



**97th
ANNUAL REPORT
2009-2010**

Board of Directors

Shri Nandan Damani
Shri M.P.Jatia
Shri V.B.Haribhakti
Shri S.K.Somany
Smt. Anna Malhotra
Smt. Gopa Ray

Chairman & Managing Director

Chief Financial Officer

Shri Surendra Kabra

Company Secretary

Shri Asish Narayan

Auditors

M/s.Dayal and Lohia
Chartered Accountants
Mumbai

Bankers

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

Solicitors

M/s.Wadia Ghandy & Co.
Mumbai

Registered Office

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

Share Transfer Agent

Freedom Registry Limited
(Formerly - Amtrac Management Services Limited)
Plot No. 101/102, 19th Street,
MIDC, Satpur,
Nasik - 422 007
Tel.: 0253 - 2354032
Email: amtrac_nsk@sancharnet.in

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Annual General Meeting of the Company will be held on
Wednesday, the 11th August, 2010 at 11.00 A.M.
at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd
Floor, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001.

SIMPLEX REALTY LIMITED

FINANCIAL REVIEW

(Rs. in lacs)

	2009-10	2008-09	2007-08	2006-07	2005-06
FINANCIAL POSITION					
Share Capital	299	299	299	299	299
Application Money for Warrants	-	-	61	-	-
Reserves and Surplus	10,614	9,421	1,442	143	143
Loan Funds	-	-	1	4,303	4,787
Deferred Tax Liability (Net)	28	56	-	-	-
Funds Employed	10,941	9,776	1,803	4,745	5,229
Gross Block	160	153	136	147	138
Depreciation	56	43	88	85	79
Net Block	104	110	48	62	59
Net Current and Other Assets	10,837	9,666	1,496	2,023	2,550
Deferred Tax Assets (Net)	-	-	259	911	783
Miscellaneous Expenditure	-	-	-	1,113	1,288
Profit and Loss Account	-	-	-	636	549
Total Assets	10,941	9,776	1,803	4,745	5,229
OPERATING RESULTS					
Revenue and Other Income	3,097	17,531	7,677	25	33
Operating and Other Expenses	854	6,661	4,841	169	180
Depreciation	11	11	7	6	5
Interest	-	1	59	61	42
Prior Period Items	(193)	(1)	(272)	-	-
Extraordinary Items	75	-	-	-	-
Profit/(Loss) Before Tax	2,350	10,859	3,042	(211)	(194)
Current Tax (Incl. MAT Credit)	892	2,264	18	3	4
Deferred Tax	(28)	314	652	(127)	130
Profit/(Loss) After Tax for the year	1,486	8,281	2,372	(87)	(328)
Tax Expenses of earlier years	32	13	-	-	-
Profit/(Loss) After Tax	1,454	8,268	2,372	(87)	(328)
Dividend for the Year	224	299	374	-	-
Dividend %	75	100	125	-	-

NOTICE

Notice is hereby given that the Ninety Seventh Annual General Meeting of the Members of Simplex Realty Limited will be held on Wednesday, the 11th August, 2010 at 11.00 A.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2010.
3. To appoint a Director in place of Smt. Anna Malhotra, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Shri S. K. Somany, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration and for the purpose, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), M/s. Dayal and Lohia, Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration and payment of service tax as applicable and reimbursement of out of pocket expenses incurred by them for the audit of accounts of the Company for the year ending on 31st March, 2011."

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198 and 309(4) and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and Articles of Association of the Company, consent and approval of the Company be and is hereby accorded for the payment of commission to all the Non-Executive Directors of the Company upto 1% (one percent) of the net profit of the Company as computed in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 for a period of five years commencing from 1st April, 2009 .

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to give effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 198 and 309(3) and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and Articles of Association of the Company, consent and approval of the Company be and is hereby

SIMPLEX REALTY LIMITED

accorded for the payment of commission to Shri Nandan Damani, Managing Director of the Company for a period commencing from 1st April, 2009 till the remaining tenure upto 28th June, 2011 .

RESOLVED FURTHER THAT the total remuneration payable to Shri Nandan Damani, Managing Director of the Company, including commission payable as above shall not exceed 5% (five percent) of the net profit of the Company as computed in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to give effect to the above resolution.”

By Order of the Board of Directors

Asish Narayan
Company Secretary

Mumbai, May 21, 2010

Registered Office:

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

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, and forming part of this Notice is annexed hereto.
3. Members are requested to notify the change in address, if any, immediately to the Company quoting their folio numbers.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 5th August, 2010 to Wednesday, 11th August, 2010 (both days inclusive).
5. Payment of Dividend, if declared at the meeting, will be paid to the members, whose names appear on the Register of Members of the Company as on Wednesday, 4th August, 2010; in respect of the shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
6. Smt. Anna Malhotra and Shri S.K.Somany are the Directors retiring by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

While Smt. Anna Malhotra is not related to any Director of the Company, Shri S.K.Somany is the Sister's Husband of Shri Nandan Damani, Chairman & Managing Director of the Company.

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

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

Name of Director	Smt. Anna Malhotra	Shri S.K.Somany
Date of Birth	17.07.1926	29.03.1931
Date of Appointment	28.11.1992	02.11.1991
Experience in specific Functional Areas	Held important positions in the Government of India, including that of Secretary, Ministry of Education, Ex-Chairperson of Jawaharlal Nehru Port Trust, Mumbai, the hi-tech port of India.	Shri S.K.Somany has enriched himself with a business experience of over 5 decades and has a rich and vast all-round knowledge and experience in the business of Ceramic, Glass and Textiles Industry.
Qualification	M.A.	B.Com.
Directorships held in other Companies	Hotel Leelaventure Ltd.	1. Jamshri Ranjitsinghji Spg. & Wvg. Mills. Co. Ltd. 2. The Nav Bharat Refrigeration and Industries Ltd. 3. Soma Textiles & Industries Ltd. 4. Somany Evergreen Knits Ltd. 5. Shreelekha Global Finance Ltd.
Committee positions held in other Companies	Nil	Member of 1. Audit Committee of Soma Textiles & Industries Ltd. 2. Remuneration Committee of Soma Textiles & Industries Ltd. 3. Remuneration Committee of Jamshri Ranjitsinghji Spg. & Wvg. Mills Co. Ltd. Chairman of 1. Share Transfer Committee of Soma Textiles & Industries Ltd. 2. Shareholders/Investors Grievance Committee of Soma Textiles & Industries Ltd. 3. Audit Committee of Jamshri Ranjitsinghji Spg. & Wvg. Mills Co. Ltd. 4. Share Transfer cum Investors Grievance Committee of The Nav Bharat Refrigeration and Industries Ltd.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956, AND FORMING PART OF THE NOTICE DATED MAY 21, 2010

Item No. 5

As per the provisions of Section 224A of the Companies Act, 1956, if not less than twenty five percent of the subscribed share capital of any company is held by any public financial institution or a government company or a nationalised bank or an insurance company carrying on general insurance business, the appointment or re-appointment of Statutory Auditors of the Company shall be made by passing a Special Resolution.

Since more than 25% of the subscribed share capital of your Company is held by public financial institutions, it is necessary to pass a Special Resolution for re-appointment of retiring Auditors M/s. Dayal and Lohia, Chartered Accountants as Statutory Auditors of the Company.

The Directors commend the Special Resolution as set at Item No. 5 of the accompanying Notice for your approval.

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

Item No. 6

As the members of the Company are aware that the entire management of the Company vests in the Board of Directors. In view of greater involvement of the Directors in the affairs of the Company, it is desirable that they should be paid for their efforts. It is proposed to pay commission to Non-Executive Directors of the Company. As per the provisions of Section 198 and 309(4) of the Companies Act, 1956, the payment of commission to Non-Executive Directors can be made upto 1% (one percent) of the net profit of the Company as computed in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956.

The Remuneration Committee and the Board of Directors at their meeting held on 21st May, 2010 has recommended to pay commission for a period of five years commencing from 1st April, 2009 at the rate not exceeding 1% of the net profit of the Company in aggregate to all the Non-Executive Directors, as computed in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956.

All the Directors of the Company are interested in the said resolution to the extent of the commission payable to them in accordance with proposed resolution.

The Directors commend the Special Resolution as set at Item No. 6 of the accompanying Notice for your approval.

Item No. 7

As per the provisions of Section 198 and 309(3) of the Companies Act, 1956, the Managing Director of the Company is entitled to get total remuneration upto 5% (including commission) of the net profit of the Company as computed in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956. The Remuneration Committee has recommended the Board to give commission upto 5% of the net profit of the Company as computed in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 (including salary and perquisites) to Shri Nandan Damani, Managing Director for the period commencing from 1st April, 2009 till the remaining tenure upto 28th June, 2011. The Board has decided to give commission as per the recommendation of Remuneration Committee for the aforesaid period.

Except Shri Nandan Damani, Managing Director and Shri S. K. Somany, Director, none of the Directors is interested or concerned in the said resolution.

The Directors commend the Ordinary Resolution as set at Item No. 7 of the accompanying Notice for your approval.

By Order of the Board of Directors

Asish Narayan
Company Secretary

Mumbai, May 21, 2010

Registered Office:

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

NINETY SEVENTH REPORT OF THE BOARD OF DIRECTORS

To
The Members,

Your Directors are pleased to present their Annual Report, together with the Audited Accounts for the year ended 31st March, 2010.

