



99th
ANNUAL REPORT
2011-2012

Late Shri Surajratan Fatehchand Damani



(14.07.1912 - 19.08.1993)

Board of Directors

Shri Nandan Damani
 Shri M.P.Jatia (expired on 25.05.2012)
 Shri V.B.Haribhakti
 Shri S.K.Somany
 Smt. Anna Malhotra
 Smt. Gopa Ray
 Shri Sanjay N.Damani (w.e.f.14.05.2012)

Chairman & Managing Director

Chief Financial Officer

Shri Surendra Kabra

Company Secretary and Compliance Officer

Shri Shekhar R Singh (w.e.f. 28.09.2011)
 Shri Asish Narayan (upto 20.09.2011)

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

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Annual General Meeting of the Company will be held on Monday, 13th August, 2012 at 11.30 A.M. at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai 400 001.

SIMPLEX REALTY LIMITED

NOTICE

NOTICE is hereby given that the Ninety Ninth **ANNUAL GENERAL MEETING** of the Members of **SIMPLEX REALTY LIMITED** will be held on Monday, the 13th August, 2012 at 11.30 A.M. at M.C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai 400 001 to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend for the financial year ended 31st March, 2012 on Equity Shares.
3. To appoint a Director in place of Smt. Gopa Ray, 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, Mumbai (ICAI Registration Number 102200W) 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, 2013."

Special Business:

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

"RESOLVED THAT Shri Sanjay N. Damani, who was appointed as an Additional Director of the Company with effect from 14th May, 2012 by the Board of Directors and who holds office up to the date of the forthcoming Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 (Act) read with Article 131 of the Articles of Association of the Company and in respect of whom the Company has received a notice from a member under Section 257 of the Act proposing his candidature for the office of a Director be and is hereby appointed as Director of the Company, whose office shall be liable to retirement by rotation."

By Order of the Board of Directors

Shekhar R Singh

Company Secretary & Compliance Officer

Mumbai, 14th May, 2012

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. The Explanatory Statement pursuant to the provision of Section 173(2) of the Companies Act, 1956, in respect of **Item Nos. 5 and 6** of the Notice dated 14th May, 2012 is appended hereto.
3. The information as required pursuant to Clause 49 of the Listing Agreement about Directors proposed to be appointed/ re-appointed is given in Annexure to this Notice.
4. The Members/Proxy holders are requested to bring their duly filled Attendance Slip along with their copy of the Annual Report to the meeting.
5. The Register of Members and Transfer Books of the Company will remain closed from Tuesday, the 7th August, 2012, to Monday, the 13th August, 2012 (both days inclusive) for the purpose of payment of dividend for the year ended 31st March, 2012, if declared at the meeting and for the purpose of the Ninety Ninth Annual General Meeting or any adjournment thereof.
6. 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 Monday, the 13th August, 2012. In respect of the shares held in dematerialized 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 at the close of business hours on Monday, the 6th August, 2012.
7. The Members who hold shares in physical form are requested to notify any change in their address to the Company's Share Transfer Agent, Freedom Registry Limited, having its office at Plot No. 101/102, 19th Street, MIDC, Satpur, Nashik-422007. The Members who hold shares in dematerialized form are requested to notify any change in their address to their respective Depository Participants.
8. Corporate Members intending to send their Authorized Representatives to attend and vote at the Meeting are requested to ensure that the authorised representative carries a duly certified true copy of their Board Resolution.

EXPLANATORY STATEMENT

As required by Section 173 (2) of the Companies Act, 1956 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under **Item Nos. 5 and 6** of the accompanying Notice dated 14th May, 2012.

Item No. 5

As per the provisions of Section 224A of the Act, if not less than 25 percent of the subscribed share capital of any company is held whether singly or in any combination 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 percent of the subscribed share capital of your Company is jointly held by Public Financial Institution, it is necessary to pass a Special Resolution for re-appointment of retiring Auditors M/s. Dayal and Lohia, Chartered Accountants, Mumbai as Statutory Auditors of the Company.

None of the Directors of the Company are concerned or interested in the said resolution.

The Board of Directors recommend the Special Resolution at Item No. 5 of the Notice for the re-appointment of Statutory Auditors for your approval.

Item No. 6

Shri Sanjay N. Damani was appointed as an Additional Director of the Company with effect from 14th May, 2012 by the Board of Directors under Section 260 of the Act read with Article 131 of Articles of Association of the Company. In terms of Section 260 of the Act, Shri Sanjay N. Damani holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment as a Director.

