and conveyance expenses	16,57,337	25,29,970
Legal and professional fees	5,12,836	2,29,35,378
Retainership fees	11,23,120	12,67,892
Printing, stationery and communication expenses	7,61,280	9,35,730
Bank charges	5,795	83,551
Interest receivable written off	-	44,78,432
Vehicles expenses	8,04,810	8,13,021
Flat maintenance expenses	11,85,232	10,62,920
Commission and brokerage	3,49,500	1,82,000
Membership and subscription charges	5,98,750	5,03,350
Security charges	12,93,015	10,87,242
Sundry assets written off	-	1,030
Goods and Service tax paid	7,52,434	11,21,810
Sundry expenses	16,87,090	12,01,070
Directors' sitting fees	3,70,000	3,60,000
Loss on sale of fixed asset	-	2,37,601
Society maintenance charges	22,69,709	24,12,259
Auditors' remuneration		
As Auditor		
Audit fee	3,65,000	2,90,000
Tax audit fee	50,000	25,000
For taxation matters	30,000	-
For reimbursement of expenses	5,191	2,761
	<u>1,73,08,239</u>	<u>4,44,55,427</u>

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

30. EXCEPTIONAL ITEM	2019-20	2018-19
	₹	₹
Interest on income tax refund	-	5,52,99,872
	-	5,52,99,872

31. EMPLOYEE BENEFITS

I) Defined Contribution Plans

- Provident fund
- Superannuation fund and Pension scheme, 1995
- Employer's contribution to Employees state insurance

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

Contribution to:	2019-20	2018-19
	₹	₹
Provident fund	1,03,985	93,367
Superannuation fund	5,22,667	5,04,000
Pension fund	83,337	88,237
Employees State Insurance fund	82,167	1,22,261

Disclosures for defined benefit plan based on actuarial valuation report:

II) Defined Benefit Plan

GRATUITY	2019-20	2018-19
	₹	₹
A. Changes in defined benefit obligations		
Present value of defined benefit obligation as at the beginning of the year	36,78,053	38,28,638
Interest cost	2,05,268	2,74,767
Current service cost	2,21,494	2,60,297
Past service cost - vested benefits	-	-
Benefit paid	-	(4,26,576)
Actuarial (gain) / loss due to changes in financial assumption	26,499	(37,450)
Actuarial (gain) / loss due to changes in experience adjustments	(78,881)	(2,21,623)
Present value of defined benefit obligation as at the end of the year	40,52,433	36,78,053

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	2019-20 ₹	2018-19 ₹
B. Amount recognized in the Balance Sheet		
Present value of defined benefit obligation as at the end of the year	40,52,433	36,78,053
Fair value of plan assets at end of the year	-	-
Net liability recognized in the Balance Sheet	40,52,433	36,78,053
- Current provision	20,97,422	20,79,299
- Non-current provision	19,55,011	15,98,754
C. Expenses recognized in the Statement of Profit and Loss		
Interest cost	2,05,268	2,74,767
Current service cost	2,21,494	2,60,297
Past service cost - vested benefits	-	-
Expenses recognized in the Statement of Profit and Loss	4,26,762	5,35,064
D. Expenses recognized in the Other Comprehensive Income (OCI)		
Remeasurement (gain) / loss	(52,382)	(2,59,073)
Actuarial (gain) / loss due to changes in financial assumptions	26,499	(37,450)
Actuarial (gain) / loss due to changes in experience adjustments	(78,881)	(2,21,623)
E. Movement in the present value of net defined benefit obligation are as follows		
Opening net liability	36,78,053	38,28,638
Expenses recognised in the Statement of Profit and Loss	4,26,762	5,35,064
Expenses recognised in OCI	(52,382)	(2,59,073)
Contributions paid	-	(4,26,576)
Closing net liability	40,52,433	36,78,053

(In ₹)

Maturity profile of defined benefit obligation	Estimated for the year ended 31st March, 2020	Estimated for the year ended 31st March, 2019
1st following year	20,97,422	20,79,299
2nd following year	1,87,585	10,816
3rd following year	10,031	1,66,465
4th following year	1,97,600	9,773
5th following year	10,602	1,71,254
Sum of years 6 to 10	8,75,394	7,47,049

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Sensitivity analysis	2019-20 ₹	2018-19 ₹
Impact of +1% change in discount rate	38,29,307	34,90,309
Impact of -1% change in discount rate	43,19,791	39,02,408
Impact of +1% change in salary escalation rate	42,88,931	38,16,235
Impact of -1% change in salary escalation rate	38,24,567	34,92,492

The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefits obligation to significant actuarial assumptions, the same method (present value of defined benefits obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The estimates of future salary increases, considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Actuarial assumptions	As at 31st March, 2020	As at 31st March, 2019
Discount rate	6.77%	7.78%
Salary escalation rate	5.00%	6.00%
Attrition rate	0.50%	0.50%

32. RELATED PARTY DISCLOSURE

(i) List of Related Parties as required by Ind AS-24 "Related Party Disclosures" are given below:

(a) Associates	Simplex Papers Ltd. Simplex Mills Company Ltd.
(b) Key management personnel and their relatives	Mr. Nandan Damani - Managing Director Mr. Sanjay N Damani - Executive Director Mrs. Sandhya R Kini - Executive Director Mrs. Shivani V Jatia Mrs. Shashi A Patodia Mrs. Shreelekha N Damani
(c) Non Executive/Independent Directors	Mr. V.B.Haribhakti Mr. S.K.Somany Mrs. Renu Jain (appointed w.e.f. 08.05.2019) Mr. Vijay S Jindal Mr. Sabhapati G Shukla
(d) Where persons mentioned in (b) exercise significant influence	The Nav Bharat Refrigeration And Industries Ltd. Shreelekha Global Finance Ltd. New Textiles LLP (formerly known as New Textiles Pvt Ltd.) Lucky Vyapaar and Holdings Pvt. Ltd.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(ii) Transactions with related parties

(In ₹)

Type of related party	Description of the nature of transactions	Volume of transactions during 2019-20	Volume of transactions during 2018-19	Balance as on 31.03.20 Receivable/ (Payable)	Balance as on 31.03.19 Receivable/ (Payable)
(a) Associates Simplex Papers Ltd.	Loan given / (repaid) Interest accrued Interest amount written off	- - -	(72,00,000) 3,79,924 3,79,924		
Simplex Mills Co. Ltd.	Loan (repaid) Interest accrued Interest amount written off Investment in Redeemable Preference Shares Reimbursement of expenses	- - - - 42,634	(7,76,71,632) 40,98,508 40,98,508 9,00,00,000 26,328	9,00,00,000	9,00,00,000
(b) Key management personnel and their relatives	Remuneration#	74,16,100	73,60,277	-	-
(c) Non Executive/ Independent Directors	Sitting fees Mr. V.B.Haribhakti Mr. S.K.Somany Mr. T C Suseel Kumar Mrs. Renu Jain Mr. Vijay S Jindal Mr. Sabhapati G Shukla	1,00,000 1,00,000 - 40,000 30,000 1,00,000	1,10,000 1,10,000 10,000 - 20,000 1,10,000	- - - - - -	- - - - - -
(d) Where persons mentioned in (b) exercise significant influence					
a) Reimbursement of expenses received					
The Nav Bharat Refrigeration and Industries Ltd.		2,61,577	1,08,017	-	-
Lucky Vyapaar and Holdings Pvt. Ltd.		2,18,859	2,36,980	-	-
b) Security					
Security offered by Lucky Vyapaar and Holdings Pvt. Ltd for loan availed				2,04,44,078	3,06,27,730

Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available.

Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

33. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT

a) Financial instruments by category

(In ₹)

Particulars	31.03.2020			31.03.2019		
	At FVTOCI	At FVTPL	At Amortised cost	At FVTOCI	At FVTPL	At Amortised cost
Financial Assets						
Investments	15,96,77,472	9,32,27,621	-	2,04,08,579	80,00,000	-
Loans	-	-	22,42,58,710	-	-	45,38,32,086
Cash and cash equivalents	-	-	21,74,653	-	-	21,73,417
Other bank balances	-	-	11,01,689	-	-	12,42,078
Other financial assets	-	-	5,06,17,862	-	-	3,54,08,365
	15,96,77,472	9,32,27,621	27,81,52,914	2,04,08,579	80,00,000	49,26,55,946
Financial Liabilities						
Borrowings	-	-	2,04,44,078	-	-	3,06,27,730
Trade payables	-	-	14,77,620	-	-	22,14,333
Other financial liabilities	-	-	1,58,13,704	-	-	1,92,26,114
	-	-	3,77,35,402	-	-	5,20,68,177

b) Fair value hierarchy and method of valuation

The following table shows fair value hierarchy of financial assets measured at fair value on a recurring basis. Except for these financial instruments, the Company considers that the carrying value amount recognised in the financial statements approximate their fair value largely due to the short term maturities of these instruments.

(In ₹)

	31.03.2020			31.03.2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Measured at FVTOCI						
Investments in equity instruments	1,04,47,472			2,04,08,579	-	-
Investments in preference shares	-	2,00,00,000	-	-	-	-
Investments in bonds/debentures	-	12,92,30,000	-	-	-	-
Measured at FVTPL						
Investments in mutual funds	-	8,00,67,761	-	-	-	-
Investments in alternate investment funds	-	1,31,59,860	-	-	-	-

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities. This includes listed equity instruments that have quoted price. The fair value of equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

The fair value of financial instruments that are not traded in active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

The fair value of investments in bonds, debentures and mutual funds is measured at quoted price, dealer quotes or NAV.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

c) Risk management framework

The Company's principal financial liabilities includes borrowings, trade and other payables. The Company's principal financial assets include loans, trade receivables, investments (equity shares/bonds/debentures/mutual funds), cash and cash equivalents and others. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

d) Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- i) Credit Risk
- ii) Liquidity Risk
- iii) Market Risk

i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments in inter corporate deposits, bonds or debentures.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, credit risk with regards to trade receivables is almost negligible in case of its residential, commercial sale and lease rental as the same is due to the fact that in case of its residential and commercial sale business, it does not handover possession till entire outstanding is received. Similarly, in case of lease rental business, the Company keeps 3 to 6 months rental amount as deposit from the occupants.

No impairment is observed on the carrying value of trade receivables.

Other financial assets

Credit risk from balances with banks, loans and investments is managed by Company's finance department. Investments of surplus funds are primarily made in fixed deposits, with banks and companies; bonds or debentures of investment grade issued by government institutions, public sector undertakings, corporates. These counter parties are shortlisted and exposure limits determined on the basis of their credit rating, financial statements and other relevant informations. As these counter parties are government institutions, public sector undertaking and corporates with investment grade credit ratings, the counter party risk attached to such assets is considered to be insignificant. Impairment in the value of investments in associates is recognised, if required, as on the reporting date.

ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds and inter-corporate loans.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

(In ₹)

As at 31st March, 2020	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Borrowings	2,04,44,078	2,04,44,078	39,14,813	43,91,695	1,21,37,570	-
Trade Payables	14,77,620	14,77,620	14,77,620	-	-	-
Other Financial Liabilities	1,58,13,704	1,58,13,704	1,42,24,217	-	15,89,487	-
	3,77,35,402	3,77,35,402	1,96,16,650	43,91,695	1,37,27,057	-

As at 31st March, 2019	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Borrowings	3,06,27,730	3,06,27,730	26,74,294	30,00,063	1,13,76,392	1,35,76,981
Trade Payables	22,14,333	22,14,333	22,14,333	-	-	-
Other Financial Liabilities	1,92,26,114	1,92,26,114	1,77,89,436	-	14,36,678	-
	5,20,68,177	5,20,68,177	2,26,78,063	30,00,063	1,28,13,070	1,35,76,981

iii) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return. The Company's investments are held in bonds/debentures, fixed deposits and debt mutual funds. Investments in bonds/debenture are measured either fair value through other comprehensive income or fair value through profit or loss to recognise market volatility, which is not considered to be significant. Fixed deposits are held with highly rated banks and companies and are not subject to interest rate volatility.

The Company invests in mutual funds. Mutual fund investments are susceptible to market price risks that arise mainly from change in interest rate which may impact the return and value of such investments.

Currency risk

Currency risk is not material, as the Company's primary business activities are within India and does not have any exposure in foreign currency.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The management is responsible for the monitoring of the Company's interest rate position. The exposure of the Company's borrowing to the interest rate risk at the end of the reporting period is as follows:

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Floating rate borrowing	2,04,44,078	3,06,27,730
	2,04,44,078	3,06,27,730

The sensitivity analysis below have been determined based on the exposure to interest rate for liabilities at the end of the reporting period. The analysis is prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year. The amount indicated below may have an impact on reported profit / (loss) for the year.

A reasonable possible change of 100 basis points in interest rate would have resulted in variation in the interest expenses for the Company by the amounts as follows:

(In ₹)

Particulars	2019-20	2018-19
Interest rate - Increase by 100 basis points	(2,04,441)	(3,06,277)
Interest rate - Decrease by 100 basis points	2,04,441	3,06,277

Commodity price risk

The Company's activities are exposed to steel and cement price risks and therefore its overall risk management program focuses on the volatile nature of the steel and cement market, thus seeking to minimize potential adverse effects on the Company's financial performance on account of such volatility.

34. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and the total equity of the Company. For this purpose, net debt is defined as total borrowings less cash and cash equivalents.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirements are met through short-term/long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company's net debt to equity ratio is as follows:

(In ₹)

	As at 31st March, 2020	As at 31st March, 2019
Borrowings	2,04,44,078	3,06,27,730
Less: Cash and cash equivalents	(21,74,653)	(21,73,417)
Net Debt	1,82,69,425	2,84,54,313
Total equity	1,10,15,72,769	1,11,17,39,943
Debt/Equity ratio	0.02	0.03

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

35. EARNINGS PER SHARE – EPS is calculated by dividing the profit / (loss) attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (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	2019-20	2018-19
1. Profit after tax – ₹	5,36,698	3,46,56,321
2. Weighted average number of shares outstanding during the year	29,91,382	29,91,382
3. Face value of shares – ₹	10/-	10/-
4. Basic / Diluted EPS - ₹	0.18	11.59

36. LEASES

The Company's significant leasing arrangements are in respect of operating leases for Commercial and Residential premises. Lease income from operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Future minimum lease rental receivable under operating leases are as follows:		
Not later than 1 year	1,01,40,000	74,70,000
Later than 1 year not later than 5 years	98,28,000	1,73,88,000
Later than 5 years	-	-

37. CORPORATE SOCIAL RESPONSIBILITY

During the year, the Company was not required to spend any money as per the provision of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities.

Gross amount required to be spent by the Company during the year ₹ Nil (previous year ₹ Nil)

38. CONTINGENT LIABILITIES NOT PROVIDED FOR

a) Claims against the Company not acknowledged as debt:

(In ₹)

	As at 31st March, 2020	As at 31st March, 2019
Appeals filed in respect of disputed demands:		
Relating to income tax where the Company is in appeal	4,77,38,205	4,77,38,205
Relating to income tax where Department is in appeal	28,04,25,028	28,04,25,028
Labour matters	1,35,327	1,35,327
Legal cases	34,05,600	34,05,600
Bank guarantee	12,50,000	12,50,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

b) Others

The Company had received a demand notice of ₹ 17,15,65,324/- (as at 31st March, 2019 ₹ 17,15,65,324/-) from the State Revenue Department on account of permission required for transfer of flats built out of FSI relating to Leasehold land in project "Planet Godrej". The Company filed a writ petition against the demand in the Honb'le High Court of Bombay ("the Court") and the Court has stayed the demand order until a formal policy applicable to all leasehold lands is framed by the State. Further, the Court has ordered that as and when the policy is framed by the State, thereafter, the State shall approach the Honb'le High Court of Bombay for amending the present order.

39. Based on the intimations received from "suppliers" regarding their status under as Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), there are no amounts outstanding to MSME at 31st March, 2020 and no amounts were overdue during the year for which disclosure requirements under MSMED are applicable.
40. The lease of the land at Mumbai has expired and it is yet to be renewed by the Collector of Mumbai ("the Collector"). Pending renewal of the lease, the previously agreed lease rent continues to be paid by the Company on the basis of the expired lease agreement. The demands previously raised by the Collector have been set aside by the Honb'le High Court of Bombay ("the Court"), and the Court has directed the Collector to re-assess the lease rent. As of the Balance Sheet date, no revised demand is received.
41. The Company's main business activity constitutes developing real estate, which is the only reporting segment. The Company does not have any reportable geographical segment.
42. The Financial Statements of the Company for the year ended 31st March, 2020 were approved by the Board of Directors on 20th June, 2020.
43. Previous year's figures have been reclassified, wherever necessary, to conform current year's presentation.

As per our report of even date attached

For **Khandelwal and Mehta LLP**
Chartered Accountants
Firm's Registration No.W100084

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 20th June 2020

Surendra Kabra
Chief Financial Officer

For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

Surendra Kumar Somany
Independent Director

Mumbai, 20th June 2020

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(In ₹)

Sr. No.	Name of Associates/ Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associates/Joint Ventures held by the Company			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / (Loss) for the year	
			Nos.	Amount of Investment in Associates/Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
1	Simplex Papers Limited	31.03.2020	14,71,000	1,47,25,431	49.01	Based on shareholding	N.A.	(5,70,83,644)	N.A.	(58,79,122)
2	Simplex Mills Company Limited	31.03.2020	14,70,000	Equity Value 1,46,10,800 Preference Shares Value 9,00,00,000	48.99	Based on shareholding	N.A.	(2,01,83,177)	28,24,089	29,40,535

For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

INDEPENDENT AUDITORS' REPORT

To The Members of Simplex Realty Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Simplex Realty Limited** ('the Company') and its associates (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2020;
- b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated Profit and Total Comprehensive Expense for the year ended on that date; and
- c) in the case of the Consolidated Statement of Changes in Equity, of the changes in equity for the year ended on that date; and
- d) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

Emphasis of Matter

We draw attention to Note 41 to the Consolidated Financial statements which, indicates that the two associates which have been audited by another auditor has accumulated losses and there net worth has been fully eroded. This situation, along with other matters indicates the existence of an uncertainty that may cast doubt about the two associate's ability to continue as a going concern. However, the financial statements of both the associates have been prepared on a going concern basis for the reason stated in the said note.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

SIMPLEX REALTY LIMITED

Sr. No.	Key Audit Matters	Auditor's Response
1	Review of the value of realty stock-in-trade & investments held by the company as on 31st March, 2020	<u>Principal Audit Procedures</u> The assessment of various procedures adopted by the management which includes; i) Ascertaining the value of investments and realty stock-in-trade held as at 31st March, 2020. ii) Considering the impact (if any) of Covid-19 pandemic on investments and stock-in-trade held as at date. iii) Verification of amount invested, current value of investments, regularity of receipt of income on those investments and it's fair classification and presentation in the audited financial statements. iv) Assessing the appropriateness of value of realty stock-in-trade disclosed in the financial statements.
2	Review of financial health of companies in which inter corporate deposits are held	<u>Principal Audit Procedures:</u> The assessment of procedures adopted by management, including; i) Obtaining the latest audited financial statements of the companies to whom inter-corporate deposits are granted; thereby also assessing the financial soundness and the capability to repay the amount on demand or as per the terms of agreement; ii) Verification of amounts and regularity of receipt of interest income on such inter corporate deposits; iii) Obtaining regular confirmation of the closing balance of the deposits held by the borrowers with that of records in the company.
3	Review, effect and presentation of completed tax assessments	<u>Principal Audit Procedures</u> Obtained details of completed tax assessments and demands for the year ended 31st March, 2020 from the management, followed by verification of tax refunds on completed tax assessments and treatment of the same in books of accounts and standalone financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,

2013 with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements include the Group's share of Net Profit of ₹ 28,24,089/- out of the Total Comprehensive Expense of ₹ 73,43,085/- for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of associates which are Simplex Mills Company Limited and Simplex Papers Limited, whose financial statements have not been audited by us. The financial statements of Simplex Mills Company Limited and Simplex Papers Limited have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate companies, none of the directors of the Group is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – (refer note no. 42 of the consolidated financial statement),
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For Khandelwal & Mehta LLP
Chartered Accountants
Firm's Reg. No. W100084

Sunil Khandelwal
Partner
Membership No. 101388

Mumbai,
Date: 20th June, 2020

ANNEXURE – ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SIMPLEX REALTY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

We have audited the internal financial controls over financial reporting of **Simplex Realty Limited** (“the Company”) as of 31st March, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and

if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s

assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Khandelwal & Mehta LLP**
Chartered Accountants
Firm's Reg. No. W100084

Sunil Khandelwal
Partner
Membership No. 101388

Mumbai,
Date: 20th June, 2020

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

	Note	As at 31.03.2020 ₹	As at 31.03.2019 ₹
A ASSETS			
I Non-Current Assets			
Property, Plant and Equipment	2	1,38,94,642	1,47,87,667
Financial Assets:			
Investments accounted for using the Equity Method	3 a	6,98,16,823	6,69,92,734
Investments - Others	3 b	15,23,83,860	80,00,000
Loans	4	4,38,710	4,65,796
Other Financial Assets	5	12,50,000	12,50,000
Deferred Tax Assets (Net)	6	4,31,70,287	4,60,92,208
Other Non-Current Assets	7	1,54,35,237	1,66,28,826
Total Non-Current Assets		29,63,89,559	15,42,17,231
II Current Assets			
Inventories	8	35,14,14,528	39,10,74,720
Financial Assets:			
Investments	3 c	10,05,21,233	2,04,08,579
Cash and Cash Equivalents	9	21,74,653	21,73,417
Bank Balances other than above	10	11,01,689	12,42,078
Loans	11	22,38,20,000	45,33,66,290
Other Financial Assets	12	4,93,67,862	3,41,58,365
Other Current Assets	13	8,41,37,395	7,65,03,864
Total Current Assets		81,25,37,360	97,89,27,313
TOTAL ASSETS		1,10,89,26,919	1,13,31,44,544
B EQUITY AND LIABILITIES			
I Equity			
Equity Share Capital	14	2,99,36,870	2,99,36,870
Other Equity	15	1,03,25,02,472	1,03,98,45,557
Total Equity		1,06,24,39,342	1,06,97,82,427
II Liabilities			
Non-Current Liabilities			
Financial Liabilities :			
Borrowings	16	1,65,29,265	2,79,53,436
Other Financial Liabilities	17	15,89,487	14,36,678
Provisions	18	19,55,011	15,98,754
Other Non-Current Liabilities	19	2,17,229	3,59,729
Total Non-Current Liabilities		2,02,90,992	3,13,48,597
III Current Liabilities			
Financial Liabilities :			
Trade Payables			
Total outstanding dues of Micro and Small Enterprises		-	-
Others		14,77,620	22,14,333
Other Financial Liabilities	20	1,81,39,030	2,04,63,730
Other Current Liabilities	21	13,30,786	20,04,842
Provisions	22	52,49,149	46,90,567
Current Tax Liabilities (Net)	23	-	26,40,048
Total Current Liabilities		2,61,96,585	3,20,13,520
Total Liabilities		4,64,87,577	6,33,62,117
TOTAL EQUITY AND LIABILITIES		1,10,89,26,919	1,13,31,44,544