(Rs.in lacs)

	Current Year ended 31.03.2010 Rs.	Previous Year ended 31.03.2009 Rs.
Total Income	3,097.51	17,468.72
Profit before Interest, Depreciation, Taxation, Prior Period and Extraordinary Items	2,243.19	10,870.20
Less: Interest	0.07	1.20
Less: Depreciation	11.75	11.01
Net Profit before Tax, Prior Period and Extraordinary Items for the year	2,231.37	10,857.99
Add: Prior Period Adjustments	193.44	1.34
Less: Extraordinary Items	75.03	-
Net Profit before Tax	2,349.78	10,859.33
Less: Provision for Tax (Incl. Fringe Benefit Tax & Wealth Tax)	891.51	2,264.36
Tax for earlier years	32.37	12.28
Provision for Deferred Tax	(27.82)	314.35
Net Profit after Tax	1,453.72	8,268.34
Balance brought forward from previous year	3,217.49	299.13
Amount available for Appropriation	4,671.21	8,567.47
Appropriations		
Proposed Dividend on Equity Shares	224.35	299.14
Tax on Dividend	37.26	50.84
Transfer to General Reserve	800.00	5,000.00
Balance carried forward	3,609.60	3,217.49

DIVIDEND

The Directors are pleased to recommend for approval of the Members the payment of dividend of Rs.7.50 per share (i.e.75%) on 29,91,382 Equity Shares of Rs.10/- each of the Company for the year ended 31st March, 2010. The total cash outflow on account of equity dividend payment, including dividend distribution tax would be Rs.261.61 lacs for the financial year 2009-10.

OPERATIONS

The total income of your Company was Rs. 3,097.51 lacs and the net profit of Rs.1,453.72 lacs for the year ended 31st March, 2010. For Towers "1 to 4" of the project "Planet Godrej", Occupation Certificates (OC) has already been received and possession has been given to the buyers. During the year, the Company has received Part OC (Ground + Podium + 39 Upper Floors) for "Tower 5" (Celesta) and handing over of possession to the buyers is in process.

NEW PROJECT

The Company is undertaking development of a Residential cum Commercial Complex in western suburb of Mumbai jointly with the land owner.

SIMPLEX REALTY LIMITED

FIXED DEPOSITS

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

DIRECTORS

Smt. Anna Malhotra and Shri S. K. Somany, Directors of the Company who retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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

COMPANY SECRETARY

Shri Asish Narayan, a member of The Institute of Company Secretaries of India (ICSI), has been appointed as Company Secretary of the Company with effect from 13th July, 2009 following the retirement of Shri R. L. Saboo.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are annexed hereto.

AUDITORS

M/s. Dayal and Lohia, Chartered Accountants, hold office as statutory Auditors of the Company upto the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment. The Company has received a letter from M/s. Dayal and Lohia, Chartered Accountants expressing their willingness and eligibility to act as Statutory Auditors of the Company under Section 224 (1B) of the Companies Act, 1956, if appointed.

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, on the basis of information placed before them, the Directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) appropriate accounting policies have been selected and applied consistently, and the judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of 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 Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

STOCK EXCHANGE

The Company's equity shares are listed at Bombay Stock Exchange Ltd. and the Annual Listing Fees for the year 2010-11 has been paid.

PARTICULARS OF CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Considering the Company's business activities, the Directors have nothing to report u/s 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with reference to Conservation of Energy & Technology Absorption.

Foreign Exchange Transactions:	2009-10	2008-09
Foreign Exchange Earnings (Rs.)	Nil	Nil
Foreign Exchange Outgo (Rs.)	1,47,800/-	66,750/-

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the assistance and support extended by all government authorities, financial institutions, banks, consultants, solicitors and shareholders of the company. The Directors express their appreciation for the dedicated and sincere services rendered by the employees of the company.

For and on Behalf of the Board of Directors

Nandan Damani
Chairman & Managing Director

Mumbai, May 21, 2010

Annexure to the Directors' Report

Statement pursuant to the Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975

Name	Age (Years)	Designation	Qualification	# Gross Remuneration (Rs.)	Total Experience (Years)	Date of Commencement of Employment	Last Employment Held
Shri Nandan Damani	57	Managing Director	B. Sc.	54,55,000/-	33	18.08.1977	New Textiles Limited

Excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian economy has been growing at a blistering pace in the last few years with the exception of the recent downturn. The Indian real estate sector plays a significant role in the country's economy as it contributes approximately 7% of the country's GDP. This industry is second only to agriculture in terms of employment generation as it is linked to about 250 ancillary industries like cement, brick and steel through backward and forward linkages.

According to ASSOCHAM, the domestic real estate market is estimated to be approximately US\$ 15 billion. The government has introduced many progressive reform measures to unlock the potential of the sector and also to meet increasing demand levels. The stimulus package announced by the government coupled with the Reserve Bank of India's (RBI) move allowing banks to provide special treatment to the real estate sector is likely to impact the Indian real estate sector in a positive way. Foreign direct investment (FDI) inflows into India in the real estate sector are estimated to be over Rs.13,000 Crores for the fiscal year 2009-10. The major contributing factor to the rapid growth in real estate is large demand-supply gap in affordable housing, with demand being fuelled by tax incentives and a growing middle class with higher savings.

OPPORTUNITIES AND THREATS

According to Tenth Five Year Plan, there is a shortage of 22.4 million dwelling units which speaks volumes of the demands to be met by real estate industry, especially for middle and lower income groups. The residential sector is poised to grow at an eye catching rate over the next 5-10 years. Rising income levels of a growing middle class along with increase in nuclear families, low interest rates, modern attitudes to home ownerships (presently, the average age of a new homeowner is 32 years compared with 45 years a decade ago) and a change of attitude amongst the young working population from that of 'save and buy' to 'buy and repay' have all combined to boost housing demand. The real estate segment by its sheer size and high growth potential offer unlimited growth opportunities. With well established set up, the Company is in a position to further consolidate its market share.

With the advent of 100% FDI in realty projects allowed through automatic route by the Government, there are likely to be more entrants in the sector due to lucrative nature of industry.

OUTLOOK

The outlook for Real Estate industry is optimistic with continued thrust of Government on the sector. According to Jones Lang LaSalle, faster economic growth in Brazil, Russia, India and China (BRIC) could result in property markets of these nations recovering at a faster rate than the UK and US real estate markets. It is also been suggested that India's property sector may attract upto US\$ 12.11 billion in real estate investment over a five year period. The real estate sector is also likely to get a boost from Real Estate Mutual Funds (REMFs) and Real Estate Investment Trusts (REITs), a new concept gaining ground in countries like India and other developing nations. In our view, all sectors in the real estate market would continue to exhibit high growth in the coming years. The Company would endeavour to further consolidate its presence in both residential and commercial sectors.

According to the Confederation of Real Estate Developers Association of India (CREDAI), the affordable housing segment is set to play an important role in India's real estate sector in 2010 on the back of an uptick in demand.

RISKS AND CONCERNS

Interest rates in India may exhibit a rising trend which could discourage consumers from borrowing to finance real estate purchases and thereby depress the real estate market.

Competition risk arises with more players wanting a share in the same pie. With 100% FDI in realty projects allowed through automatic route, the competition may increase dramatically.

Increase in land price coupled with increase in input costs like cement and steel may adversely affect the development margins if the end product margins do not move in tandem.

The business is labour intensive and availability of skilled labour force is a crucial factor in accomplishing projects in time.

The real estate sector is heavily regulated by the central, state and local governments. Hence, our various actions and future events are based on government policies.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The Board of Directors considers internal controls as adequate.

FINANCIAL AND OPERATING PERFORMANCE

The Total Income of the Company for the current year is Rs.3,097.51 Lacs as against Rs.17,468.72 Lacs during the previous year. The Company has earned a net profit of Rs.1,453.72 Lacs during the current year as against Rs.8,268.34 Lacs in the previous year. The EPS (after extraordinary and prior period adjustments) in the current year is Rs.48.60 as against Rs.276.41 in the previous year.

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.

CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results, could, however differ materially from those expressed or implied.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is aimed to enhance the confidence among shareholders, customers, employees and ensuring a long term relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct, in all the activities of the Company. Your Company has complied with requirements of the corporate governance code, disclosure requirements of which are given below.

2. BOARD OF DIRECTORS

a) Composition

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March, 2010, the Board comprises of One Executive Director and Five Non-Executive Directors.

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

b) Attendance at Board Meetings and the last AGM

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

8th May, 2009, 25th July, 2009, 10th August, 2009, 27th October, 2009, and 22nd January, 2010.

Details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2009-2010 and at the last Annual General Meeting, their directorships in other companies and membership/chairmanship in committees are as follows:

Name	Category	Attendance at Board Meetings		Directorship in other Public Limited Companies	Membership / Chairmanship in Committees (including Company)		Attendance at A.G.M. held on 10 th August, 2009
		Held	Attended		Chairman*	Member*	
Shri Nandan Damani	Executive	5	5	4	-	1	Yes
Shri M.P.Jatia	Independent Non-Executive	5	4	6	-	1	Yes
Shri V.B.Haribhakti	Independent Non-Executive	5	5	7	5	5	Yes
Shri S.K.Somany	Non-Executive	5	5	5	4	2	Yes
Smt. Anna Malhotra	Independent Non-Executive	5	5	1	-	1	Yes
Smt.Gopa Ray	Independent Non-Executive	5	4	None	-	-	Yes

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

3. AUDIT COMMITTEE

The Company's networth crosses the threshold limit of Rs.25 Crores as at 31st March, 2009. Hence the provisions of Clause 49 of the Listing Agreement become applicable from the financial year 2009-2010 onwards.