A notice under Section 257 of the Act has been received from a Member signifying the intention to propose Shri Sanjay N. Damani for the appointment as a Director.

A brief profile of Shri Sanjay N. Damani is given in the Annexure to the Notice.

None of the Directors except Shri Sanjay N. Damani, Shri Nandan Damani and Shri S. K. Somany are concerned or interested in the said Resolution.

The Board of Directors recommend the Ordinary Resolution at Item No. 6 of the Notice for the appointment of Shri Sanjay N. Damani as a Director for your approval.

By Order of the Board of Directors

Mumbai, 14th May, 2012

Shekhar R Singh
Company Secretary & Compliance Officer

Registered Office:

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

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

Brief Resume of the Directors

Name of Director	Smt. Gopa Ray	Shri S. K. Somany	Shri Sanjay N. Damani
Date of Birth	06.09.1951	29.03.1931	16.09.1989
Date of Appointment	28.10.2006	02.11.1991	14.05.2012
Experience in specific Functional Areas	She worked in various capacity with Life Insurance Corporation of India.	He has a rich experience in the business of Ceramic, Glass and Textile Industries of more than five decades.	He has more than one year experience in the Real Estate sector.
Qualification	M. A.	B.Com.	Bsc BA (Marketing and Finance) from Bryant University Rhode, Island, USA.
Directorships held in other Companies	Nil	<ol style="list-style-type: none"> 1. Jamshri Ranjitsinghi Spg. and Wvg. Mills Co. Ltd. 2. The Nav Bharat Refrigeration and Industries Ltd. 3. Soma Textiles and Industries Ltd. 4. Somany Evergreen Knits Ltd. 5. Shreelekha Global Finance Ltd. 	<ol style="list-style-type: none"> 1. Simplex Renewable Resources Private Ltd. 2. Shreelekha Global Finance Ltd. 3. The Nav Bharat Refrigeration and Industries Ltd. 4. New Textiles Private Ltd. 5. Lucky Vyapaar and Holdings Private Ltd.
Committee positions held in other Companies	Nil	<p>Chairman of Audit Committee: 1. Jamshri Ranjitsinghi Spg. and Wvg. Mills Co. Ltd.</p> <p>Member of Audit Committee: 1. Soma Textiles and Industries Ltd.</p> <p>Chairman of Remuneration Committee: 1. Jamshri Ranjitsinghi Spg. and Wvg. Mills Co. Ltd.</p> <p>Member of Remuneration Committee: 1. Soma Textiles and Industries Ltd.</p> <p>Chairman of Shareholders'/ Investors' Grievance Committee: 1. Soma Textiles and Industries Ltd. 2. The Nav Bharat Refrigeration and Industries Ltd.</p> <p>Share Transfer Committee: 1. Soma Textiles and Industries Ltd.</p>	Nil
Equity Shares held in Simplex Realty Ltd.	Nil	1,411	61,553

SIMPLEX REALTY LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 99th Annual Report, together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

(In ₹)

	2011-12	2010-11
Total Income	6,99,76,969	8,57,27,890
Profit before Depreciation, Finance Costs and Taxation	2,38,10,942	5,56,12,336
Less: Depreciation	14,58,248	12,37,532
Less: Finance Costs	11,51,523	11,17,588
Profit before tax	2,12,01,171	5,32,57,216
Less: Current tax	57,69,789	1,91,72,600
Deferred tax	(9,50,523)	(57,778)
Profit for the year	1,63,81,905	3,41,42,394
Add: Balance in the statement of Profit and Loss	37,63,82,118	36,09,60,276
Less: Appropriation		
Transfer to General Reserve	10,00,000	1,00,00,000
Proposed Dividend on Equity Shares	44,87,073	74,78,455
Tax on Dividend	7,27,916	12,42,097
Closing Balance	38,65,49,034	37,63,82,118

DIVIDEND

The Directors are pleased to recommend Dividend on equity shares for the year ended 31st March, 2012 at ₹1.50 (i.e.15%) per equity share of face value of ₹ 10/-, subject to the approval of the members at the Ninety Ninth Annual General Meeting. The total cash out flow on account of equity dividend payment, including dividend distribution tax would be ₹ 52.15 lacs for the financial year 2011-12.

OPERATIONS

Your Company has reported total income of ₹ 699.77 lacs and the net profit of ₹ 163.82 lacs during the year ended 31st March, 2012.