Significant Accounting Policies

1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

For Khandelwal and Mehta LLP
Chartered Accountants
Firm's Registration No. W100084

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 20th June, 2020

Surendra Kumar Somany
Independent Director

Mumbai, 20th June, 2020

SIMPLEX REALTY LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note	2019-20 ₹	2018-19 ₹
Income			
I Revenue from Operations	24	9,09,22,886	4,74,72,617
II Other Income	25	4,73,51,320	5,67,57,789
III Total Income (I+II)		13,82,74,206	10,42,30,406
IV Expenses			
Cost of Sales	26	8,37,40,112	4,19,48,366
Employee Benefits Expense	27	2,58,43,620	2,79,78,899
Finance Costs	28	35,75,485	56,52,083
Depreciation	2	18,20,081	17,26,890
Other Expenses	29	1,73,08,239	4,44,55,427
Total Expenses (IV)		13,22,87,537	12,17,61,665
V Profit/(Loss) before share of profit / (loss) of associate and exceptional item and tax (III-IV)		59,86,669	(1,75,31,259)
VI Share of Profit/(Loss) of associate accounted for using equity method (refer note 41)		28,24,089	(2,30,07,266)
VII Profit/(Loss) before exceptional item and tax (V-VI)		88,10,758	(4,05,38,525)
VIII Exceptional item	30	-	5,52,99,872
IX Profit/(Loss) before tax (VII-VIII)		88,10,758	1,47,61,347
X Tax expense:			
(1) Current tax		13,05,209	97,88,900
(2) Deferred tax		42,10,878	(23,53,917)
(3) Earlier year taxes		(66,116)	(43,22,691)
XI Profit/(Loss) for the year (IX-X)		33,60,787	1,16,49,055
XII Other Comprehensive Income / (Expense) - (OCI):			
Items that will not be reclassified to Statement of Profit and Loss			
1. Re-measurement gains / (losses) on defined benefit plans		52,382	2,59,073
2. Changes in fair values of equity instruments through OCI		(1,09,54,113)	25,44,689
3. Income tax effect on above		10,61,795	(72,074)
		(98,39,936)	27,31,688
Items that will be reclassified to Statement of Profit and Loss			
1. Changes in fair values of debt instruments through OCI		(10,91,098)	-
2. Income tax effect on above		2,27,162	-
		(8,63,936)	-
Total Other Comprehensive Income/(Expense) for the year, net of tax		(1,07,03,872)	27,31,688
Total Comprehensive Income / (Expense) for the year(XI+XII)		(73,43,085)	1,43,80,743
Earnings per Equity Share (Face Value of ₹10/- each)			
Basic and Diluted Earnings Per Share (in ₹)		1.12	3.89

Significant Accounting Policies

1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board

For Khandelwal and Mehta LLP
Chartered Accountants
Firm's Registration No. W100084

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 20th June, 2020

Surendra Kumar Somany
Independent Director

Mumbai, 20th June, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

1. EQUITY SHARE CAPITAL

	As at 31st March, 2020 ₹	As at 31st March, 2019 ₹
Balance at the beginning of the year	2,99,36,870	2,99,36,870
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	2,99,36,870	2,99,36,870

2. OTHER EQUITY

(In ₹)

	Reserves and Surplus				Other Comprehensive Income		Total Other Equity-Attributable to the owners of Simplex Realty Limited	Non-controlling Interest
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity instruments - FVTOCI	Debt instruments - FVTOCI		
Balance as at 1st April, 2018	13,61,05,795	1,43,23,904	58,24,58,692	28,37,41,571	88,34,852	-	1,02,54,64,814	-
Profit for the year	-	-	-	1,16,49,055	-	-	1,16,49,055	-
Other comprehensive income/(expense)	-	-	-	1,86,999	25,44,689	-	27,31,688	-
Total comprehensive income/(expense)	-	-	-	1,18,36,054	25,44,689	-	1,43,80,743	-
Balance as at 31st March, 2019	13,61,05,795	1,43,23,904	58,24,58,692	29,55,77,625	1,13,79,541	-	1,03,98,45,557	-
Profit for the year	-	-	-	33,60,787	-	-	33,60,787	-
Other comprehensive income/(expense)	-	-	-	39,198	(98,79,134)	(8,63,936)	(1,07,03,872)	-
Total comprehensive income/(expense)	-	-	-	33,99,985	(98,79,134)	(8,63,936)	(73,43,085)	-
Balance as at 31st March, 2020	13,61,05,795	1,43,23,904	58,24,58,692	29,89,77,610	15,00,407	(8,63,936)	1,03,25,02,472	-

Significant Accounting Policies - Note 1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **Khandelwal and Mehta LLP**
Chartered Accountants
Firm's Registration No.W100084

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 20th June, 2020

Surendra Kabra
Chief Financial Officer

For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

Surendra Kumar Somany
Independent Director

Mumbai, 20th June, 2020

SIMPLEX REALTY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

	2019-20	2018-19
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT BEFORE TAX	88,10,758	1,47,61,347
Adjustments for :		
Depreciation on property, plant and equipment	18,20,081	17,26,890
Interest expenses	35,75,485	56,52,083
Profit on sale of investments (net)	(6,50,293)	(40,281)
Dividend income	(9,52,230)	(1,27,681)
Interest income	(4,27,64,892)	(5,20,47,192)
Loss on sale of fixed assets	-	2,37,601
Sundry balances written off / (back) (net)	-	49,044
Share of (profit) / loss of associate	(28,24,089)	2,30,07,266
Changes in fair value of financial assets at fair value through profit or loss	(3,92,095)	-
Sundry assets written off	-	1,030
Exceptional item	-	(5,52,99,872)
Unwinding of discount on security deposit	(1,73,786)	-
OPERATING LOSS BEFORE EXCEPTIONAL ITEM AND WORKING CAPITAL CHANGES	(3,35,51,061)	(6,20,79,765)
Adjustment for changes in working capital		
Adjustment for (increase) / decrease in operating assets:		
Inventories	3,96,60,192	(4,36,13,143)
Trade receivables	-	1,85,77,647
Other financial assets	(3,15,90,564)	(12,290)
Other current assets	(76,33,531)	8,86,94,497
Other bank balances	1,40,389	1,94,143
Adjustment for increase / (decrease) in operating liabilities:		
Other financial liabilities	(23,26,177)	(46,17,672)
Trade payables	(7,36,713)	5,53,610
Long-term provisions	4,08,639	3,08,288
Short-term provisions	5,58,582	59,290
Other liabilities	(6,42,770)	(1,16,08,116)
CASH (USED IN) OPERATIONS BEFORE EXCEPTIONAL ITEM	(3,57,13,014)	(1,35,43,511)
Direct taxes (paid) / refund received	(26,85,552)	79,55,408
NET CASH (USED IN) OPERATING ACTIVITIES BEFORE EXCEPTIONAL ITEM	(3,83,98,566)	(55,88,103)
Exceptional item	-	5,98,51,545
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES (A)	(3,83,98,566)	5,42,63,442
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(9,27,056)	(8,46,418)
Sale of fixed assets	-	2,50,000
Purchase of investments	(37,95,78,736)	(11,10,28,250)
Sale of investments	14,39,63,815	60,40,281
Dividend received	9,52,230	1,27,681
Interest received	5,92,88,629	4,79,65,268
Loans / Inter corporate deposits (given) - net	22,95,46,290	89,47,656
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES (B)	5,32,45,172	(4,85,43,782)

	2019-20	2018-19
	₹	₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from / (repayment) of borrowings (net)	(1,14,24,171)	(24,95,204)
Interest paid	(34,21,199)	(34,98,396)
NET (CASH USED) IN FINANCING ACTIVITIES (C)	(1,48,45,370)	(59,93,600)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1,236	(2,73,940)
CASH AND CASH EQUIVALENTS - AT THE START OF THE YEAR	21,73,417	24,47,357
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR	21,74,653	21,73,417
Cash and cash equivalents comprise of :	As on	As on
	31.03.20	31.03.19
Balances with Banks :		
- in Current accounts	20,55,509	21,49,375
Cheques on hand	12,890	-
Cash on hand	1,06,254	24,042
Cash and cash equivalents (Note 9)	21,74,653	21,73,417

Significant Accounting Policies

Note -1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For Khandelwal and Mehta LLP
Chartered Accountants
Firm's Registration No.W100084

Surendra Kabra
Chief Financial Officer

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 20th June, 2020

For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

Surendra Kumar Somany
Independent Director

Mumbai, 20th June, 2020

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

CORPORATE INFORMATION

Simplex Realty Limited ("the Company") is a public limited company, incorporated and domiciled in India having its registered office at 30, Keshavrao Khadye Marg, Sant Gadge Maharaj Chowk, Mumbai – 400 011, Maharashtra, India. The equity shares of the Company are listed on BSE Limited. The Company is in real estate development. The Company develops residential as well as commercial properties.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation:

The consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities, which are measured at fair value.

(ii) Principles of consolidation:

- **Associates**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting whereby the investment is initially recorded at cost.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of post-acquisition profits or losses of the investee in the Consolidated Statement of Profit and Loss, and the Company's share of other comprehensive income or expense of the investee in other comprehensive income or expense.

Unrealised gains or losses on transactions between the Company and its associates are eliminated to the extent of the Company's interest in these entities. When the Company's share of losses exceeds its interest in associates, the carrying amount of that interest (including any long term investments) is reduced to zero and the recognition of further losses is discontinued. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Company resumes recognizing its share of those profits/loss only after its share of the profits equals the share of losses not recognized.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in associate. The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the loss as 'Share of profit/loss of an associate' in the Consolidated Statement of Profit and Loss.

(iii) Current and non-current classification:

The normal operating cycle in respect of operation relating to under construction real estate project depend on signing of agreement, size of the project, type of development, project complexities, approvals needed and realization of project into cash and cash equivalent. Accordingly, project related assets and liabilities have been classified into current and non-current based on operating cycle of the respective project. All other assets and liabilities have been classified into current and non-current based on a period of twelve months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**(iv) Fair value measurement:**

The Company's accounting policies and disclosures require the measurement of fair values for certain financial assets and liabilities.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2- Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3-Inputs based on unobservable market data.

(v) Revenue Recognition:

Ind AS- 115 Revenue from Contracts with Customers is mandatory for reporting periods beginning on or after 1st April, 2018. Under Ind AS - 115, revenue is recognized when or as it satisfies each performance obligation by transferring a promised good or service to a customer. A good or service is considered to be transferred when the customer obtains control. Under Ind AS - 115, transfer of control of a good or service over time rather than at a point in time is considered when one of the following criteria are met:

- The Customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If it is not possible to demonstrate that the performance obligation is satisfied over time, the revenue cannot be recognized over time (means revenue is to be recognized following Completed Control Method, instead of Percentage of Completion Method (POCM))

Costs incurred is being used to measure progress towards completion as there is a direct relationship between input and productivity. Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of technical nature, concerning where relevant, the percentage of completion, cost to completion, the expected revenue from the project or activity and the foreseeable losses to completion. The effect of changes, if any, to estimates is recognized in the financial statements for the period in which such changes are determined.