The Board of Directors of the Company constituted Audit Committee at its first meeting held on 8th May, 2009 during the financial year ending 31st March, 2010 in compliance with Clause 49 of the Listing Agreement.

During the year ended 31st March, 2010, 3 (three) Audit Committee Meetings were held. The dates on which the said meetings were held are as follows:

25th July, 2009, 27th October, 2009 and 22nd January, 2010.

The composition of the Audit Committee and the number of meetings attended by each member during the year ended 31st March, 2010 is as follows:

Name of the Member	Designation	Category	No. of Meetings attended
Shri V.B.Haribhakti	Chairman	Independent Director	3
Shri S.K.Somany	Member	Non-Executive Director	3
Shri M.P.Jatia	Member	Independent Director	2
Smt. Anna Malhotra	Member	Independent Director	3

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 Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956. 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 (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.

- Disclosure of related party transactions.
- Qualifications in draft audit report.
- Reviewing with management, quarterly financial statements before submission to the Board for approval.
- Reviewing performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Discussion with Internal Auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
- Reviewing the Company's financial and risk management policies.

4. REMUNERATION COMMITTEE

During the period ended 31st March, 2010, 1 (one) Remuneration Committee Meeting was held on 8th May, 2009.

The composition of the Remuneration Committee is as follows:

Name of the Member	Designation	Category
Shri V.B. Haribhakti	Chairman	Independent Director
Shri S.K.Somany	Member	Non-Executive Director
Shri M.P.Jatia	Member	Independent Director
Smt. Anna Malhotra	Member	Independent Director

The terms of the reference of the Committee are to recommend the fixation and periodic revision of compensation payable to the Executive Directors.

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

The Company Secretary acts as the secretary to the Committee.

Details of remuneration paid to Directors during the year ended 31st March, 2010 are as under:

Amount in Rs.

Name	Salary, Perquisites and Allowances	Company's Contribution to Provident Fund and Superannuation Fund	Commission	Sitting Fees	Total
Shri Nandan Damani	25,50,000/-	4,05,000/-	25,00,000/-	-	54,55,000/-
Shri M.P.Jatia	-	-	2,00,000/-	35,000/-	2,35,000/-
Shri V.B.Haribhakti	-	-	2,00,000/-	45,000/-	2,45,000/-
Shri S.K.Somany	-	-	2,00,000/-	45,000/-	2,45,000/-
Smt. Anna Malhotra	-	-	2,00,000/-	45,000/-	2,45,000/-
Smt. Gopa Ray	-	-	2,00,000/-	20,000/-	2,20,000/-

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

Name	No. of Equity Shares held
Shri V.B.Haribhakti	300
Shri S.K.Somany	1400

5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

During the year ended 31st March, 2010, 4 (four) Shareholders/Investors Grievance Committee Meetings were held. The dates on which the said meetings were held are as follows:

8th May, 2009, 25th July, 2009, 27th October, 2009 and 22nd January, 2010

The composition of the Investors' Grievance Committee is as follows:

Name	Designation	Category	Committee Meetings attended
Shri S.K Somany	Chairman	Non-Executive Director	4
Shri Nandan Damani	Member	Executive Director	4

Shri Asish Narayan, Company Secretary is Compliance Officer of the Company.

The Committee meets as and when required, to deal with the matters relating to monitoring and redressal of complaints from shareholders/investors like transfer of Shares, non-receipt of Annual Reports, non-receipt of Dividend Warrants, etc.

Investor Relations

The following table shows the nature of complaints received from the shareholders during the period ended 31st March, 2010, all of which have been resolved during the year.

Nature of Complaints	No. of Complaints
Mis-spelt of name in the Share Certificate	1
Non-receipt of Share Certificates	13
Non-receipt of Dividends	6
Others	30

There are no Shareholders' Complaints pending as at 31st March, 2010.

6. GENERAL BODY MEETINGS

(i) Location, Time and Date where last three Annual General Meetings were held are given below :

Financial Year	Date of AGM	Time	Location of the Meeting
2006 – 2007	25.09.2007	11.00 A. M.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. D. Marg, Mumbai 400 001
2007 – 2008	28.08.2008	11.00 A. M.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. D. Marg, Mumbai 400 001
2008 – 2009	10.08.2009	11.00 A. M.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, K. D. Marg, Mumbai 400 001

(ii) Special Resolutions passed in previous three Annual General Meetings:

Annual General Meeting	Date of AGM	Special Resolutions
94 th	25.09.2007	Re-appointment of M/s Bharat Bhuta & Co., Chartered Accountants, as Statutory Auditors of the Company.
95 th	28.08.2008	Appointment of M/s. Dayal and Lohia, Chartered Accountants, as Statutory Auditors of the Company. Payment of Commission to Non-Executive Directors
96 th	10.08.2009	Re-appointment of M/s. Dayal and Lohia, Chartered Accountants, as Statutory Auditors of the Company. Payment of Commission to Executive and Non-Executive Directors.

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

7. DIRECTORS

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

8. DISCLOSURES

a) Related party transactions

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

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

b) Compliance by the Company

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authorities.

c) Whistle-blower policy

Though there is no formal Whistle-blower policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken.

d) Code of Conduct

The Company has laid down a code of conduct for the Directors and Senior Management Personnel of the Company. The code has been posted on the website of the Company. A declaration to the effect that the Directors and Senior Managerial Personnel have adhered to the same, signed by the Managing Director of the Company, forms part of this report.

e) Disclosure of Accounting Treatment

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

f) Disclosure of Risk Management

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

g) CEO / CFO Certification

The CEO and CFO of the Company have given the Certification on financial reporting and internal controls to the Board for the year ended 31st March, 2010 in terms of clause 41 of the listing agreement.

h) Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2010 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

9. MEANS OF COMMUNICATION

- a) The quarterly, half-yearly, nine months and full year results are published in Business Standard (English edition) and Lakshadeep (Regional edition).
- b) The Company has its own website www.simplex-group.com and has been uploading financial results and quarterly shareholding pattern of the Company along with other relevant information useful to investors on the website.
- c) At present, the Company does not make presentation to Institutional Investors and Analysts.
- d) The Management Discussion and Analysis is given separately in this Annual Report.

10. CODE FOR PREVENTION OF INSIDER TRADING

The Company has adopted a Code for Prevention of Insider Trading in the shares of the Company which is in line with the Model Code as prescribed by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended. The said code, inter-alia prohibits purchase/sale of shares of the Company by Directors and Employees while in possession of unpublished price sensitive information in relation to the Company.

11. GENERAL INFORMATION FOR SHAREHOLDERS

i)	Date, Time and Venue of ensuing Annual General Meeting	Date : Wednesday, 11th August, 2010 Time : 11.00 A.M. Venue : M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai- 400 001.
ii)	Financial Calendar (2010 – 2011)	i) First Quarterly Results - Upto 15th August, 2010 ii) Second Quarterly Results - Upto 15th November, 2010 iii) Third Quarterly Results - Upto 15th February, 2011 iv) Annual Results - Upto 30th May, 2011

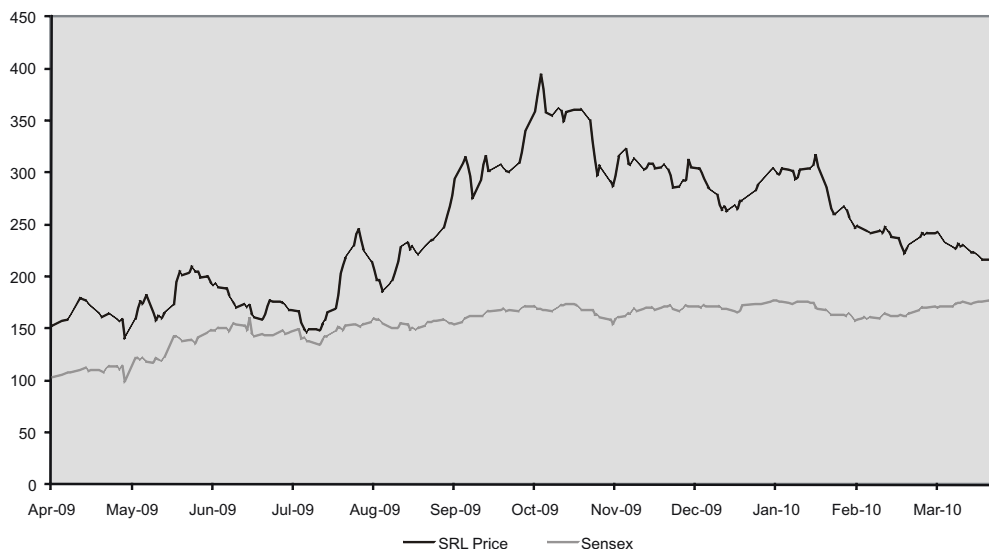
SIMPLEX REALTY LIMITED

iii)	Date of Book Closure	From Thursday, 5th August, 2010 to Wednesday, 11th August 2010 (both days inclusive)
iv)	Dividend payment date	On or after 11th August, 2010.
v)	Listing on Stock Exchanges	Bombay Stock Exchange Limited (BSE) P. J. Towers, Dalal Street, Fort, Mumbai – 400 001
vi)	Stock Code ISIN	503229 INE167H01014
vii)	Market Price Data	The monthly high and low quotations of shares traded on the BSE from April, 2009 to March, 2010 are as follows:

Month	Volume (No. of shares)	Price (Rs.)		BSE Sensex	
		High	Low	High	Low
April, 2009	17,436	186.90	135.00	11,492.10	9,546.29
May, 2009	50,501	219.85	146.45	14,930.54	11,621.30
June, 2009	36,680	209.75	155.35	15,600.30	14,016.95
July, 2009	50,300	252.75	141.15	15,732.81	13,219.99
August, 2009	58,582	247.20	183.50	16,002.46	14,684.45
September, 2009	81,082	325.20	250.10	17,142.52	15,356.72
October, 2009	98,266	399.90	294.45	17,493.17	15,805.20
November, 2009	30,442	348.50	270.05	17,290.48	15,330.56
December, 2009	44,943	320.00	252.25	17,530.94	16,577.78
January, 2010	64,952	330.00	250.10	17,790.33	15,982.08
February, 2010	37,980	282.00	217.00	16,669.25	15,651.99
March, 2010	35,392	245.50	197.00	17,793.01	16,438.45

viii) Performance of the share price of the Company in comparison to the Bombay Stock Exchange Limited Sensex

SRL Share Price and Sensex Movement

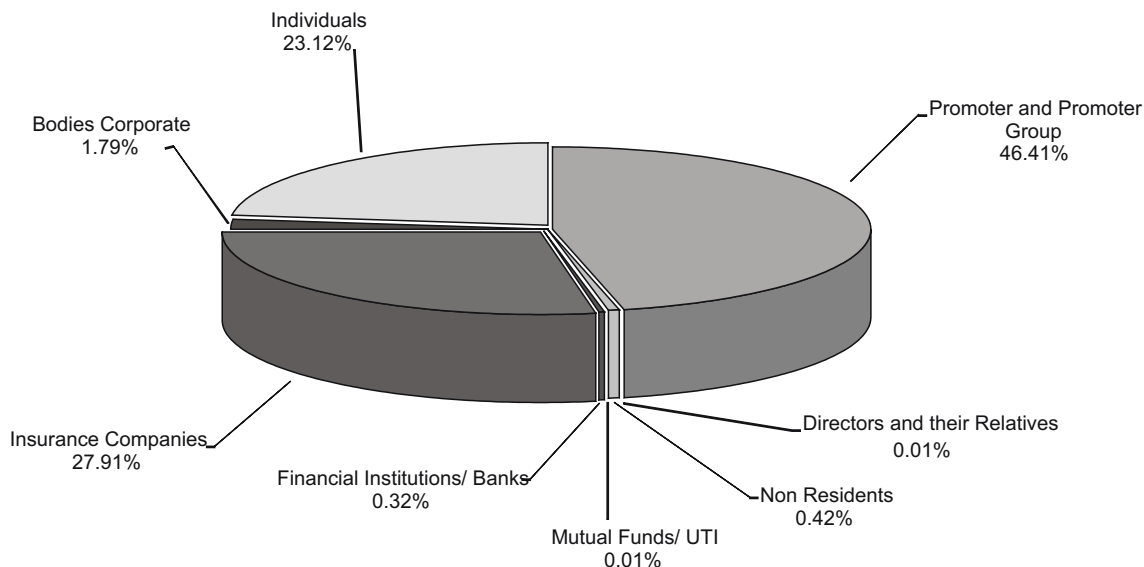


Base 100- April 1st 2009

ix) Shareholding Pattern as at 31st March, 2010

	Category	Number of shares held	Percentage of Shareholding (%)
(A)	Shareholding of Promoter and Promoter Group	13,88,412*	46.41*
(B)	Public shareholding		
(1)	Institutions		
(a)	Mutual Funds/ UTI	400	0.01
(b)	Financial Institutions/ Banks	9,474	0.32
(c)	Insurance Companies	8,34,932	27.91
(2)	Non-Institutions		
(a)	Bodies Corporate	53,650	1.79
(b)	Individuals - i. holding nominal share capital up to Rs.1 lac. ii. holding nominal share capital in excess of Rs.1 lac.	6,91,753 -	23.13 -
(c)	Non Residents	12,461	0.42
(d)	Directors and their Relatives	300	0.01
	Total Public Shareholding (B)= (B)(1)+(B)(2)	16,02,970	53.59
	TOTAL (A)+(B)	29,91,382	100.00

*Includes shares held by Non-Executive Director forming part of the Promoters group.



SIMPLEX REALTY LIMITED

Distribution of shareholding as on 31st March, 2010

Category	Number of shareholders	% of total number of shareholders	Total Number of Shares	% of Total Number of Shares
1 to 500	6,144	96.23	4,39,641	14.70
501 to 1,000	138	2.16	1,00,851	3.37
1,001 to 5,000	82	1.28	1,66,845	5.58
5,001 to 10,000	12	0.19	80,297	2.68
10,001 & above	9	0.14	22,03,748	73.67
Total	6,385	100.00	29,91,382	100.00

x) Registrar and Share Transfer Agent

Freedom Registry Limited
(Formerly-Amtrac Management Services Limited)
Plot No. 101/102, 19th Street,
MIDC, Satpur, Nasik 422 007
Phone : (0253) 2354032
Fax : (0253) 2351126
e-mail: amtrac_nsk@sancharnet.in

xi) Share Transfer System

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

xii) Dematerialization of Shares and Liquidity

About 91.01% shares have been dematerialized as on 31st March, 2010. The Equity shares of the Company are traded on Bombay Stock Exchange Limited.

The Company has paid the Listing fees for the year 2010- 2011 to the Bombay Stock Exchange Ltd. on which its shares are listed.

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

There are no outstanding ADRs, GDRs, Warrants or any convertible instruments.

xiv) Registered Office

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

SIMPLEX REALTY LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
SIMPLEX REALTY LIMITED

We have examined the compliance of conditions of corporate governance by **Simplex Realty Limited** for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said company with the Bombay Stock Exchange Limited.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For Dayal and Lohia
Chartered Accountants
(Firm Reg. No.102200W)

(Anil Lohia)
Partner
M. No.31626
Mumbai, May 21, 2010

AUDITORS' REPORT

TO THE MEMBERS OF SIMPLEX REALTY LIMITED

1. We have audited the attached Balance Sheet of **Simplex Realty Limited** as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date, and also the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, on the basis of such checks of the books and records of the company as we considered appropriate and the information and explanations given to us during the course of our audit;
4. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2010 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give true and fair view:
 - i. in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
 - ii. in the case of the Profit and Loss Account, of the profits of the Company for the year ended on that date; and
 - iii. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Dayal and Lohia
Chartered Accountants
(Firm Reg. No.102200W)

(Anil Lohia)
Partner
M. No.31626
Mumbai, May 21, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date to the members of **Simplex Realty Limited** on the financial statements for the year ended 31st March, 2010)

1. In respect of its Fixed assets:
 - 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 noticed during such verification have been suitably adjusted in the books of accounts.
 - c) The Company has not disposed off any substantial part of fixed assets during the year so as to affect it as a going concern.
2. In respect of its inventories:
 - 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 explanation 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.
3. In respect of loans, secured or unsecured, granted by the Company to/from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956 :
 - a) The Company has granted loans to three parties listed u/s 301 of the Companies Act 1956 amounting to Rs. 2.30 Crores during the year. This amount including the opening outstanding balance of Rs. 60 Lacs was fully repaid during the year and the outstanding balance as on 31st March, 2010 is NIL.
 - b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company.
 - c) In respect of loans and advances in the nature of loan, where interest and repayment terms have been stipulated, the parties are repaying the principal amounts as stipulated and are also regular in the payment of the interest.
 - d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, there were no overdue amounts.
 - e) The Company has not taken any loans from parties listed in the register maintained u/s 301 of the Companies Act, 1956, and therefore the provisions of sub-clauses (f) & (g) of clause 4 (iii) of the Order are not applicable to the Company.)
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weaknesses has been noticed in the internal control system.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 have been entered in the register required to be maintained under that section; and
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public under section 58A and 58AA or any other relevant provision of the Act.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Act.
9.
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and 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 the aforesaid dues were outstanding as at March 31, 2010 for a period of more than six months from the date of becoming payable.
 - b) In our opinion and according to the information and explanations given to us, as at the Balance Sheet date, there were no dues of the specified nature that remained to be deposited on account of pending disputes.
10. As at the Balance Sheet date there are no accumulated losses of the Company. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. On the basis of our examination of the books and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or any other securities.
13. The Company is not a Chit Fund, Nidhi or Mutual Fund/Society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities and other investments, and accordingly the provisions of clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other parties from any bank or financial institution.
16. No term loans were availed by the Company during the year and hence the provisions of clause (xvi) of paragraph 4 of the Order are not applicable to the Company.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, no funds raised on short term basis have been used for long term investment by the Company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, and to the best of our knowledge and belief no fraud on or by the Company, has been noticed or reported during the year.