SUBSIDIARY COMPANY

During the year under review, the Company has divest it's holding in Simplex Renewable Resources Private Limited (SRRPL) and accordingly, SRRPL has ceased to be the subsidiary of the Company with effect from 29th February, 2012.

NEW PROJECT

The Company has undertaken development of a Residential cum Commercial Complex in western suburb of Mumbai with the land owner. The name of the project is "Simplex KhushAangan" having Ground + Two floors of commercial and Seventeen floors of residential tower. The company has received commencement certificate upto the plinth level and excavation work is in progress.

FIXED DEPOSITS

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

DIRECTORS

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

Shri Sanjay N. Damani, was appointed by the Board as an Additional Director of the Company with effect from 14th May, 2012 under Section 260 of the Companies Act, 1956 (the Act) read with Article 131 of Articles of Association of the Company. Shri Sanjay N. Damani holds office upto the date of forthcoming Annual General Meeting and being eligible, offer himself for appointment as a Director at the said Meeting.

PARTICULARS OF EMPLOYEES

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

AUDITORS

M/s. Dayal and Lohia, Chartered Accountants, Mumbai, hold office as statutory Auditors of the Company until the conclusion of the forthcoming Annual General Meeting and are recommended by the Board for re-appointment to hold the office from the conclusion of the forthcoming Annual General Meeting until the conclusion of the next Annual General Meeting. The Auditors have confirmed that, their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Act and that they are not disqualified in terms of Section 226 of the Act.

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 Act 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, 2012 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 BSE Limited and the Annual Listing Fees for the year 2012-13 has been paid.

SIMPLEX REALTY LIMITED

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

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

Foreign Exchange Transactions:	<u>2011-12</u>	<u>2010-11</u>
Foreign Exchange Earnings (₹)	Nil	Nil
Foreign Exchange Outgo (₹)	2,43,391/-	1,78,901/-

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

Mumbai, 14th May, 2012

Nandan Damani
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. OVERVIEW OF THE ECONOMY

India's Gross Domestic Product (GDP) is estimated to grow at 6.9 percent in 2011-12. The growth is estimated to be 2.5 percent in agriculture, 3.9 percent in industry and 9.4 percent in services. There is significant slowdown in comparison to the preceding two years, primarily due to deceleration in the industrial growth. Rising cost of credit and weak domestic business sentiment, added to this decline. The inflation remained high for the most part of the year. It was only in December 2011 that it moderated to 8.3 percent followed by 6.6 percent in January 2012. Taking a bird's eye view of the entire economy and keeping in mind the difficult global environment, India's GDP growth in 2012-13 is expected to be in the range of 7.5 percent.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian economy has witnessed robust growth in the last few years and is expected to be one of the fastest growing economies in the coming years. The demand for commercial property is being driven by India's economic growth. The productivity growth rate of Indian economy is estimated to be around 8.2 percent in the fiscal year 2012-13. It is expected that Indian economy will continue to remain resilient, stay strong and demand for real estate projects will gain greater momentum during the fiscal year 2012-13.

Real estate in India contributes about 5 percent to India's GDP. The estimates show that for every rupee that is invested in housing and construction, 0.78 paisa gets added to GDP. According to Economic Survey 2011-12, the Housing ranks fourth in terms of the multiplier effect on the economy and third amongst 14 major industries in terms of total linkage effect and is expected to grow at the rate of 30 percent over the next decade. This sector is the second largest employer after agriculture. The size of the Indian real estate market is expected to touch US\$ 180 billion by 2020. Foreign Direct Investment (FDI) of more than US\$ 9 billion was infused in real estate in the last decade. During the year, FDI inflow was about ₹ 3,400 crores.

The growth witnessed by the real estate sector is mainly influenced by the GDP growth, increased urbanization, an expanding middle class as well as growth across various sectors such as IT/ITES, retail, consumer durables, automobiles, telecom, banking, insurance, tourism, hospitality and logistics.

The existing scheme of interest subvention of 1 percent on housing loans has been extended for one more year. The scheme provides housing loans upto ₹ 15 lacs, where the cost of house does not exceed ₹ 25 lacs. This will have a positive impact on the growth of real estate sector.

The year 2011 can best be described as a lacklustre year for Indian real estate sector. There were several headwinds that prevented the sector from delivering to its full potential. High property prices and rising home loan interest rates kept the home buyers away from the property market.