Revenue in excess of invoicing are classified as contract assets (which is referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which is referred as unearned/deferred income).

Rental income from operating leases is recognized on a straight line basis over the lease term.

The Company receives maintenance amount from the customers and utilize the same towards the maintenance of the respective projects. The balance amount of maintenance expenses to be incurred is reflected as liability under the head other current liabilities.

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Interest income is recognized on accrual basis at effective interest rate.

Dividend income is accounted when right to receive is established.

(vi) Property, Plant and Equipment:

Recognition and measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment includes purchase price, including freight, duties, taxes and expenses incidental to acquisition and installation. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Property, plant and equipment are derecognized from consolidated financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Consolidated Statement of Profit and Loss in the year of occurrence.

Subsequent expenditures:

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repair and maintenance costs are recognized in the Consolidated Statement of Profit and Loss during the year in which they are incurred.

Depreciation:

Depreciation is provided on all property, plant and equipment (excluding furniture and office equipments) on straight-line method and on furniture and office equipments on the written down value method on pro-rata basis over the useful lives of the assets as prescribed in the Schedule II to the Companies Act, 2013.

Assets class	Useful life
Buildings	60 years
Furniture and fixtures	5-10 years
Office equipments	5-10 years
Vehicles	8 years
Electrical installation	10 years
Computers	3 years

(vii) Impairment of Non-Financial Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal 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. If such recoverable amount of the asset or cash generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Consolidated Statement of Profit and Loss. If at the Balance Sheet date, there is any indication that any impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the recoverable amount is reassessed and such reversal of impairment loss is recognized in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**(viii) Leases:**

Leases in which the Company does not transfer substantially all the risk and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight line basis over the terms of the relevant lease unless the payments are structured to increase in line with general inflation to compensate expected inflationary cost increase.

Lease deposits received are financial instruments (financial liability) and need to be measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as deferred rental income and recognized over the lease term on a straight line basis. Unwinding of discount is treated as interest expense for deposit received and is accrued as per the effective interest rate method.

(ix) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial Assets**Initial recognition and measurement**

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, the financial assets are classified as under:

i) Financial assets at amortised cost

A financial asset is measured at the amortised cost, if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in other income using the EIR in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognized in the Consolidated Statement of Profit and Loss.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are classified as FVTOCI, if both of the following criteria are met:

- These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to other income in the Consolidated Statement of Profit and Loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss including interest income and dividend income if any, recognised as other income in the Consolidated Statement of Profit and Loss.

iv) Equity instruments:

All equity instruments other than investments in associates are measured at fair value. Equity instruments which are for trading are classified as FVTPL. All other equity instruments are measured at fair value through other comprehensive income (FVTOCI). The classification is made on initial recognition and is irrevocable.

Where the Company's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit and loss when the Company's right to receive payments is established.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit and Loss.

Impairment of financial assets

The Company applies 'simplified approach' for recognition of impairment loss on financial assets for loans, deposits and trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected Credit Loss at each reporting date, right from its initial recognition.

De-recognition

A financial asset is derecognized when:

- the rights to receive cash flows from the assets have expired or
- the Company has transferred substantially all the risk and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

Financial Liabilities

• Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction cost.

• Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to short maturity of these instruments.

• Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. Gain and losses are recognized in the Consolidated Statement of Profit and Loss when the liabilities are derecognized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction costs. The EIR amortization is included as finance costs in the Consolidated Statement of Profit and Loss.

- **Derecognition**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss.

- **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reflected in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(x) Inventories:

Construction work-in-progress are valued at cost which includes cost of land, premium for development rights, construction cost, allocated interest and expenses incidental to the project undertaken by the Company. Inventory of completed flats/units is valued at lower of cost or net realisable value.

(xi) Taxes:

The tax expense comprises current and deferred tax. Tax is recognized in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

i. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

ii. Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amount used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(xii) Employee benefits:

Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

Defined contribution plans

The Company's contribution to Provident Fund, Pension, Superannuation and Employees State Insurance Contribution are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contribution made to the respective fund/scheme and are charged as an expense based on the amount of contribution required to be made.

Defined benefit plans

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefits obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Remeasurement gain and losses arising from experience adjustments, changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (OCI). They are included in retained earnings in the statement of change in equity and in the balance sheet.

Compensated absences

The liabilities for accumulated leave are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

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 12 months after the reporting date.

(xiii) Borrowing Costs:

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised 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.

Interest and other costs incurred in connection with borrowing of funds, which are incurred for the development of long term projects, are transferred to construction work-in- progress, as part of the cost of the project upto the time all the activities necessary to prepare these projects for its intended use or sale are complete.

All other borrowing costs are recognized as expense in the period in which these are incurred.

(xiv) Cash and Cash Equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(xv) Provisions & Contingent Liabilities:

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(xvi) Earnings per share:

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvii) Dividend:

Dividend to the equity shareholders is recognized as a liability in the Company's financial statements in the period in which the dividend is approved by the shareholders.

1 (a) USE OF ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

i. Evaluation of percentage completion

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, cost to completion, the expected revenue from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the consolidated financial statements for the period in which such changes are determined

ii. Recognition and measurement of defined benefit obligations

The cost of defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

iii. Fair value measurement of financial instruments

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from the observable market, where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Changes in assumptions relating to these assumptions could affect the fair value of financial instruments.

iv. Deferred taxes

Deferred tax is recorded on temporary differences between tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences and the tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward periods are reduced.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group, as at the date approval of these financial results has considered internal and external sources of information, in assessing the possible effects that may result from the global health pandemic relating to COVID-19 on the carrying amounts of loans, investments, receivables, inventories and other assets. As on the date of approval of these financial results, the Group has concluded that the impact of COVID - 19 is not material based on these estimates and expects to recover the carrying amount of these assets. The impact of COVID-19 on the Group's Financial Statements may differ from that estimated as at the date of approval of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

2. PROPERTY, PLANT AND EQUIPMENT

(In ₹)

	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 st April, 2019	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2020	Upto 31 st March, 2019	Provided during the year	On Deductions/ Adjustments	Upto 31 st March, 2020	As at 31 st March, 2020	As at 31 st March, 2019
Freehold Land	50,00,318	-	-	50,00,318	-	-	-	-	50,00,318	50,00,318
Buildings	32,57,166	5,37,449	-	37,94,615	2,12,312	77,491	-	2,89,803	35,04,812	30,44,854
Computers	11,77,832	2,01,807	-	13,79,639	4,78,384	2,98,408	-	7,76,792	6,02,847	6,99,448
Electrical Installations	25,99,735	-	-	25,99,735	3,06,145	2,45,589	-	5,51,734	20,48,001	22,93,590
Furniture and Fixtures	5,47,909	66,300	-	6,14,209	3,12,643	57,813	-	3,70,456	2,43,753	2,35,266
Vehicles	58,83,666	-	-	58,83,666	26,25,183	10,10,824	-	36,36,007	22,47,659	32,58,483
Office Equipments	3,65,845	1,21,500	-	4,87,345	1,10,137	1,29,956	-	2,40,093	2,47,252	2,55,708
Total	1,88,32,471	9,27,056	-	1,97,59,527	40,44,804	18,20,081	-	58,64,885	1,38,94,642	1,47,87,667

(In ₹)

	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As at 1 st April, 2018	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2019	Upto 31 st March, 2018	Provided during the year	On Deductions/ Adjustments	Upto 31 st March, 2019	As at 31 st March, 2019	As at 31 st March, 2018
Freehold Land	50,00,318	-	-	50,00,318	-	-	-	-	50,00,318	50,00,318
Buildings	32,57,166	-	-	32,57,166	1,41,541	70,771	-	2,12,312	30,44,854	31,15,625
Computers	5,64,616	6,13,216	-	11,77,832	2,20,313	2,58,071	-	4,78,384	6,99,448	3,44,303
Electrical Installations	25,99,735	-	-	25,99,735	60,556	2,45,589	-	3,06,145	22,93,590	25,39,179
Furniture and Fixtures	5,18,697	29,212	-	5,47,909	2,50,624	62,019	-	3,12,643	2,35,266	2,68,073
Vehicles	66,74,271	-	7,90,605	58,83,666	18,59,856	10,68,331	3,03,004	26,25,183	32,58,483	48,14,415
Office Equipments	1,62,885	2,03,990	1,030	3,65,845	88,028	22,109	-	1,10,137	2,55,708	74,857
Total	1,87,77,688	8,46,418	7,91,635	1,88,32,471	26,20,918	17,26,890	3,03,004	40,44,804	1,47,87,667	1,61,56,770

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

3 (a) NON-CURRENT INVESTMENTS

Sr. No.	Particulars	Associate / Others	Face value - fully paid	No. of Shares/Units		Value (₹)	
				31.03.2020	31.03.2019	31.03.2020	31.03.2019
	In Associates						
I	Investments in Equity Instruments						
	Quoted- (At cost)						
(a)	Simplex Mills Company Ltd.	Associate	10	14,70,000	14,70,000	-	-
(b)	Simplex Papers Ltd.	Associate	10	14,71,000	14,71,000	-	-
II	Investments in Preference Shares - Unquoted - (At cost)						
	Non-Cumulative Redeemable Preference Shares of Simplex Mills Company Ltd.	Associate	10	90,00,000	90,00,000	6,98,16,823	6,69,92,734
	Total Equity Accounted Investments					6,98,16,823	6,69,92,734

3 (b) INVESTMENTS - OTHERS NON-CURRENT INVESTMENTS:

Sr. No.	Particulars	Associate / Others	Face value - fully paid	No. of Shares/Units		Value (₹)	
				31.03.2020	31.03.2019	31.03.2020	31.03.2019
I	Investments in Preference Shares - Unquoted - (At FVTOCI)						
	7.50% Tata Capital Limited - Non Convertible Redeemable Preference shares	Others	1000	20,000	-	2,00,00,000	-
II	Investments in Bonds/Debentures- Quoted (At FVTOCI)						
	8.75% Axis Bank Limited - unsecured perpetual, additional tier I, Basel III, Non Convertible Debenture - Series 28 (with first call option 28/06/2022)	Others	1000000	20	-	2,00,84,000	-
	9.60% Aadhar Housing Finance Limited- secured Non Convertible Debenture (29/09/2021)	Others	1000	10,000	-	1,00,59,000	-
	10.32% Andhra Pradesh Capital Region Development Authority- unsecured redeemable Non Convertible Bonds - series E (16/08/2028)	Others	200000	50	-	1,00,50,000	-
	10.88% Cholamandalam Investment and Finance Company Limited - unsecured Non Convertible Debenture series PDI 20 (with first call option 12/02/2029)	Others	500000	60	-	3,00,15,000	-
	8.15% State Bank of India perpetual series IV additional tier I bonds under Basel III (with first call option 02/08/2022)	Others	1000000	10	-	99,62,000	-
	11.40% Tata Power Company Ltd - unsecured perpetual Non Convertible Debenture (call date 02/06/2021)	Others	1000000	10	-	1,02,28,000	-
	8.97% UP Power Corporation Limited- Non Convertible Bonds Series III 2016-17 (25% each on 14/05/2021, 16/08/2021, 15/11/2021 and 15/02/2022)	Others	1000000	10	-	97,16,000	-
	10.15% UP Power Corporation Limited-Non Convertible Bonds Series II- 2017-18 (20/01/2028)	Others	1000000	20	-	1,91,10,000	-
III	Investments in Alternate Investment Funds -Unquoted - (At FVTPL)						
	India Realty Excellence Fund IV					65,00,000	35,00,000
	Walton Street Blacksoil Real Estate Fund					66,59,860	45,00,000
	Total Non-Current Investments					15,23,83,860	80,00,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Details of total investments:	31.03.2020	31.03.2019
Financial assets measured at cost (accounted using Equity Method)	6,98,16,823	6,69,92,734
Financial assets measured at fair value through Other Comprehensive Income (FVTOCI)	13,92,24,000	-
Financial assets measured at fair value through Profit or Loss (FVTPL)	1,31,59,860	80,00,000