For Dayal and Lohia
Chartered Accountants
(Firm Reg. No.102200W)

(Anil Lohia)
Partner
M. No.31626
Mumbai, May 21, 2010

SIMPLEX REALTY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

I SOURCES OF FUNDS	Schedule No.	Rs.	31.03.2010 Rs.	Rs.	31.03.2009 Rs.
SHAREHOLDERS' FUNDS					
Share Capital	(1)	2,99,36,870		2,99,36,870	
Reserves and Surplus	(2)	106,13,55,443		94,21,44,580	
			109,12,92,313		97,20,81,450
DEFERRED TAX LIABILITY (Net) (Refer Note 9 of Schedule 12)			27,75,379		55,57,058
TOTAL			109,40,67,692		97,76,38,508
II APPLICATION OF FUNDS					
FIXED ASSETS	(3)				
Gross Block		1,60,05,721		1,53,37,737	
Less : Depreciation		56,45,877		43,32,057	
Net Block			1,03,59,844		1,10,05,680
INVESTMENTS	(4)		4,28,97,301		3,60,29,805
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	(5)	8,36,97,062		10,33,86,712	
Cash and Bank Balances	(6)	1,53,93,812		9,25,42,176	
Loans and Advances	(7)	99,59,79,384		84,17,52,143	
		109,50,70,258		103,76,81,031	
Less: CURRENT LIABILITIES AND PROVISIONS	(8)				
Current Liabilities		1,45,59,614		1,87,52,088	
Provisions		3,97,00,097		8,83,25,920	
			104,08,10,547		93,06,03,023
TOTAL			109,40,67,692		97,76,38,508

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (12)

As per our report of even date attached

For and on behalf of the Board

For **Dayal and Lohia**
Chartered Accountants

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Anil Lohia
Partner
M.No.31626
Mumbai, May 21, 2010

Asish Narayan
Company Secretary

S. K. Somany
Director

Mumbai, May 21, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	2009-10 Rs.	2008-09 Rs.
INCOME			
Revenue from Development of Land (Refer Note 6 of Schedule 12)		20,98,24,657	119,76,75,185
Other Income	(9)	9,99,26,614	4,53,51,725
Surplus on Conversion of Land into Stock in Trade		-	50,38,45,224
		<u>30,97,51,271</u>	<u>174,68,72,134</u>
EXPENDITURE			
Operating & Other Expenses	(10)	8,54,32,736	65,98,52,290
Depreciation		11,74,699	11,00,557
Interest	(11)	7,174	1,20,009
		<u>8,66,14,609</u>	<u>66,10,72,856</u>
Profit before Tax, Prior Period Adjustments & Extraordinary Items		22,31,36,662	108,57,99,278
Prior Period Adjustments		1,93,44,553	1,33,878
Extraordinary Items (Refer Note 5 of Schedule 12)		<u>(75,03,006)</u>	-
Profit before Tax		23,49,78,209	108,59,33,156
Current Tax including wealth tax		8,91,50,792	22,61,12,175
Fringe Benefit Tax		-	3,23,676
Deferred Tax (Assets)/Liability		<u>(27,81,679)</u>	3,14,34,929
Net Profit for the year after tax		14,86,09,096	82,80,62,376
Tax expenses of earlier year		32,36,634	12,28,118
Net Profit after tax		14,53,72,462	82,68,34,258
Balance brought forward		32,17,49,413	2,99,12,829
NET PROFIT AVAILABLE FOR APPROPRIATION		46,71,21,875	85,67,47,087
Proposed Dividend		2,24,35,365	2,99,13,820
Tax on Proposed Dividend		37,26,234	50,83,854
Transfer to General Reserve		8,00,00,000	50,00,00,000
Balance carried to Balance Sheet		<u>36,09,60,276</u>	<u>32,17,49,413</u>
Basic and diluted earnings per share of Rs.10 each (Refer Note 10 of Schedule 12)		48.60	276.41

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

As per our report of even date attached

For and on behalf of the Board

For **Dayal and Lohia**
Chartered Accountants

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Anil Lohia
Partner
M.No.31626
Mumbai, May 21, 2010

Asish Narayan
Company Secretary

S. K. Somany
Director

Mumbai, May 21, 2010

SIMPLEX REALTY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Rs.	2009-10 Rs.	Rs.	2008-09 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX, PRIOR PERIOD				
ADJUSTMENT & EXTRAORDINARY ITEMS		22,31,36,662		108,57,99,278
Adjustments for :				
Depreciation	11,74,699		11,00,557	
Diminution in value of Investments	(86,38,446)		62,21,814	
Interest Expense	7,174		1,20,009	
Dividend Income	(5,90,124)		(1,42,249)	
Interest Income	(8,11,34,391)		(4,83,22,885)	
Loss/(Profit) on sale of Fixed Assets	19,303		69,074	
Portfolio Management Services Fees	75,623		38,157	
Sundry Balances Written Off	1,85,935		14,075	
Investments Written off	10,830		-	
Loss on Sale of Investments (Net)	18,78,620		7,83,689	
Excess Depreciation Written Back	(65,594)		(6,91,148)	
Doubtful Advances	2,94,63,607		-	
Surplus on Conversion included in Stock in Trade	-		(5,63,66,206)	
		(5,76,12,764)		(9,71,75,113)
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		16,55,23,898		98,86,24,165
(Increase)/ Decrease in working capital : (outflow) / inflow				
Trade and other Receivables	(18,48,02,286)		(30,71,40,532)	
Inventories	1,21,86,644		12,39,12,653	
Trade and other Payables	(40,19,874)		(64,88,74,960)	
		(17,66,35,516)		(83,21,02,839)
NET CASH GENERATED FROM/(USED IN) OPERATIONS		(1,11,11,618)		15,65,21,326
Direct Taxes Paid		(13,23,37,656)		(14,41,99,999)
CASH FLOW BEFORE PRIOR PERIOD AND EXTRAORDINARY ITEMS		(14,34,49,274)		1,23,21,327
Extraordinary Items and Prior Period Adjustments		1,93,44,553		1,33,878
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	(A)	(12,41,04,721)		1,21,87,449
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(4,83,461)		(66,98,264)
Purchase of Investments		(28,90,689)		(21,12,217)
Sale of Fixed Assets		889		15,908
Sale of Investments		26,96,566		-
Dividend Received		5,90,124		1,42,249
Interest Received		8,20,47,776		4,76,47,779
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	(B)	8,19,61,205		3,89,95,455

	2009-10 Rs.	2008-09 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Net change in Borrowings (outflow) / inflow	-	(43,494)
Interest paid	(7,174)	(1,20,009)
Dividend Paid (including tax thereon)	(3,49,97,674)	(4,37,47,092)
NET CASH (USED IN) FINANCING ACTIVITIES	(C) (3,50,04,848)	(4,39,10,595)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(A+B+C) (7,71,48,364)	72,72,309
CASH AND CASH EQUIVALENTS - AT START OF THE YEAR	9,25,42,176	8,52,69,867
CASH AND CASH EQUIVALENTS - AT END OF THE YEAR	1,53,93,812	9,25,42,176
Cash and cash equivalents comprise of :	As on 31.03.10	As on 31.03.09
Cash on hand	1,41,004	141,082
Balances with Scheduled Banks :		
- in Current Accounts	1,34,27,493	3,78,75,498
- in Unpaid Dividend Accounts*	18,25,315	9,34,650
- in Term Deposits	-	5,35,90,946
	1,53,93,812	9,25,42,176

* Unpaid Dividend accounts which are not available for use by the Company (Refer Schedule 6 in the Accounts)

NOTES TO THE ACCOUNTS - SCHEDULE 12

As per our report of even date attached

For and on behalf of the Board

For **Dayal and Lohia**
Chartered Accountants

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Anil Lohia
Partner
M.No.31626
Mumbai, May 21, 2010

Asish Narayan
Company Secretary

S. K. Somany
Director

Mumbai, May 21, 2010

SIMPLEX REALTY LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2010 Rs.	31.03.2009 Rs.
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
100,00,000 Equity Shares of Rs.10/- each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
29,91,382 Equity shares of Rs.10/- each fully paid up (of which 360 shares remain to be exchanged for fractional Certificates)	2,99,13,820	2,99,13,820
Add : Shares Forfeited Account	<u>23,050</u>	<u>23,050</u>
	<u>2,99,36,870</u>	<u>2,99,36,870</u>
Of the above shares :		
(a) 1,00,000 Shares were allotted as fully paid up pursuant to a contract without payment being received in cash and		
(b) 17,71,840 Shares were allotted as fully paid up Bonus Shares by Capitalisation of Reserves		

	Rs.	31.03.2010 Rs.	Rs.	31.03.2009 Rs.
SCHEDULE 2				
RESERVES AND SURPLUS				
CAPITAL RESERVE				
As per last Balance Sheet	60,71,263		-	
Add: Amount forfeited against unexercised warrants	<u>-</u>	<u>60,71,263</u>	<u>60,71,263</u>	60,71,263
SECURITIES PREMIUM ACCOUNT		1,43,23,904		1,43,23,904
GENERAL RESERVE				
As per last Balance Sheet	60,00,00,000		10,00,00,000	
Add: Transferred from Profit & Loss Account	<u>8,00,00,000</u>	<u>68,00,00,000</u>	<u>50,00,00,000</u>	60,00,00,000
PROFIT AND LOSS ACCOUNT		36,09,60,276		32,17,49,413
		<u>106,13,55,443</u>		<u>94,21,44,580</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE 3

FIXED ASSETS

Amount in Rs.