Residential real estate segment

The residential real estate segment makes up most of the real estate industry in the country. The growth in this segment is primarily driven by increasing urbanization, rise in the number of nuclear families and rising incomes, etc. According to estimates published by Cushman & Wakefield, India, demand for residential units in India is estimated to be over 4.25 million units between 2010 and 2014.

According to McKinsey Global Institute, the number of household earning over ₹ 5 lacs per annum will increase to 8.8 million in 2015. This is expected to push the demand for housing.

The Low Income Group (LIG) and Economically Weaker Section (EWS) housing segments will continue to see a high demand supply gap in the next five years. Policy reforms by the Central and State Governments are expected to have an impact on the demand-supply scenario. Several states across India are considering to allocate certain percentage of land to LIG and EWS in order to meet the demand arising for this segment. As a result, boost in supply in the housing segment is expected.

Commercial real estate segment

The commercial real estate segment includes office spaces, IT parks, retail, healthcare, hospitality, industries and Special Economic Zones (SEZ). There will be moderate and steady demand for office spaces. The demand for office space is driven by the influx of multinational companies and growth in services sector. Overall, on pan-India basis, the demand for office space is expected to total 180 million sq.ft. by 2013, with seven major cities (Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, NCR and Pune) catering to 75 percent of the total demand.

The healthcare and hospitality sector will grow at healthy rate as many Indian and foreign companies are looking for big expansion plans in these segments.

Retail real estate segment

The retail real estate is one of the biggest opportunities in India today. The country's vast and rapidly growing middle class with its rising per capita disposable income and a tendency towards consumption rather than saving represent a huge and virtually untapped market. Although the retail real estate segment has the smallest pie in the real estate industry, it is growing rapidly and the demand for good quality mall space is fuelled by the growth in organized retail and the entry of international retailers into India. Over the past few years, retail has become one of the fastest growing industries in the country.

3. OPPORTUNITIES

- FDI upto 100 percent allowed with the Government permission for development of township and settlements will provide opportunities in the sector.
- Allowing 100 percent FDI under the automatic route in the development of SEZ, subject to provisions of SEZ Act, 2005 and the SEZ Policy of the department of Commerce.
- In view of shortage of housing for low income groups in major cities and town, in the union budget 2012-13 there are proposals to set up Credit Guarantee Trust Fund to ensure better flow of institutional credit for housing loans, allowing External Commercial Borrowing (ECB) for low cost affordable housing projects which are positive for the growth of housing sector. The infrastructure of India is also growing day by day so it adds to the better facility to different sectors which boost the real estate projects.
- Redevelopment will be the keyword in the coming years as the supply of vacant land is getting exhausted, particularly in metro cities. Integrated townships and urban infrastructure have emerged as new focus areas in the realty space.
- According to report released by Cushman & Wakefield, 240 million sq. ft. of commercial property and 4.25 million units of residential property will be required to meet demand over 2010-2014.
- Growing requirements of space from sectors such as education, healthcare and tourism provide opportunities in the real estate sector with IT parks, retail, hospitality, SEZ, financial services, telecom and other new age sectors taking centre stage will continue providing tremendous room for growth in commercial office space.
- Urban population has been increasing and is expected to cross 590 million by 2030. Urbanization and growing household income are some of the major factors that influence demand for residential real estate and growth in the retail sector.

4. THREATS

- Depressed demand, together with increased construction costs - both material and labour which has been putting pressure on the cost of projects and profit margins.
- Any adverse move by the banking sector towards the lending policy on the real estate loans may increase the cost of borrowing.
- The delay in approvals of project and amendments in the various Rules and Regulations would impact new launches and increase in the cost of the projects.

5. OUTLOOK

India is the second largest populated country in the world which means that there is huge potential in the real estate sector in India. Overall, the long-term view for the Indian real estate sector is positive since its fundamental demand drivers - increasing urbanization, favourable demographics, growth of the services sector and rising incomes are still intact. The long term demand projection for real estate is certainly healthy given the housing shortage. In the short term, the demand for optimally priced and quality real estate is expected to grow. The Budget for 2012-13 has a mixed bag for the real estate sector. While, it has given some relief to the buyers for affordable houses, it did not do much to augment the supply of the same or to curtail the cost of houses in cities. The demand for real estate is expected to grow at a compound annual growth rate (CAGR) of 19 percent between 2010 and 2014. Metropolitan cities are projected to account for about 40 percent of this. Growing requirements of space from sectors such as education, healthcare and tourism provide opportunities in the real estate sector. According to the World Bank's Doing Business 2012 Report, India is among the top countries in terms of housing and work space.