3 (c) CURRENT INVESTMENTS (measured at Fair Value Through Other Comprehensive Income - FVTOCI)

Sr. No.	Particulars	Associate / Others	Face value - fully paid	No. of Shares/Units		Value (₹)	
				31.03.2020	31.03.2019	31.03.2020	31.03.2019
I	Investments in Equity Instruments						
	Quoted- fully paid up						
(a)	Peninsula Land Ltd.	Others	2	10,750	10,750	25,155	89,440
(b)	Prime Urban Development (I) Ltd.	Others	2	2,500	2,500	12,950	22,650
(c)	HDFC Ltd.	Others	2	1,400	1,400	22,82,630	27,54,220
(d)	Piramal Enterprises Ltd.	Others	2	6,250	5,482	58,67,500	1,51,01,265
(e)	Piramal Phytocare Ltd.	Others	10	-	276	-	10,005
(f)	Hindustan Unilever Ltd.	Others	1	360	360	8,27,334	6,14,808
(g)	Delta Magnets Ltd.	Others	10	750	750	20,925	59,063
(h)	Morarjee Textiles Ltd.	Others	7	2,109	2,109	17,273	47,874
(i)	Integra Garments and Textiles Ltd.	Others	3	2,109	2,109	3,143	5,441
(j)	Reliance Industries Ltd.	Others	10	1,250	1,250	13,90,562	17,03,813
	Total quoted current investments in equity instruments					1,04,47,472	2,04,08,579
	Unquoted-fully paid up						
(k)	Universal Conveyor Beltings Ltd.	Others	10	27,500	27,500	-	-
	Total unquoted current investments in equity instruments					-	-
II	Investments in Bonds/Debentures- Quoted (At FVTOCI)						
	9.95 % Future Consumers Ltd - secured Non Convertible Debenture series III (05/09/2020)	Others	100000	100	-	1,00,06,000	-
	Total current investments in bonds/debentures					1,00,06,000	-
III	Investments in Mutual Funds-Unquoted (at FVTPL)						
	DSP Overnight Fund - Regular-Growth	Others	1000	1345.799	-	14,36,486	-
	Tata Liquid Fund - Direct Plan-Growth	Others	1000	18686.711	-	5,85,26,495	-
	Tata Money Market Fund - Direct Plan - Growth	Others	1000	1451.96	-	50,32,720	-
	Tata Treasury Advantage Fund - Direct Plan - Growth	Others	1000	5157.02	-	1,50,72,060	-
	Total investments in mutual funds					8,00,67,761	-
	Total Current Investments					10,05,21,233	2,04,08,579

Details of total investments:	31.03.2020	31.03.2019
Financial assets measured at fair value through Other Comprehensive Income (FVTOCI)	2,04,53,472	2,04,08,579
Financial assets measured at fair value through Profit or Loss (FVTPL)	8,00,67,761	-
Total Current Investments	10,05,21,233	2,04,08,579

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	Value (₹)	
	31.03.2020	31.03.2019
Aggregate market value of quoted investments		
Non-Current	13,52,62,500	1,83,76,860
Current	2,04,53,472	2,04,08,579
Aggregate carrying value of unquoted investments		
Non-Current	3,31,59,860	80,00,000
Current	8,00,67,761	
Aggregate amount of impairment in value of investments	-	-

4. LOANS - NON-CURRENT	31.03.2020	31.03.2019
(Considered good-Unsecured)	₹	₹
Security deposits	4,38,710	4,65,796
	<u>4,38,710</u>	<u>4,65,796</u>

5. OTHER FINANCIAL ASSETS - NON -CURRENT	31.03.2020	31.03.2019
	₹	₹
Bank deposit with more than 12 months maturity	12,50,000	12,50,000
	<u>12,50,000</u>	<u>12,50,000</u>

The above bank deposit is given to the bank as security for issuing bank guarantee.

6. DEFERRED TAX ASSET (NET)	31.03.2020	31.03.2019
	₹	₹
Deferred Tax Liability		
Long term capital gain on conversion of land into stock-in-trade	(6,77,655)	(7,25,091)
Other items	(2,46,358)	(2,40,414)
Deferred Tax Assets		
Property, plant and equipment	3,39,955	3,56,030
Expenses that are allowed on payment basis	22,57,006	22,00,586
Unused tax losses	4,02,93,880	4,45,01,097
Others	12,03,459	-
Net deferred tax asset	<u>4,31,70,287</u>	<u>4,60,92,208</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

a) Movement in deferred tax balances

Movement in deferred tax during the year ended 31st March, 2020

	Opening balance as at 01.04.2019	Recognised in profit or loss	Recognised in OCI	Closing balance as at 31.03.2020
				(In ₹)
Property, Plant and Equipment	3,56,030	(16,075)	-	3,39,955
Expenses that are allowed on payment basis	22,00,586	56,420	-	22,57,006
Unused tax losses	4,45,01,097	(42,07,217)	-	4,02,93,880
Long term capital gain on conversion of land into stock-in-trade	(7,25,091)	47,436	-	(6,77,655)
Actuarial gain on defined benefit obligations	(2,28,266)	-	(13,184)	(2,41,450)
Interest income on unwinding of financial liability	(12,148)	7,240	-	(4,908)
Others	-	(98,682)	13,02,141	12,03,459
Net deferred tax asset	4,60,92,208	(42,10,878)	12,88,957	4,31,70,287

Movement in deferred tax during the year ended 31st March, 2019

	Opening balance as at 01.04.2018	Recognised in profit or loss	Recognised in OCI	Closing balance as at 31.03.2019
				(In ₹)
Property, plant and equipment	3,15,974	40,056	-	3,56,030
Expenses that are allowed on payment basis	19,88,557	2,12,029	-	22,00,586
Unused tax losses	4,23,42,077	21,59,020	-	4,45,01,097
Long term capital gain on conversion of land into stock-in trade	(6,71,139)	(53,952)	-	(7,25,091)
Actuarial gain on defined benefit obligations	(1,56,192)	-	(72,074)	(2,28,266)
Interest income on unwinding of financial liability	(8,912)	(3,236)	-	(12,148)
Net deferred tax asset	4,38,10,365	23,53,917	(72,074)	4,60,92,208

b) Income tax recognised in profit and loss

	31.03.2020 ₹	31.03.2019 ₹
Current tax		
In respect of current year	13,05,209	97,88,900
In respect of earlier years	(66,116)	(43,22,691)
Deferred tax		
Relating to origination and reversal of temporary differences	42,10,878	(23,53,917)
Total income tax recognised for the year	54,49,971	31,12,292

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

c) Income tax recognised in other comprehensive income	31.03.2020	31.03.2019
	₹	₹
Deferred tax arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligations	(13,184)	(72,074)
Changes in fair value of equity instruments through FVTOCI	10,74,979	-
Changes in fair value of debt instruments through FVTOCI	2,27,162	-
Total income tax recognised in other comprehensive income	12,88,957	(72,074)

d) The income tax expense for the year can be reconciled to the accounting profit / (loss) as follows:

	31.03.2020	31.03.2019
	₹	₹
Profit before tax and share of profit / (loss) in associate	59,86,669	3,77,68,613
Tax expense calculated at 25.168% (2018-19:27.82%)	15,06,725	1,05,02,746
Effect of expenses that are not deductible or deductible on payment basis	8,43,811	17,69,063
Effect of incomes which are exempt from tax	(2,39,657)	(35,521)
Effect of expenses that are deductible under Income tax act	(7,09,456)	(12,10,582)
Utilisation of brought forward unabsorbed depreciation adjusted during the year	-	(9,31,160)
Others	(3,00,858)	4,19,848
Adjustment due to changes in tax rates	44,15,522	(34,52,558)
Effect of previously unrecognised tax losses	-	3,73,147
	55,16,087	74,34,983
Adjustments recognised in the current year in relation to the current tax of earlier years	(66,116)	(43,22,691)
Income tax expense recognised in profit and loss	54,49,971	31,12,292

The tax rate used for the above reconciliations is the corporate tax rate of 25.168% for the year 2019-20 and 27.82% for the year 2018-19 payable by the Company.

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the period in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income in making this assessment.

Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry forward period are reduced.

As at 31st March, 2020, the Company has recognized deferred tax asset of ₹ 4,02,93,880/- (as at 31st March, 2019 ₹ 4,45,01,097/-) on unused tax losses. Such tax losses include major items which are not expected to recur in future. Based on realistic estimates of future earnings there is reasonable certainty that the Company will generate sufficient taxable income to utilise such tax losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

7. OTHER NON-CURRENT ASSETS	31.03.2020	31.03.2019
	₹	₹
Advance income tax (net of provisions)	1,54,35,237	1,66,28,826
(net of provision of ₹ 10,93,58,083/- as at 31st March, 2020, ₹ 9,83,30,090/- as at 31st March, 2019)	1,54,35,237	1,66,28,826

8. INVENTORIES	31.03.2020	31.03.2019
	₹	₹
Construction work-in-progress	18,84,21,724	14,27,05,077
Realty stock-in-trade	16,29,92,804	24,83,69,643
	35,14,14,528	39,10,74,720

9. CASH AND CASH EQUIVALENTS	31.03.2020	31.03.2019
	₹	₹
Balances with banks:		
In current accounts	20,55,509	21,49,375
Cheques on hand	12,890	-
Cash on hand	1,06,254	24,042
	21,74,653	21,73,417

10. OTHER BANK BALANCES	31.03.2020	31.03.2019
	₹	₹
Unclaimed dividend accounts	11,01,689	12,42,078
	11,01,689	12,42,078

11. LOANS - CURRENT	31.03.2020	31.03.2019
	₹	₹
Loans receivable considered good - Unsecured		
Inter corporate deposits	22,37,90,000	45,32,06,290
Loans to employees*	30,000	1,60,000
	22,38,20,000	45,33,66,290

* includes due from officers of the Company - 55,000

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

12. OTHER CURRENT FINANCIAL ASSETS	31.03.2020	31.03.2019
	₹	₹
Interest receivable	1,65,43,915	3,29,62,880
Deposits	3,00,00,000	-
Others	28,23,947	11,95,485
	4,93,67,862	3,41,58,365

13. OTHER CURRENT ASSETS	31.03.2020	31.03.2019
	₹	₹
Income tax paid against disputed demand	6,87,03,074	6,87,03,074
Balances with government authorities	1,00,08,994	38,98,431
Prepaid expenses	2,78,419	3,59,449
Other advances	51,46,908	35,42,910
	8,41,37,395	7,65,03,864