	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1st April 2009	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2010	Upto 31st March 2009	Provided during the year	On Deductions/ Adjustments	Upto 31st March 2010	As at 31st March 2009
Freehold Land (at cost)	1,08,758	-	-	1,08,758	-	-	-	-	1,08,758
Buildings	29,04,792	-	-	29,04,792	7,95,857	57,764	-	8,53,621	21,08,935
Plant and Machinery including computers	8,80,821	1,48,597	-	10,29,418	4,96,331	1,04,529	-	6,00,860	3,84,490
Electrical Installations	2,91,749	-	-	2,91,749	2,08,414	10,893	-	2,19,307	83,335
Furniture and Office Equipments*	30,10,738	3,34,864	(1,84,523)	35,30,125	14,94,134	2,28,129	(1,88,162)	19,10,425	15,16,604
Vehicles**	81,40,879	-	-	81,40,879	13,37,321	7,73,384	49,041	20,61,664	68,03,558
	1,53,37,737	4,83,461	(1,84,523)	1,60,05,721	43,32,057	11,74,699	(1,39,121)	56,45,877	1,10,05,680
Previous Year	1,36,54,807	66,98,264	50,15,334	1,53,37,737	88,16,298	11,00,557	55,84,798	43,32,057	

NOTES:

1. The Company holds leasehold land at Mumbai whose lease has expired on 22nd April, 1983. The Company is pursuing the matter with the Collector of Mumbai for renewal of the lease.
- * 2. Deductions/Adjustments in Furniture & Office Equipments during the year includes Rs.2.15 lacs for Assets wrongly written off in earlier years. Excess Depreciation of Rs.0.17 lacs provided on these assets has been written back during the year.
- ** 3. Excess Depreciation of Rs.0.49 Lacs provided on Vehicles in earlier year has been written back during the year.

SIMPLEX REALTY LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE 4		31.03.2010			31.03.2009		
INVESTMENTS	Face Value Rupees	Holdings	Book Value Rupees Rupees		Holdings	Book Value Rupees Rupees	
Long Term Investments							
In Shares of Companies :							
Non Trade Investments :							
Quoted Equity Shares - Fully Paid							
(a) Peninsula Land Ltd.	2	10,750	5,61,097		10,750	5,61,097	
(b) Prime Textiles Ltd.	2	2,500	36,180		2,500	36,180	
(c) APS Star Industries Ltd.*	-	-	-		320	6,925	
(d) HDFC Ltd.	10	280	4,483		280	4,483	
(e) Piramal Healthcare Ltd.	2	2,763	2,36,224		2,763	2,36,224	
(f) Hindustan Unilever Ltd.	1	360	2,38,835		360	2,38,835	
(g) Delta Magnets Ltd.	10	750	68,450		750	68,450	
(h) Piramal Glass Ltd.	10	125	-		125	-	
(i) Morarjee Textiles Ltd.	10	2,109	55,000		2,109	55,000	
(j) Piramal Life Science Ltd.	10	276	49,519		276	49,519	
(k) Simplex Mills Company Ltd.	10	14,70,000	1,46,10,800		14,70,000	1,46,10,800	
(l) Simplex Papers Ltd.	10	14,71,000	1,47,25,431		14,71,000	1,47,25,431	
			3,05,86,019				3,05,92,944
Unquoted Equity Shares - Fully Paid							
Mafatlal Engineering Industries Ltd.*	-	-	-		46	3,904	
Universal Conveyor Beltings Ltd.	10	27,500	2,75,000		27,500	2,75,000	
			2,75,000				2,78,904
Current Investments							
In Mutual Funds							
DSP Meryll Lynch T.I.G.E.R Fund**	-	-	-		83,618	25,00,000	
JM BASIC Dividend Plan**	-	-	-		96,906	25,00,000	
Reliance Growth Fund - Dividend	10	51,916	31,71,616		44,840	28,23,387	
Reliance Natural Resources Fund - Growth	10	2,44,499	25,00,000		2,44,499	25,00,000	
Others							
Motilal Oswal Trillion Dollar Scheme - PMS		-	25,53,172		-	21,16,041	
Forefront Capital - PMS		-	24,54,519		-	-	
Edelweiss Capital Ltd. - Secured Debentures (Rs.10 Lacs Each)		2	20,00,000	1,26,79,307	2	20,00,000	1,44,39,428
				4,35,40,326			4,53,11,276
Less : Provision for diminution in value of Investments				6,43,025			92,81,471
				4,28,97,301			3,60,29,805
As at 31.03.10				As at 31.03.09			
		Cost	Market Value		Cost	Market Value	
		Rs.	Rs.		Rs.	Rs.	
Aggregate Value of quoted Investments		3,62,57,635	5,58,52,916		4,09,16,331	4,13,60,797	
Aggregate Value of unquoted Investments		72,82,691	-		43,94,945	-	
		4,35,40,326	5,58,52,916		4,53,11,276	4,13,60,797	

* Investments Written off during the year.

** Investments sold during the year.

SCHEDULES FORMING PART OF THE BALANCE SHEET

	31.03.2010 Rs.	31.03.2009 Rs.
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SCHEDULE 5

INVENTORIES

Realty Stock - at conversion cost or fair market value whichever is lower	4,99,19,410	5,63,66,206
Property Development Account	3,37,77,652	4,70,20,506
	<u>8,36,97,062</u>	<u>10,33,86,712</u>

	31.03.2010 Rs.	31.03.2009 Rs.
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SCHEDULE 6

CASH AND BANK BALANCES

Cash on hand	1,41,004	1,41,082
With Scheduled Banks		
- in Current Accounts	1,34,27,493	3,78,75,498
- in Unpaid Dividend Accounts	18,25,315	9,34,650
- in Term Deposits	-	5,35,90,946
	<u>1,53,93,812</u>	<u>9,25,42,176</u>

	Rs.	31.03.2010 Rs.	Rs.	31.03.2009 Rs.
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SCHEDULE 7

LOANS AND ADVANCES

(Unsecured, considered good)				
Advance payment of Fringe Benefit Tax (Net of Provision)		82,515		82,515
Advance Recoverable in cash or in kind or for value to be received				
Considered Good	12,83,87,219		33,67,47,115	
Considered Doubtful	2,94,63,607		-	
	<u>15,78,50,826</u>		<u>33,67,47,115</u>	
Less: Provision for Doubtful Advances	2,94,63,607	12,83,87,219	-	33,67,47,115
Advances towards Property Development		32,51,10,572		19,37,31,172
Inter Corporate Deposits		54,14,55,366		31,02,50,694
Deposits		9,43,712		9,40,647
		<u>99,59,79,384</u>		<u>84,17,52,143</u>

SIMPLEX REALTY LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE 8	Rs.	31.03.2010 Rs.	Rs.	31.03.2009 Rs.
CURRENT LIABILITIES AND PROVISIONS				
A. Current Liabilities				
Sundry Creditors (Refer Note 3 of Schedule 12)	7,650		1,55,260	
Unpaid Equity Dividend for the year 2007-08	8,97,025		9,34,650	
Unpaid Equity Dividend for the year 2008-09	9,28,290		-	
Other Liabilities	<u>1,27,26,649</u>		<u>1,76,62,178</u>	
		1,45,59,614		1,87,52,088
B. Provisions				
Gratuity	12,11,348		13,17,838	
Leave Benefits	9,94,746		7,27,774	
Income Tax (Net of Advance Tax Payments)	1,13,02,024		5,12,41,459	
Wealth Tax (Net of Tax Payment)	30,380		41,175	
Proposed Dividend	2,24,35,365		2,99,13,820	
Tax on Proposed Dividend	<u>37,26,234</u>		<u>50,83,854</u>	
		3,97,00,097		8,83,25,920
		5,42,59,711		10,70,78,008

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 9	2009-10	2008-09
	Rs.	Rs.
OTHER INCOME		
Dividend	5,90,124	1,42,249
Interest Income	8,11,34,391	4,83,22,885
(Tax deducted at source on Interest Received - Rs. 82.95 lacs Previous year Rs.109.20 lacs)		
Building Rent	94,92,232	23,90,556
Excess Depreciation Written back	65,594	6,91,148
Reversal/(Provision) for Diminution in Value of Investments	86,38,446	(62,21,814)
Miscellaneous Income	5,827	26,701
	9,99,26,614	4,53,51,725