Union Budget 2012 has some proposal on the much needed funding front and certain direct tax sops for the real estate industry which include ECB doors are proposed to be made open for specified low cost affordable housing projects which could potentially provide the much needed liquidity to the housing sector, Investment linked deduction available for low cost affordable housing projects increased from 100 percent to 150 percent.

6. RISKS AND CONCERNS

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

Competition Risk

Business opportunities also bring competition. The Market in which the Company operates is highly competitive with competition from local as well as national developers. Its properties face competition from similar properties in the same market.

Price Risk of the Raw Materials

The primary building materials like steel and cement are subject to price volatility due to general economic conditions, competition, production levels, transportation costs and domestic and import duties.

Development Risk

Developing properties presents a number of execution risks due to various factors, such as obtaining required government permits, weather, labour conditions, escalating costs, material shortages etc.

Economic Risk

Any adverse change in the economic conditions of the country due to slowdown in the GDP growth, rise in interest rates, inflation, changes in tax, trade, fiscal and monetary policies etc. could have an adverse affect on our business and financial condition. The recent service tax imposition will increase the unaffordability quotient of homes, especially in cities like Mumbai and Delhi, where home buyers are already struggling with the recent spurt in residential property prices. The recent withdrawal of teaser interest rates by lenders and the increase in interest rates are also likely to dampen residential demand.

Health and Safety Risks

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

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

8. FINANCIAL AND OPERATING PERFORMANCE

The total income of the Company for the current year is ₹ 699.77 lacs as against ₹ 857.28 lacs during the previous year. The Company has earned a net profit of ₹ 163.82 lacs during the current year as against ₹ 341.42 lacs in the previous year. The EPS in the current year is ₹ 5.48 as against ₹ 11.41 in the previous year.

9. 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.

10. CAUTIONARY STATEMENT

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

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, 2012, 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 ten Committees and the Chairman in more than five Committees, across all companies in which they are Directors.

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

During the year ended 31st March, 2012, 4 (four) Board Meetings were held. The dates on which the said meetings were held are as follows:

14th May, 2011, 12th August, 2011, 18th October, 2011, and 7th February, 2012.

Attendance of Directors at Board Meetings during 2011-12 and Directorships and Committee Chairmanship /Membership of other companies as on 31st March, 2012

Name of the Director	Category	No. of Board Meetings held - 4	No. of Directorships and Committee Chairmanship / Membership			Attended Last AGM [@]
			Other Directorship*	Committee Chairmanship**	Committee Membership**	
Shri Nandan Damani	Executive	4	3	-	2	Yes
Shri M.P.Jatia	Independent-Non Executive	4	5	-	2	Yes
Shri V.B.Haribhakti	Independent-Non Executive	4	6	4	4	Yes
Shri S.K.Somany	Non Executive	4	5	4	2	Yes
Smt. Anna Malhotra	Independent-Non Executive	4	1	-	3	Yes
Smt. Gopa Ray	Independent-Non Executive	4	None	-	-	Yes
Shri Sanjay N. Damani [§]	Additional Director	-	2	-	-	No

[@] Last AGM was held on 12th August, 2011

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

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

[§] Appointed as an Additional Director with effect from 14th May, 2012.

3. AUDIT COMMITTEE

During the year ended 31st March, 2012, 4 (four) Audit Committee Meetings were held. The dates on which the said meetings were held are as follows:

14th May, 2011, 12th August, 2011, 18th October, 2011 and 7th February, 2012.

The composition of the Audit Committee and the number of meetings attended by each member during the year ended 31st March, 2012 is as follows:

Name of the Member	Designation	No. of Meetings held - 4
		Attended
Shri V.B.Haribhakti	Chairman	4
Shri S.K.Somany	Member	4
Shri M.P.Jatia	Member	4
Smt. Anna Malhotra	Member	4

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

The Company Secretary acts as the Secretary to the Committee.

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

The terms of reference of this Committee includes those specified under 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 year ended 31st March, 2012, 1(one) Remuneration Committee Meeting was held on 14th May, 2011.

The composition of the Remuneration Committee and the number of meetings attended by each member during the year ended 31st March, 2012 is as follows:

Name of the Member	Designation	No. of Meetings held - 1
		Attended
Shri V.B.Haribhakti	Chairman	1
Shri S.K.Somany	Member	1
Shri M.P.Jatia	Member	1
Smt. Anna Malhotra	Member	1

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.