14. EQUITY SHARE CAPITAL	31.03.2020	31.03.2019
	₹	₹
AUTHORISED		
1,00,00,000 (31st March, 2019 - 1,00,00,000) Equity Shares of ₹ 10/- each	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
29,91,382 (31st March, 2019- 29,91,382) Equity shares of ₹ 10/- each fully paid up (of which 360 (31st March, 2019 - 360) shares remain to be exchanged for fractional certificates)	2,99,13,820	2,99,13,820
Add : Forfeited shares account	23,050	23,050
Total issued, subscribed and fully paid up share capital	2,99,36,870	2,99,36,870

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Particulars	31.03.2020		31.03.2019	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820

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 per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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 31st March, 2020		As at 31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Lucky Vyapaar and Holdings Pvt. Ltd.	7,43,040	24.84	7,43,040	24.84
Life Insurance Corporation of India	5,07,754	16.97	5,98,741	20.02
New Textiles LLP (formerly known as New Textiles Pvt. Ltd.)	5,99,123	20.03	5,99,123	20.03

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

15. OTHER EQUITY	31.03.2020	31.03.2019
	₹	₹
CAPITAL RESERVE		
Opening balance	60,71,263	60,71,263
Add: Capital reserve on investments in associates	13,00,34,532	13,00,34,532
Addition during the year	-	-
Closing balance	13,61,05,795	13,61,05,795
SECURITIES PREMIUM ACCOUNT		
Opening balance	1,43,23,904	1,43,23,904
Addition/(utilisation) during the year	-	-
Closing balance	1,43,23,904	1,43,23,904
GENERAL RESERVE		
Opening balance	70,09,00,000	70,09,00,000
Addition/(utilisation) during the year	-	-
Less: Share of loss in associates	11,84,41,308	11,84,41,308
Closing balance	58,24,58,692	58,24,58,692
OTHER COMPREHENSIVE INCOME - EQUITY INSTRUMENTS (FVTOCI)		
Opening balance	1,13,79,541	88,34,852
Add/(less): changes in fair value during the year of FVTOCI equity instruments (net of tax)	(98,79,134)	25,44,689
Closing balance	15,00,407	1,13,79,541
OTHER COMPREHENSIVE INCOME - DEBT INSTRUMENTS (FVTOCI)		
Opening balance	-	-
Add/(less): changes in fair value during the year of FVTOCI debt instruments (net of tax)	(8,63,936)	-
Closing balance	(8,63,936)	-
RETAINED EARNINGS		
Opening balance	29,55,77,625	28,37,41,571
Profit for the year	33,60,787	1,16,49,055
<u>Items of other comprehensive income recognised directly in retained earnings:</u>		
Remeasurement of defined benefit obligation (net of tax)	39,198	1,86,999
Closing Balance	29,89,77,610	29,55,77,625
Total other equity	1,03,25,02,472	1,03,98,45,557

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

CAPITAL RESERVE

Pertains to share application money forfeited in the case where remaining amount was not paid. The reserve can be utilised in accordance with the provisions of the Act.

SECURITIES PREMIUM RESERVE

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

GENERAL RESERVE

General Reserve represent amounts transferred from Retained Earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956. The reserve can be utilised in accordance with the provisions of the Act. Declaration of dividend out of such reserve shall not be made except in accordance with the rules prescribed in this behalf under the Act.

OTHER COMPREHENSIVE INCOME - EQUITY INSTRUMENTS (FVTOCI)

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfer amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

OTHER COMPREHENSIVE INCOME- DEBT INSTRUMENTS (FVTOCI)

This reserve represents the cumulative gains (net of losses) arising on revaluation of debt instruments measured at fair value through Other Comprehensive Income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in this reserve is reclassified from equity to Profit or Loss.

16. BORROWINGS - NON-CURRENT

	31.03.2020 ₹	31.03.2019 ₹
Unsecured loan from other		
Term loan	1,65,29,265	2,79,53,436
	<u>1,65,29,265</u>	<u>2,79,53,436</u>

(Unsecured loan availed against the security of assets given by a company in which Directors are interested and carries interest @11.55% per annum (previous year 11.55% p.a.) and is repayable in equated monthly installment over a period of 5 years (previous year 7 years) last installment is in July 2024)

17. OTHER FINANCIAL LIABILITIES - NON-CURRENT

	31.03.2020 ₹	31.03.2019 ₹
Security deposit	15,89,487	14,36,678
	<u>15,89,487</u>	<u>14,36,678</u>

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

18. PROVISIONS - NON-CURRENT	31.03.2020 ₹	31.03.2019 ₹
For employee benefits- Gratuity (refer note 31)	19,55,011	15,98,754
	19,55,011	15,98,754

19. OTHER LIABILITIES - NON-CURRENT	31.03.2020 ₹	31.03.2019 ₹
Deferred income	2,17,229	3,59,729
	2,17,229	3,59,729

20. OTHER FINANCIAL LIABILITIES - CURRENT	31.03.2020 ₹	31.03.2019 ₹
Current maturities of long term debt	39,14,813	26,74,294
Unpaid dividends	11,01,689	12,42,078
Other liabilities	1,03,40,461	1,25,74,931
Retention money	27,82,067	39,72,427
	1,81,39,030	2,04,63,730

21. OTHER CURRENT LIABILITIES	31.03.2020 ₹	31.03.2019 ₹
Statutory dues	5,26,002	6,04,087
Deferred income	1,73,784	1,59,928
Others	6,31,000	12,40,827
	13,30,786	20,04,842

22. PROVISIONS - CURRENT	31.03.2020 ₹	31.03.2019 ₹
For employee benefits - (refer note 31)		
Gratuity	20,97,422	20,79,299
Leave benefits	31,51,727	26,11,268
	52,49,149	46,90,567

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

23. CURRENT TAX LIABILITIES- (NET)	31.03.2020	31.03.2019
	₹	₹
Provision for taxation (net)	-	26,40,048
	-	26,40,048

24. REVENUE FROM OPERATIONS	2019-20	2018-19
	₹	₹
Sale of products	8,32,79,100	3,74,08,350
Rental income	76,43,786	1,00,64,267
	9,09,22,886	4,74,72,617

25. OTHER INCOME	2019-20	2018-19
	₹	₹
Interest income on financial assets		
Bank deposits	91,751	45,555
Inter corporate deposits	3,21,46,054	5,02,11,929
Interest income on financial assets fair valued through other comprehensive income	61,41,992	-
Interest income on investments carried at fair value through profit or loss	16,45,795	8,80,883
Interest on deposits	21,31,346	-
Others	14,230	9,08,825
Interest on income tax refund	5,93,724	-
Dividends income	9,52,230	1,27,681
Building rent	25,80,000	45,32,250
Other non-operating income	11,810	10,385
Profit on sale/redemption of investments (designated at fair value through profit or loss)	6,50,293	40,281
Changes in fair value of financial assets at fair value through profit or loss (FVTPL)	3,92,095	-
	4,73,51,320	5,67,57,789

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

26. COST OF SALES	2019-20	2018-19
	₹	₹
Opening stock		
Construction work-in-progress	14,27,05,077	5,88,51,842
Finished stock	24,83,69,643	28,86,09,735
Add: Expenses incurred during the year		
Materials, structural, labour and contract cost incurred	1,77,22,792	23,27,133
Rates and taxes	1,44,330	-
Professional charges	2,45,77,574	1,52,000
Other cost	16,35,224	69,27,014
Transferred from advances	-	7,61,55,362
	4,40,79,920	8,55,61,509
Less: Closing stock		
Construction work-in-progress	18,84,21,724	14,27,05,077
Finished stock	16,29,92,804	24,83,69,643
Cost of sales	8,37,40,112	4,19,48,366

27. EMPLOYEE BENEFITS EXPENSE	2019-20	2018-19
	₹	₹
Salaries and wages	2,40,26,414	2,62,10,773
Contribution to provident and other funds	7,92,156	8,07,865
Staff welfare expenses	10,25,050	9,60,261
	2,58,43,620	2,79,78,899

28. FINANCE COSTS	2019-20	2018-19
	₹	₹
Interest expenses on		
Term loan	30,89,512	33,05,753
Income tax	2,87,012	21,53,687
Others	1,98,961	1,92,643
	35,75,485	56,52,083

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

29. OTHER EXPENSES	2019-20	2018-19
	₹	₹
Electricity	8,04,448	6,75,706
Repairs to		
Buildings	5,84,304	67,024
Machinery	1,80,707	1,38,415
Others	3,56,462	1,78,824
Insurance	73,560	85,266
Rent	63,357	61,336
Rates and taxes	9,44,970	9,39,900
Advertisements	37,104	94,832
Business promotion expenses	4,42,228	6,83,107
Travelling and conveyance expenses	16,57,337	25,29,970
Legal and professional fees	5,12,836	2,29,35,378
Retainership fees	11,23,120	12,67,892
Printing, stationery and communication expenses	7,61,280	9,35,730
Bank charges	5,795	83,551
Interest receivable written off	-	44,78,432
Vehicles expenses	8,04,810	8,13,021
Flat maintenance expenses	11,85,232	10,62,920
Commission and brokerage	3,49,500	1,82,000
Membership and subscription charges	5,98,750	5,03,350
Security charges	12,93,015	10,87,242
Sundry assets written off	-	1,030
Goods and Service Tax Paid	7,52,434	11,21,810
Sundry expenses	16,87,090	12,01,070
Directors' sitting fees	3,70,000	3,60,000
Loss on sale of fixed asset	-	2,37,601
Society maintenance charges	22,69,709	24,12,259
Auditors' remuneration		
As Auditor		
Audit fee	3,65,000	2,90,000
Tax audit fee	50,000	25,000
For taxation matters	30,000	-
For reimbursement of expenses	5,191	3,17,761
	1,73,08,239	4,44,55,427

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

30. EXCEPTIONAL ITEM	2019-20	2018-19
	₹	₹
Interest on income tax refund	-	5,52,99,872
	-	5,52,99,872

31. EMPLOYEE BENEFITS

I) Defined Contribution Plans

- a) Provident fund
- b) Superannuation fund and Pension scheme, 1995
- c) Employer's contribution to Employees state insurance

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

Contribution to:	2019-20	2018-19
	₹	₹
Provident fund	1,03,985	93,367
Superannuation fund	5,22,667	5,04,000
Pension fund	83,337	88,237
Employees State Insurance fund	82,167	1,22,261

Disclosures for defined benefit plan based on actuarial valuation report:

II) Defined Benefit Plan

GRATUITY	2019-20	2018-19
	₹	₹
A. Changes in defined benefit obligations		
Present value of defined benefit obligation as at the beginning of the year	36,78,053	38,28,638
Interest cost	2,05,268	2,74,767
Current service cost	2,21,494	2,60,297
Past service cost - vested benefits	-	-
Benefit paid	-	(4,26,576)
Actuarial (gain) / loss due to changes in financial assumption	26,499	(37,450)
Actuarial (gain) / loss due to changes in experience adjustments	(78,881)	(2,21,623)
Present value of defined benefit obligation as at the end of the year	40,52,433	36,78,053