SCHEDULE 10	2009-10	2008-09
	Rs.	Rs.
OPERATING & OTHER EXPENSES		
1. Cost of Development :		
Cost of Developable Land	2,04,15,890	44,75,15,721
Development Costs	91,33,369	14,57,65,906
Development Management Fees	-	3,60,00,000
2. Personnel Costs:		
Salaries,Wages,Bonus and Ex-gratia	93,44,168	80,99,415
Gratuity	31,542	1,94,473
Leave Benefit	3,11,099	2,61,583
Contribution to Provident and Other Funds	4,92,334	6,22,138
Welfare Expenses	6,15,001	6,93,312
Retainership Fees	25,31,644	26,71,828
	1,33,25,788	1,25,42,749
3. Other Expenses :		
Electricity	(1,51,116)	1,36,231
Repairs to		
Machinery and Others	2,91,386	3,50,436
Insurance	1,55,689	63,585
Rent	39,630	25,953
Lease Rent	-	36,53,223
Rates and Taxes	4,23,125	75,354
Travelling and Conveyance Expenses [inclusive of Rs.10.90 lacs for Directors (Previous Year Rs.9.22 lacs)]	15,06,111	16,76,674
Legal and Professional Fees	12,58,208	62,72,721
Commission to Directors (other than Executive Directors)	10,00,000	10,00,000
Printing,Stationery and Communication Expenses	12,00,658	12,07,446
Loss on Sale of Investments	18,78,620	7,83,689

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 10 (Contd.)	Rs.	2009-10 Rs.	Rs.	2008-09 Rs.
Bank Charges	4,183		45,659	
Loss on Sale of Fixed Assets	19,303		69,074	
Vehicles Expenses	10,09,182		8,83,492	
Flat Maintenance Expenses	13,46,492		-	
Sundry Expenses	15,21,715		4,59,047	
Donation	10,00,000		10,00,000	
Doubtful Advances	2,94,63,607		-	
		4,19,66,793		1,77,02,584
4. Auditors' Remuneration (Refer Note 7 of Schedule 12)		4,00,896		2,00,330
5. Directors' Sitting Fees		1,90,000		1,25,000
		<u>8,54,32,736</u>		<u>65,98,52,290</u>
<hr/>				
SCHEDULE 11		2009-10 Rs.		2008-09 Rs.
INTEREST		7,174		1,20,009
On Other		<u>7,174</u>		<u>1,20,009</u>

SCHEDULE 12:

I Significant Accounting Policies:

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

(i) **System of Accounting:**

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

(ii) **Fixed Assets:**

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

(iii) **Capital Work-in-progress:**

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

(iv) **Investments:**

Long Term Investments are carried at cost less provision for permanent diminution in value of such investments (if any). Current investments are valued at cost or fair value whichever is lower.

(v) **Inventories:**

Realty stock is valued at lower of conversion cost or fair market value and property development account at actual costs incurred.

SCHEDULE 12 (Contd.)**(vi) Revenue Recognition:**

In respect of realty development activities, revenue is recognized based on Percentage of Completion Method. As per this method, revenue in respect of sales affected is recognized in proportion to the work completed as against the total work to be completed under the project. The share of net revenue (i. e. net share of profit) has been recognized as income from operation and proportionate cost of land and other related costs have been charged to the Profit and Loss Account.

Interest income is recognized on accrual basis.

Dividend income is recognized when the right to receive the same is established.

(vii) Borrowing Costs:

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are considered as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

(viii) Depreciation:

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

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

Voluntary Retirement Compensation and Gratuity paid to facilitate realty development is treated as property development cost, and proportionate cost is being recognized in the Profit and Loss account as a part of realty development costs.

(x) Retirement Benefits:

Liability on account of gratuity and leave encashment is based on actuarial valuation. The Company's contributions to provident fund, family pension fund and superannuation fund are charged to Profit and Loss account as incurred.

(xi) Taxation:

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

(xii) Impairment of Assets:

Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

SIMPLEX REALTY LIMITED

SCHEDULE 12 (Contd.)

(xiii) Provisions & Contingent Liabilities:

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

II Notes to Accounts :

1. Contingent liabilities not provided for:

Claims against the Company not acknowledged as debts Rs. 35.41 Lacs (Previous Year Rs. 35.81 Lacs)

2. Managerial Remuneration :

(A) To Chairman & Managing Director (Included in Personnel Costs under Schedule 10):

	2009-10	2008-09
Salary and Allowances	24,00,000	24,00,000
Contribution to Provident & other funds	4,05,000	4,05,000
Value of Perquisites	1,50,000	1,50,000
Commission	25,00,000	25,00,000
Total (A)	54,55,000	54,55,000

(B) To Non-Whole Time Directors:

Commission	10,00,000	10,00,000
Sitting Fees	1,90,000	1,25,000
Total (B)	11,90,000	11,25,000
Total Managerial Remuneration (A+B)	66,45,000	65,80,000

(C) Remuneration u/s 198 in accordance with Net Profit u/s Section 349 of the Companies Act, 1956:

	2009-10	2008-09
Profit Before Tax	23,49,78,209	1,08,59,33,156
Add: Managerial Remuneration	64,55,000	64,55,000
Directors Sitting fees	1,90,000	1,25,000
Provision for Diminution in Value of Investments	(86,38,446)	62,21,814
Deferred Revenue Expenditure	42,60,895	9,33,98,705
(Considered as Development Cost)		
Deferred Revenue Expenditure	75,03,006	-
(Considered as Extraordinary Items)		
Loss on Sale of Fixed Assets	19,303	69,074
Doubtful Advances	2,94,63,607	-
Investments Written off	10,830	-
Loss on Sale of Investments (net)	18,78,620	7,83,689
	27,61,21,024	1,19,29,86,438
Less: Surplus on Conversion of Land into Stock in Trade	-	50,38,45,224
Net Profit in terms of section 349 of the Companies Act.	27,61,21,024	68,91,41,214

Maximum Permissible Managerial Remuneration under section 309 of the Companies Act.

Restricted to 5% for Whole Time Directors	1,38,06,051	3,44,57,061
Restricted to 1% for Non-Whole Time Directors	27,61,210	68,91,412

SCHEDULE 12 (Contd.)

3. The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been given.
4. The lease of the land at Mumbai has expired and it is yet to be renewed by the Collector of Mumbai. 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 of Mumbai (‘the Collector’) have been set aside by the Honorable High Court of Mumbai, and the Court has directed the Collector to re-assess the lease rent. As of the Balance Sheet date, no revised demand is received. During the year 2008-09 the Company has provided Rs.36.53 lacs as lease rent for the period from April 1983 to March 2004 based on valuation report of an eminent approved valuer. The lease rent from the period April 2004 onwards will be borne by the flat owners of the apartment built on leasehold land.
5. Unamortised balance of Voluntary Retirement Scheme and Gratuity paid in earlier years was shown hitherto under Property Development Account and the proportionate cost was being recognized in the Profit and Loss Account as a part of Realty Development cost. During the year, in compliance with Accounting Standard (AS-15) “Employee Benefits (Revised)”, unamortised portion of deferred revenue expenditure (VRS and Gratuity) at the year end has been fully charged and shown under extraordinary items.
6. Revenue arising from developable land represents the Company's share in profit from the project "Planet Godrej" after reducing estimated cost. This estimate may vary on finalisation of the construction cost with the developer upon completion of the project.

7. Auditors' Remuneration includes :

	2009-10	2008-09
	Rs.	Rs.
Audit Fee	1,00,000	1,00,000
Tax Audit Fee	25,000	25,000
For Certification & Other Matters	2,75,000	75,000
Out of Pocket Expenses	896	330
Service Tax and Educational Cess	37,595	19,055
	4,38,491	2,19,385
Less: Cenvat Credit of Service Tax and Education Cess Aailed	37,595	19,055
Total	4,00,896	2,00,330

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

- I) Defined Contribution Plan
 - a) Provident Fund
 - b) Superannuation Fund and Pension Scheme - 1995

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

	2009-10	(In Rupees) 2008-09
Provident Fund	2,32,710	2,87,317
Superannuation Fund	2,25,000	2,91,000
Pension Fund	34,624	43,821

SIMPLEX REALTY LIMITED

SCHEDULE 12 (Contd.)

- II) Defined Benefit Plans
a) Contribution to Gratuity Fund (Non- Funded)
b) Leave Encashment (Non- Funded)

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

	2009-10	2008-09
Actuarial Assumptions		
Discount Rate	8.00%	7.00%
Salary Escalation Rate	10.00%	10.00%
Attrition Rate	0.50%	0.50%
Gratuity	2009-10	2008-09
A. Changes in value of obligations		(Rs. in Lacs)
Liability at the beginning of the year	13.18	22.30
Interest Cost	0.87	1.60
Current Service Cost	1.23	0.31
Benefit Paid	1.39	4.49
Actuarial (Gain)/Loss on Obligations	(1.78)	(6.54)
Liability at the end of the year	12.11	13.18
B. Amount recognized in the Balance Sheet		
Present Value of Defined Benefit Obligation as at the year end	12.11	13.18
Fair Value of Plan Assets as at the year end	-	-
Liability/ (Net Asset) recognized in the Balance Sheet	**12.11	**13.18
**Included in Provisions (Refer Schedule 8)		
C. Expenses recognized in the Profit and Loss Account		
Interest Cost	0.87	1.60
Current Service Cost	1.23	0.31
Net Actuarial (Gain)/Loss recognized	(1.78)	(6.54)
Expenses recognized in Profit and Loss Account	0.32	(4.63)
Leave Encashment	2009-10	2008-09
A. Changes in value of obligations		(Rs. in Lacs)
Liability at the beginning of the year	7.27	6.92
Interest Cost	0.49	0.51
Current Service Cost	2.56	2.20
Benefit Paid	0.44	0.97
Actuarial (Gain)/Loss on Obligations	0.06	(1.39)
Liability at the end of the year	9.94	7.27
B. Amount recognized in the Balance Sheet		
Present Value of Defined Benefit Obligation as at the year end	9.94	7.27
Fair Value of Plan Assets as at the year end	-	-
Liability/ (Net Asset) recognized in the Balance Sheet	**9.94	**7.27
**Included in Provisions (Refer Schedule 8)		
C. Expenses recognized in the Profit and Loss Account		
Interest Cost	0.49	0.51
Current Service Cost	2.56	2.20
Actuarial (Gain)/Loss recognized	0.06	(1.39)
Expenses recognized in Profit and Loss Account	3.11	1.32

SCHEDULE 12 (Contd.)