Sitting fees / remuneration paid to Directors

Details of remuneration paid to Executive / Non-Executive Directors during the year ended 31st March, 2012 are as under:

Name of the Non-Executive Directors	Sitting Fees (₹)
Shri M.P.Jatia	45,000/-
Shri V.B.Haribhakti	45,000/-
Shri S.K.Somany	45,000/-
Smt. Anna Malhotra	45,000/-
Smt. Gopa Ray	20,000/-

Remuneration paid to Shri Nandan Damani, Chairman and Managing Director, during the financial year 2011-12 is ₹ 40,46,667/-.

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	1,411

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

During the year ended 31st March, 2012, 4 (four) Shareholders'/Investors' Grievance Committee Meetings were held. The dates on which the said meetings were held are as follows:

14th May, 2011, 12th August, 2011, 18th October, 2011 and 7th February, 2012.

The composition of the Shareholders'/Investors' Grievance Committee and the number of meetings attended by each member during the year ended 31st March, 2012 is as follows:

Name	Designation	No. of Meetings held - 4
		Attended
Shri S.K.Somany	Chairman	4
Shri Nandan Damani	Member	4

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 year ended 31st March, 2012, 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 Dividends / (received directly)	2
Others	6

There are no shareholders complaints pending as at 31st March, 2012.

6. GENERAL BODY MEETINGS

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

Financial Year	Date of AGM	Time	Location of the Meeting
2008 - 2009	10.08.2009	11.00 A. M.	M. C. Ghia Hall, 4 th Floor, Bhogilal Hargovindas Building, 18/20, K. D. Marg, Kala Ghoda Mumbai 400 001
2009 - 2010	11.08.2010	11.00 A. M.	M. C. Ghia Hall, 4 th Floor, Bhogilal Hargovindas Building, 18/20, K. D. Marg, Kala Ghoda Mumbai 400 001
2010 - 2011	12.08.2011	11.30 A. M.	M. C. Ghia Hall, 4 th Floor, Bhogilal Hargovindas Building, 18/20, K. D. Marg, Kala Ghoda Mumbai 400 001

(ii) Special Resolutions passed in previous three AGMs:

AGM	Date of AGM	Special Resolutions
96 th	10.08.2009	a. Re-appointment of M/s. Dayal and Lohia, Chartered Accountants, Mumbai as Statutory Auditors of the Company. b. Payment of Commission to Non-Executive Directors.
97 th	11.08.2010	a. Re-appointment of M/s. Dayal and Lohia, Chartered Accountants, Mumbai as Statutory Auditors of the Company. b. Payment of Commission to Non-Executive Directors.
98 th	12.08.2011	a. Re-appointment of M/s. Dayal and Lohia, Chartered Accountants, Mumbai as Statutory Auditors of the Company. b. Re-appointment of Shri Nandan Damani as Managing Director of the Company for a period of three years with effect from 29 th June, 2011.

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

7. DIRECTORS

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

8. SUBSIDIARY COMPANY

During the year under review, the Company has divest it's holding in Simplex Renewable Resources Private Limited (SRRPL) and accordingly, SRRPL has ceased to be the subsidiary of the Company with effect from 29th February, 2012.

9. DISCLOSURES

a) Related party transactions

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

Details on material significant related party transactions are given in the appended financial statements under notes to 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, 2012 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, 2012 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

10. MEANS OF COMMUNICATION

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

11. 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.