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	2019-20 ₹	2018-19 ₹
B. Amount recognized in the Balance Sheet		
Present value of defined benefit obligation as at the end of the year	40,52,433	36,78,053
Fair value of plan assets at end of the year	-	-
Net liability recognized in the Balance Sheet	40,52,433	36,78,053
- Current provision	20,97,422	20,79,299
- Non-current provision	19,55,011	15,98,754
C. Expenses recognized in the Statement of Profit and Loss		
Interest cost	2,05,268	2,74,767
Current service cost	2,21,494	2,60,297
Past service cost - vested benefits	-	-
Expenses recognized in the Statement of Profit and Loss	4,26,762	5,35,064
D. Expenses recognized in the Other Comprehensive Income (OCI)		
Remeasurement (gain) / loss	(52,382)	(2,59,073)
Actuarial (gain) / loss due to changes in financial assumptions	26,499	(37,450)
Actuarial (gain) / loss due to changes in experience adjustments	(78,881)	(2,21,623)
E. Movement in the present value of net defined benefit obligation are as follows		
Opening net liability	36,78,053	38,28,638
Expenses recognised in this Statement of Profit and Loss	4,26,762	5,35,064
Expenses recognised in OCI	(52,382)	(2,59,073)
Contributions paid	-	(4,26,576)
Closing net liability	40,52,433	36,78,053

(In ₹)

Maturity profile of defined benefit obligation	Estimated for the year ended 31st March, 2020	Estimated for the year ended 31st March, 2019
1st following year	20,97,422	20,79,299
2nd following year	1,87,585	10,816
3rd following year	10,031	1,66,465
4th following year	1,97,600	9,773
5th following year	10,602	1,71,254
Sum of years 6 to 10	8,75,394	7,47,049

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Sensitivity analysis	2019-20 ₹	2018-19 ₹
Impact of +1% change in discount rate	38,29,307	34,90,309
Impact of -1% change in discount rate	43,19,791	39,02,408
Impact of +1% change in salary escalation rate	42,88,931	38,16,235
Impact of -1% change in salary escalation rate	38,24,567	34,92,492

The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefits obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The estimates of future salary increases, considered in actuarial valuation, taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Actuarial assumptions	As at 31st March, 2020	As at 31st March, 2019
Discount rate	6.77%	7.78%
Salary escalation rate	5.00%	6.00%
Attrition rate	0.50%	0.50%

32. RELATED PARTY DISCLOSURE

(i) List of Related Parties as required by Ind AS-24 "Related Party Disclosures" are given below:

(a) Associates	Simplex Papers Ltd. Simplex Mills Company Ltd.
(b) Key management personnel and their relatives	Mr. Nandan Damani - Managing Director Mr. Sanjay N Damani - Executive Director Mrs. Sandhya R Kini - Executive Director Mrs. Shivani V Jatia Mrs. Shashi A Patodia Mrs. Shreelekha N Damani
(c) Non Executive/Independent Directors	Mr. V.B.Haribhakti Mr. S.K.Somany Mrs. Renu Jain (appointed w.e.f. 08.05.2019) Mr. Vijay S Jindal Mr. Sabhapati G Shukla
(d) Where persons mentioned in (b) exercise significant influence	The Nav Bharat Refrigeration And Industries Ltd. Shreelekha Global Finance Ltd. New Textiles LLP (formerly known as New Textiles Pvt Ltd.) Lucky Vyapaar and Holdings Pvt. Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(ii) Transactions with related parties

(In ₹)

Type of related party	Description of the nature of transactions	Volume of transactions during 2019-20	Volume of transactions during 2018-19	Balance as on 31.03.20 Receivable/ (Payable)	Balance as on 31.03.19 Receivable/ (Payable)
(a) Associates Simplex Papers Ltd.	Loan given / (repaid) Interest accrued Interest amount written off	- - -	(72,00,000) 3,79,924 3,79,924		
Simplex Mills Co. Ltd.	Loan (repaid) Interest accrued Interest amount written off Investment in Redeemable Preference Shares Reimbursement of expenses	- - - - 42,634	(7,76,71,632) 40,98,508 40,98,508 9,00,00,000 26,328	9,00,00,000	9,00,00,000
(b) Key management personnel and their relatives	Remuneration#	74,16,100	73,60,277	-	-
(c) Non Executive/ Independent Directors	Sitting fees Mr. V.B.Haribhakti Mr. S.K.Somany Mr. T C Suseel Kumar Mrs. Renu Jain Mr. Vijay S Jindal Mr. Sabhapati G Shukla	1,00,000 1,00,000 - 40,000 30,000 1,00,000	1,10,000 1,10,000 10,000 - 20,000 1,10,000	- - - - - -	- - - - - -
(d) Where persons mentioned in (b) exercise significant influence					
a) Reimbursement of expenses received					
The Nav Bharat Refrigeration and Industries Ltd.		2,61,577	1,08,017	-	-
Lucky Vyapaar and Holdings Pvt. Ltd.		2,18,859	2,36,980	-	-
b) Security					
Security offered by Lucky Vyapaar and Holdings Pvt. Ltd for loan availed				2,04,44,078	3,06,27,730

Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available.

Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

33. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT

a) Financial instruments by category

(In ₹)

Particulars	31.03.2020			31.03.2019		
	At FVTOCI	At FVTPL	At Amortised cost	At FVTOCI	At FVTPL	At Amortised cost
Financial Assets						
Investments	15,96,77,472	9,32,27,621	-	2,04,08,579	80,00,000	-
Loans	-	-	22,42,58,710	-	-	45,38,32,086
Cash and cash equivalents	-	-	21,74,653	-	-	21,73,417
Other bank balances	-	-	11,01,689	-	-	12,42,078
Other financial assets	-	-	5,06,17,862	-	-	3,54,08,365
	15,96,77,472	9,32,27,621	27,81,52,914	2,04,08,579	80,00,000	49,26,55,946
Financial Liabilities						
Borrowings	-	-	2,04,44,078	-	-	3,06,27,730
Trade payables	-	-	14,77,620	-	-	22,14,333
Other financial liabilities	-	-	1,58,13,704	-	-	1,92,26,114
	-	-	3,77,35,402	-	-	5,20,68,177

*Exclude investments in Associate [₹ 6,98,16,823/-(previous year ₹ 6,69,92,734/-)] measured at cost (accounted using Equity Method).

b) Fair value hierarchy and method of valuation

The following table shows fair value measurement hierarchy. Except for these financial instruments, the Company considers that the carrying value amount recognised in the financial statements approximate their fair value largely due to the short term maturities of these instruments.

(In ₹)

	31.03.2020			31.03.2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Measured at FVTOCI						
Investments in equity instruments	1,04,47,472	-	-	2,04,08,579	-	-
Investments in preference shares	-	2,00,00,000	-	-	-	-
Investments in bonds/debentures	-	12,92,30,000	-	-	-	-
Measured at FVTPL						
Investments in mutual funds	-	8,00,67,761	-	-	-	-
Investments in alternate investment funds	-	1,31,59,860	-	-	-	-

Level 1 Quoted prices (unadjusted) in active market for identical assets or liabilities. This includes listed equity instruments that have quoted price. The fair value of equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

The fair value of financial instruments that are not traded in active market is determined using market approach and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

The fair value of investments in bonds, debentures and mutual funds is measured at quoted price, dealer quotes or NAV.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

c) Risk management framework

The Company's principal financial liabilities includes borrowings, trade and other payables. The Company's principal financial assets include loans, trade receivables, investments (equity shares/bonds/debentures/mutual funds), cash and cash equivalents and others. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

d) Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- i) Credit Risk
- ii) Liquidity Risk
- iii) Market Risk

i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments in inter corporate deposits, bonds or debentures.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, credit risk with regards to trade receivables is almost negligible in case of its residential, commercial sale and lease rental as the same is due to the fact that in case of its residential and commercial sale business, it does not handover possession till entire outstanding is received. Similarly, in case of lease rental business, the Company keeps 3 to 6 months rental amount as deposit from the occupants.

No impairment is observed on the carrying value of trade receivables.

Other financial assets

Credit risk from balances with banks, loans and investments is managed by Company's finance department. Investments of surplus funds are primarily made in fixed deposits, with banks and companies; bonds or debentures of investment grade issued by government institutions, public sector undertakings, corporates. These counter parties are shortlisted and exposure limits determined on the basis of their credit rating, financial statements and other relevant informations. As these counter parties are government institutions, public sector undertaking and corporates with investment grade credit ratings, the counter party risk attached to such assets is considered to be insignificant. Impairment in the value of investments in associates is recognised, if required, as on the reporting date.

ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

The Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds and inter-corporate loans.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

(In ₹)

As at 31st March, 2020	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Borrowings	2,04,44,078	2,04,44,078	39,14,813	43,91,695	1,21,37,570	-
Trade Payables	14,77,620	14,77,620	14,77,620	-	-	-
Other Financial Liabilities	1,58,13,704	1,58,13,704	1,42,24,217	-	15,89,487	-
	3,77,35,402	3,77,35,402	1,96,16,650	43,91,695	1,37,27,057	-

As at 31st March, 2019	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Borrowings	3,06,27,730	3,06,27,730	26,74,294	30,00,063	1,13,76,392	1,35,76,981
Trade Payables	22,14,333	22,14,333	22,14,333	-	-	-
Other Financial Liabilities	1,92,26,114	1,92,26,114	1,77,89,436	-	14,36,678	-
	5,20,68,177	5,20,68,177	2,26,78,063	30,00,063	1,28,13,070	1,35,76,981

iii) Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return. The Company's investments are held in bonds/debentures, fixed deposits and debt mutual funds. Investments in bonds/debenture are measured either fair value through other comprehensive income or fair value through profit or loss to recognise market volatility, which is not considered to be significant. Fixed deposits are held with highly rated banks and companies and are not subject to interest rate volatility.

The Company invests in mutual funds. Mutual fund investments are susceptible to market price risks that arise mainly from change in interest rate which may impact the return and value of such investments.

Currency risk

Currency risk is not material, as the Company's primary business activities are within India and does not have any exposure in foreign currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The management is responsible for the monitoring of the Company's interest rate position. The exposure of the Company's borrowing to the interest rate risk at the end of the reporting period is as follows:

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Floating rate borrowing	2,04,44,078	3,06,27,730
	2,04,44,078	3,06,27,730

The sensitivity analysis below have been determined based on the exposure to interest rate for liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year. The amount indicated below may have an impact on reported profit / (loss) for the year.

A reasonable possible change of 100 basis points in interest rate would have resulted in variation in the interest expenses for the Company by the amounts as follows:

(In ₹)

Particulars	2019-20	2018-19
Interest rate - Increase by 100 basis points	(2,04,441)	(3,06,277)
Interest rate - Decrease by 100 basis points	2,04,441	3,06,277

Commodity price risk

The Company's activities are exposed to steel and cement price risks and therefore its overall risk management program focuses on the volatile nature of the steel and cement market, thus seeking to minimize potential adverse effects on the Company's financial performance on account of such volatility.

34. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and the total equity of the Company. For this purpose, net debt is defined as total borrowings less cash and cash equivalents.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirements are met through short-term/long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company's net debt to equity ratio is as follows:

(In ₹)

	As at 31st March, 2020	As at 31st March, 2019
Borrowings	2,04,44,078	3,06,27,730
Less: Cash and cash equivalents	(21,74,653)	(21,73,417)
Net Debt	1,82,69,425	2,84,54,313
Total equity	1,06,24,39,342	1,06,97,82,427
Debt/Equity ratio	0.02	0.03

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

35. 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 / (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	2019-20	2018-19
1. Profit after tax – ₹	33,60,787	1,16,49,055
2. Weighted average number of shares outstanding during the year	29,91,382	29,91,382
3. Face value of shares – ₹	10/-	10/-
4. Basic / Diluted EPS - ₹	1.12	3.89

36. INFORMATION ON SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Information on Associates

Name of Company	Country of Incorporation	Percentage of holding	
		As at 31st March, 2020	As at 31st March, 2019
Simplex Mills Company Ltd.	India	48.99	48.99
Simplex Papers Ltd.	India	49.01	49.01

37. LEASES

The Company's significant leasing arrangements are in respect of operating leases for Commercial and Residential premises. Lease income from operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Future minimum lease rental receivable under operating leases are as follows:		
Not later than 1 year	1,01,40,000	74,70,000
Later than 1 year not later than 5 years	98,28,000	1,73,88,000
Later than 5 years	-	-

38. CORPORATE SOCIAL RESPONSIBILITY

During the year, the Company was not required to spend any money as per the provision of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities.

Gross amount required to be spent by the Company during the year ₹ Nil (previous year ₹ Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

39. INTEREST IN ASSOCIATES

The Company has 48.99% and 49.01% shareholding in Simplex Mills Company Ltd. (SMCL) and Simplex Papers Ltd. (SPL) respectively. The Company has the ability to appoint directors on the Board of SMCL and SPL, giving it the power to participate in the financial and operating policy decisions. The Company has significant influence by virtue of its shareholding in SMCL and SPL making them as associates. The Company's interest is accounted for using the equity method in the consolidated financial statements. As per the equity method if an entity's share of losses of an associates equals or exceeds its interest in the associates, the entity discontinues recognizing its shares of further losses. The Company's share of losses in SPL had already exceeded its interest in the associates, hence no further losses are being recognized.

Name of the Company	Investment in	Principal place of business	Carrying amount (₹)		
			As at 31st March, 2020	As at 31st March, 2019	% of ownership interest
Simplex Mills Company Ltd.	Equity Shares	India	-	-	48.99%
Simplex Mills Company Ltd.	Redeemable Preference Shares	India	6,98,16,823	6,69,92,734	-
Simplex Papers Ltd.	Equity Shares	India	-	-	49.01%

Significant financial information for associates

Summarised Balance Sheet of Simplex Mills Company Limited

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current assets	2,63,92,973	1,87,93,987
Non-current assets	4,35,04,098	4,43,41,999
Current liabilities	2,87,12,000	2,54,91,966
Non-current liabilities	8,23,83,635	8,46,07,208
Equity	(4,11,98,564)	(4,69,63,188)

Summarised Statement of Profit and Loss of Simplex Mills Company Limited

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Revenue (including other income)	70,62,446	39,16,369
Profit/(Loss) for the year	57,64,624	(15,71,559)
Other comprehensive income	-	-
Total comprehensive income/(expense)	57,64,624	(15,71,559)

Summarised Balance Sheet of Simplex Papers Limited

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current assets	1,35,49,955	1,71,50,659
Non-current assets	9,57,805	9,59,837
Current liabilities	13,09,81,222	12,87,04,836
Non-current liabilities	-	-
Equity	(11,64,73,462)	(11,05,94,340)

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Summarised Statement of Profit and Loss of Simplex Papers Limited

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Revenue (including other income)	5,97,921	4,83,740
Loss for the year	(58,79,122)	(9,00,981)
Other comprehensive income	-	-
Total comprehensive income/(expense)	(58,79,122)	(9,00,981)

40. DISCLOSURE MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION

Name of the entity	Net Assets (total assets minus total liabilities)		Share in Profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated	₹	As % of consolidated	₹	As % of consolidated	₹	As % of consolidated	₹
Simplex Realty Limited								
Balance as at 31st March, 2020	104%	1,10,15,72,769	16%	5,36,698	100%	(1,07,03,872)	138%	(1,01,67,174)
Balance as at 31st March, 2019	104%	1,11,17,39,943	298%	3,46,56,321	100%	27,31,688	260%	3,73,88,009
Associates*								
Simplex Mills Company Limited								
Balance as at 31st March, 2020	-	-	84%	28,24,089	-	-	-38%	28,24,089
Balance as at 31st March, 2019	-	-	-198%	(2,30,07,266)	-	-	-160%	(2,30,07,266)
Simplex Papers Limited								
Balance as at 31st March, 2020	-	-	-	-	-	-	-	-
Balance as at 31st March, 2019	-	-	-	-	-	-	-	-
Adjustments arising out of consolidation								
31st March, 2020	4%	3,91,33,427	-	-	-	-	-	-
31st March, 2019	4%	4,19,57,516	-	-	-	-	-	-
Total for 31st March, 2020	100%	1,06,24,39,342	100%	33,60,787	100%	(1,07,03,872)	100%	(73,43,085)
Total for 31st March, 2019	100%	1,06,97,82,427	100%	1,16,49,055	100%	27,31,688	100%	1,43,80,743

* The net assets of these entities have not been consolidated under the equity method

41. Investments in associates are accounted for using the equity method of accounting. Under the equity method, an investor needs to recognize its share of profit or loss in the investee to the extent of its interest in the associates. The interest in an associate is the carrying amount of the investment in the associate determined using equity method together with any long term interest. Losses recognized using the equity method in excess of the entity's investment in ordinary shares are applied to the other components of the entity's interest in an associate. The Company's share in profit for the period ended 31st March, 2020 amounting to ₹ 28,24,089/- has been recognized in the consolidated financial statement and for the previous year ended 31st March, 2019 losses amounting to ₹ 2,30,07,266/- was recognized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

42. CONTINGENT LIABILITIES NOT PROVIDED FOR

a) Claims against the Company not acknowledged as debt:

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Appeals filed in respect of disputed demands:		
Relating to income tax where the Company is in appeal	4,77,38,205	4,77,38,205
Relating to income tax where Department is in appeal	28,04,25,028	28,04,25,028
b) Labour matters	1,35,327	1,35,327
c) Legal cases	34,05,600	34,05,600
d) Bank guarantee	12,50,000	12,50,000

b) Contingent liabilities of associates, to the extent of Company's holding in associates:

(In ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Appeals filed in respect of disputed demands:		
i) Central Excise	16,85,37,197	16,88,43,761
ii) Labour Matters	21,50,650	51,89,437
b) Other claims	35,35,926	35,35,926
c) SICOM/Joint Director of Industries	1,04,39,092	99,14,357

c) Others

The Company had received a demand notice of ₹ 17,15,65,324/- (as at 31st March, 2019 ₹ 17,15,65,324/-) from the State Revenue Department on account of permission required for transfer of flats built out of FSI relating to Leasehold land in project "Planet Godrej". The Company filed a writ petition against the demand in the Honb'le High Court of Bombay ("the Court") and the Court has stayed the demand order until a formal policy applicable to all leasehold lands is framed by the State. Further, the Court has ordered that as and when the policy is framed by the State, thereafter, the State shall approach the Honb'le High Court of Bombay for amending the present order.

43. Based on the intimations received from "suppliers" regarding their status under as Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), there are no amounts outstanding to MSME at 31st March, 2020 and no amounts were overdue during the year for which disclosure requirements under MSMED are applicable.
44. The lease of the land at Mumbai has expired and it is yet to be renewed by the Collector of Mumbai ("the Collector"). Pending renewal of the lease, the previously agreed lease rent continues to be paid by the Company on the basis of the expired lease agreement. The demands previously raised by the Collector have been set aside by the Honb'le High Court of Bombay ("the Court"), and the Court has directed the Collector to re-assess the lease rent. As of the Balance Sheet date, no revised demand is received.
45. The Company's main business activity constitutes developing real estate, which is the only reporting segment. The Company does not have any reportable geographical segment.

SIMPLEX REALTY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

46. The Financial Statements of the Company for the year ended 31st March, 2020 were approved by the Board of Directors on 20th June, 2020.
47. Previous year's figures have been reclassified, wherever necessary, to conform current year's presentation.

As per our report of even date attached

For **Khandelwal and Mehta LLP**
Chartered Accountants
Firm's Registration No.W100084

Sunil Khandelwal
Partner
Membership No. 101388
Mumbai, 20th June 2020

Surendra Kabra
Chief Financial Officer

For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

Surendra Kumar Somany
Independent Director

Mumbai, 20th June 2020

**Form No. SH-13
Nomination Form**

[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014]

To
Simplex Realty Limited
30, Keshavrao Khadye Marg,
Sant Gadge Maharaj Chowk,
Mumbai - 400 011

I/We _____ the holder(s) of the securities, particulars of which are given hereunder, wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made):

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

2. PARTICULARS OF NOMINEE/S –

- Name:
- Date of Birth:
- Father's / Mother's / Spouse's name:
- Occupation:
- Nationality:
- Address:
- E-mail Id. & Telephone No.:
- Relationship with the security holder(s):

3. IN CASE NOMINEE IS A MINOR –

- Date of birth:
- Date of attaining majority:
- Name of guardian:
- Address of guardian:

4. PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY –

- Name:
- Date of Birth:
- Father's / Mother's / Spouse's name:
- Occupation:
- Nationality:
- Address:
- E-mail Id. & Telephone No.:
- Relationship with the security holder(s)
- Relationship with the minor nominee:

Name(s) and Address of Security holder(s)

Signature(s)

Name(s) and Address of Witness

Signature

SIMPLEX REALTY LIMITED

Form No. SH-14 Cancellation or Variation of Nomination Form

[Pursuant to sub- section (3) of Section 72 of the Companies Act, 2013 and Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014]

To
Simplex Realty Limited
30, Keshavrao Khadye Marg,
Sant Gadge Maharaj Chowk,
Mumbai - 400 011

I/We hereby cancel the nomination(s) made by me/us in favour of _____ (name(s) and address of the nominee) in respect of the below mentioned securities.

Or

I/We hereby nominate the following person in place of _____ as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my / our death.

1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made):

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

2. (a) PARTICULARS OF NOMINEE/S –

- i. Name:
- ii. Date of Birth:
- iii. Father's / Mother's / Spouse's name:
- iv. Occupation:
- v. Nationality:
- vi. Address:
- vii. E-mail Id. & Telephone No.:
- viii. Relationship with the security holder(s):

(b) IN CASE NOMINEE IS A MINOR –

- i. Date of birth:
- ii. Date of attaining majority:
- iii. Name of guardian:
- iv. Address of guardian:

3. PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY –

- i. Name:
- ii. Date of Birth:
- iii. Father's / Mother's / Spouse's name:
- iv. Occupation:
- v. Nationality:
- vi. Address:
- vii. E-mail Id. & Telephone No.:
- viii. Relationship with the security holder(s)
- ix. Relationship with the minor nominee:

Name(s) and Address of Security holder(s)

Signature(s)

Name(s) and Address of Witness

Signature

SIMPLEX REALTY LIMITED

To
Freedom Registry Limited
Unit: Simplex Mills Company Limited
Plot No. 101/102, 19th Street,
MIDC, Satpur,
Nashik- 422 007

Updation of Shareholder Information

I/ We request you to record the following information against my/our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN:*	
CIN/ Registration No.:* (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No:	
Email Id:	

**Self-attested copy of the document(s) enclosed*

Bank Details

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.:*
Name of the Bank:	
Bank Branch Address:	

** A blank cancelled cheque is enclosed to enable verification of bank details.*

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company/ STA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/ First holder

:

Simplex Realty Limited

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