9. Break-up of deferred tax assets/(liability):

(Rs. in Lacs)

	31-03-2010	31-03-2009
	Deferred Tax Assets/ (Liability)	Deferred Tax Assets/ (Liability)
1 Difference between Books & Tax Depreciation (Cumulative)	4.24	3.11
2 Provision for Gratuity	4.12	4.48
3 Provision for Leave Encashment	3.38	2.47
4 Long Term Capital Gains on Conversion of Land into Stock in trade	(39.49)	(61.92)
5 Deferred Gratuity & VRS	-	(3.71)
Deferred Tax Assets/(Liability) Net	(27.75)	(55.57)

10. Earnings Per Share (EPS) is calculated by dividing the profit attributable to the equity share holders by weighted average number of equity shares outstanding during the year.

	2009-10	2008-09
1 Profit after Tax - Rs.	14,53,72,462	82,68,34,258
2 Extraordinary and Prior Period Items (Net) - Rs.	1,18,41,547	1,33,878
3 Weighted average number of shares outstanding during the year	29,91,382	29,91,382
4 Face value of shares - Rs.	10/-	10/-
5 Basic/Diluted EPS - Rs. (after Extraordinary and Prior Period Items)	48.60	276.41
6 Basic/Diluted EPS - Rs. (before Extraordinary and Prior Period Items)	44.64	276.36

11. The Company's main business activity constitutes developing real estate, which is the only reporting segment.

12. Related Party Disclosure (As identified by the Management):

(i) Related Party Relationship during the year

(a) Associates	Simplex Papers Ltd. Simplex Mills Company Ltd.
(b) Key Management Personnel	Mr. Nandan Damani - Managing Director
(c) Relative of Key Management Personnel	Mr. S.K.Somany
(d) Where persons mentioned in (b) or (c) exercise significant influence	Lucky Vyapaar & Holdings Pvt.Ltd. Enas Foundation

SIMPLEX REALTY LIMITED

SCHEDULE 12 (Contd.)

(ii) Transactions with Related Parties

(Rs. in Lacs)

Type of Related Party	Description of the nature of the transactions	Volume of Transactions during 2009-10	Volume of Transactions during 2008-09	As on 31.03.10 Receivable/ (Payable)	As on 31.03.09 Receivable/ (Payable)
(a) Associates					
Simplex Papers Ltd.	Advances Recoverable/(Payable)	32.85	117.42	1,473.18	1,440.33
Simplex Mills Co.Ltd.	Advances Recoverable/(Payable)	21.95	18.63	2.00	(19.95)
(b) Key Management Personnel	Managerial Remuneration	54.55	54.55	-	-
(c) Relative of Key Management Personnel	Directors' Sitting Fees	0.45	0.30	-	-
(d) Where persons mentioned in (b) or (c) exercise significant influence	a) Reimbursement of Expenses Incurred Lucky Vyapaar & Holdings Pvt. Ltd.	114.61	-	-	-
	b) Donation Enas Foundation	10.00	-	-	-

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

	2009-10	2008-09
Expenditure in Foreign Currency :	Rs.	Rs.
Travelling	1,47,800	66,750

14. Previous year's figures have been regrouped wherever necessary to conform to the current year's presentation.

As per our report of even date attached

For and on behalf of the Board

For **Dayal and Lohia**
Chartered Accountants

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

Anil Lohia
Partner
M.No.31626
Mumbai, May 21, 2010

Asish Narayan
Company Secretary

S. K. Somany
Director

Mumbai, May 21, 2010

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

I Registration Details

Registration No. : 351
State Code : 11
Balance Sheet Date : 31st March, 2010

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

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

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

Total Liabilities	10,94,067	Total Assets	10,94,067
Sources of Funds			
Paid-up Capital	29,937	Reserves & Surplus	10,61,355
Deferred Tax Liability	2,775		
Application of Funds			
Net Fixed Assets	10,360	Investments	42,897
Net Current Assets	10,40,810		

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

Turnover & Other Income	3,29,096	Total Expenditure	94,118
(including prior period adjustments)		(including extraordinary items)	
Profit Before Tax	2,34,978	Profit After Tax	1,45,372
		(after considering deferred tax assets)	
Earnings per share Rs.	48.60	Dividend @ %	75

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

Product Description	Item Code No. (ITC Code)
Not applicable	

NOTES

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

ATTENDANCE SLIP

I hereby record my presence at the 97th ANNUAL GENERAL MEETING held on Wednesday, the 11th August, 2010 at 11.00 A.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

DP.ID.No. _____

Client I.D.No. _____

Folio No. _____

Full Name of Member _____

Signature _____

Full Name of Proxy (in Block Letters) _____

Signature _____

- 1) Members/Proxy holders are requested to bring the attendance slip duly completed when they come to the Meeting and hand them over at the entrance after affixing their signatures on them.
- 2) Members/Proxy holders should bring their copy of the Annual Report for reference at the Meeting.



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

PROXY FORM

I/We _____
of _____ in the district of _____
_____ being a member(s) of the above named Company,
hereby appoint _____
of _____ in the district of _____
or failing him/her _____
of _____ in the district of _____

as my/our Proxy to vote for me/us on my/our behalf at the 97th ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 11th August, 2010 at 11.00 A.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai-400 001.

Signed this _____ day of _____ 2010

Signed by the said,

DP. ID. No. _____

Client I.D. No. _____

Folio No. _____

No. of Shares held _____

Affix
Re.1.00
Revenue
Stamp
(Signature)

Notes:

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

Dear Shareholder(s)

21st May, 2010**Option for NECS Mandate/Bank Mandate****NECS Mandate**

As an added service to our shareholders, we are pleased to offer the facility of electronic credit of dividend directly to the respective bank accounts of our shareholders through National Electronic Clearing Service (NECS). NECS operates on the new and unique bank account number allotted by banks post implementation of the Core Banking Solutions (CBS). Shareholders who would like to avail of this facility are requested to fill up the mandate form provided on the reverse of this letter and submit the same so as to reach the Company's Share Transfer Agent latest by 03rd August, 2010. This service not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and correspondence relating to revalidation / issue of duplicate dividend warrants.

Kindly note that as per directives of Securities and Exchange Board of India (SEBI), in respect of shareholders holding shares in dematerialised form, dividend shall be paid through NECS (where such facility is available) directly into the bank account furnished by the shareholders to their respective Depository Participant. Such shareholders therefore need not submit the mandate form provided on the reverse of this letter. In case it is desired to receive dividend in a bank account other than the one specified while opening the Demat Account, such shareholders may please inform the same to their respective Depository Participant immediately.

Bank Mandate

Shareholders holding shares of the Company in physical form and who, for any reason, would not like to avail of the NECS facility being offered as mentioned above, are requested to furnish (if not done earlier) in the mandate form provided on the reverse of this letter, details of their bank account number and name of the bank and the branch, which would be printed on the dividend warrants to avoid fraudulent encashment thereof.

Kindly note the NECS/Bank mandate instructions should be under the signature of the shareholder(s) as per specimen lodged with the Company.

Thank you,

Yours sincerely,

For Simplex Realty Limited

Asish Narayan
Company Secretary

To,
Freedom Registry Limited
(Formerly - Amtrac Management Services Limited)
Plot No. 101/102, 19th Street, MIDC,
Satpur, Nasik - 422 007

Date:

FORM FOR NECS MANDATE / BANK MANDATE

(Not required to be filled by Shareholders holding shares in dematerialized form)

I/We _____
do hereby authorise Simplex Realty Limited to:-

1. Credit my dividend amount directly to my Bank Account as per details furnished below by National Electronic Clearing Service (NECS) - NECS Mandate*
2. Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me - Bank Mandate*

(*Please strike out whichever is not applicable)

Folio No.

A.	Bank Name	
B.	Branch	
C.	Bank Address	
D.	Bank Account No.	
E.	Account Type (Saving/Current)	
F.	9 Digit Code number of the bank & branch as appearing on the MICR Cheque (for NECS Mandate only) Please attach photo copy of the cheque	
G.	Telephone Number (with STD code) of shareholder (optional)	
H.	Email-ID of Shareholder (Optional)	

I/We shall not hold the Company responsible if the NECS mandate cannot be implemented for reasons beyond the control of the Company.

Signature of Shareholder
(as per specimen lodged with the Company)

Note:

1. In case of shares held in dematerialized form, shareholders are requested to intimate the updated bank account details to their Depository Participant (DP).
2. You may contact the Company's Share Transfer Agent, M/s. Freedom Registry Limited, for any clarifications you may need on the NECS / Bank Mandate at: Tel.: 0253-2354032 Fax: 0253-2351126 Email : amtrac_nsk@sancharnet.in

Book - Post

If undelivered, please return to:

Simplex Realty Limited

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