12. GENERAL INFORMATION FOR SHAREHOLDERS

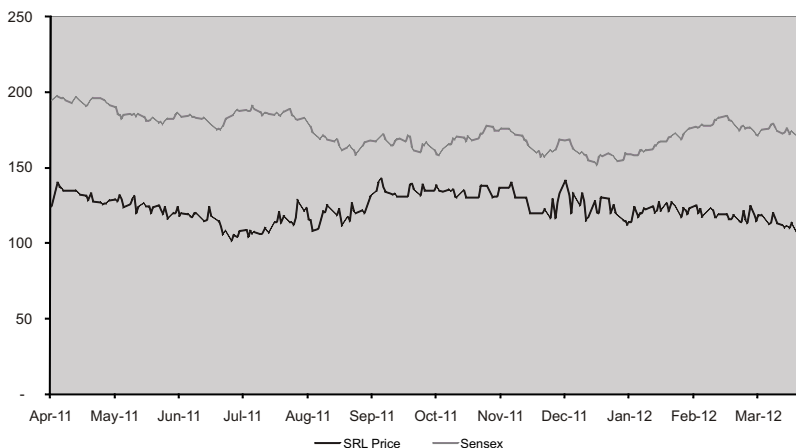
i)	Date, Time and Venue of forthcoming AGM	Date : 13 th August, 2012 Time : 11.30 A.M. Venue : M. C. Ghia Hall, 4 th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai- 400 001.
ii)	Financial Calendar (2012-2013)	i) First Quarterly Results - Upto 15 th August, 2012 ii) Second Quarterly Results - Upto 15 th November, 2012 iii) Third Quarterly Results - Upto 15 th February, 2013 iv) Annual Results - Upto 30 th May, 2013

iii)	Date of Book Closure	From Tuesday, the 7 th August, 2012 to Monday, the 13 th August, 2012 (both days inclusive)
iv)	Dividend payment date	On or after 13 th August, 2012
v)	Listing on Stock Exchanges	BSE 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, 2011 to March, 2012 are as follows:

Month	Volume	Price (₹)		BSE Sensex	
	(No. of Shares)	High	Low	High	Low
April, 2011	16,138	142.00	124.10	19,811.14	18,976.19
May, 2011	7,189	137.80	110.55	19,253.87	17,786.13
June, 2011	10,154	136.95	101.35	18,873.39	17,314.38
July, 2011	14,469	137.90	102.60	19,131.70	18,131.86
August, 2011	18,238	139.50	100.00	18,440.07	15,765.53
September, 2011	16,639	145.90	115.30	17,211.80	15,801.01
October, 2011	7,296	161.80	125.00	17,908.13	15,745.43
November, 2011	5,606	140.00	111.05	17,702.26	15,478.69
December, 2011	35,817	151.95	104.00	17,003.71	15,135.86
January, 2012	13,192	140.00	108.10	17,258.97	15,358.02
February, 2012	25,958	137.40	105.00	18,523.78	17,061.55
March, 2012	18,651	137.95	100.00	18,040.69	16,920.61

SRL Share Price and Sensex Movement



viii) Share Transfer Agent

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

ix) Share Transfer System

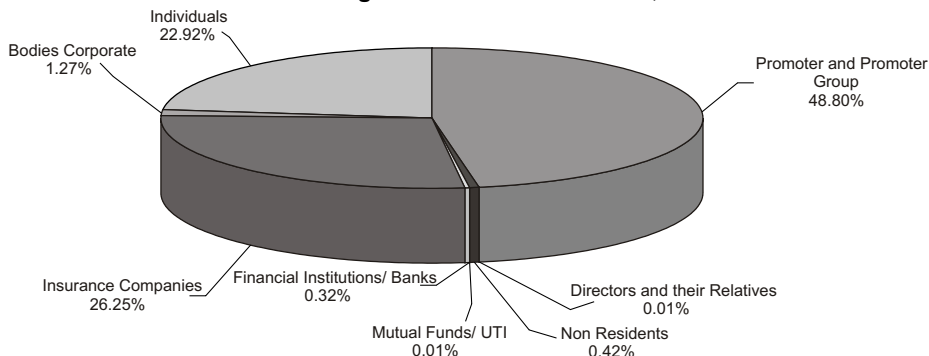
All shares sent or transferred in physical form are registered by the Share Transfer Agent within 30 days of the lodgment, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed and confirmations are given to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

x) Shareholding Pattern as at 31st March, 2012

	Category	Number of Shares held	Percentage of Shareholding
(A)	Shareholding of Promoter and Promoter Group	14,59,912*	48.80*
(B)	Public shareholding		
(1)	Institutions		
(a)	Mutual Funds / UTI	400	0.01
(b)	Financial Institutions / Banks	9,416	0.32
(c)	Insurance Companies	7,85,360	26.25
(2)	Non-Institutions		
(a)	Bodies Corporate	37,827	1.27
(b)	Individuals - i. holding nominal share capital up to ₹ 1 lac. ii. holding nominal share capital in excess of ₹ 1 lac.	6,85,502 -	22.92 -
(c)	Non Residents	12,665	0.42
(d)	Directors and their Relatives	300	0.01
	Total Public Shareholding (B)= (B)(1)+(B)(2)	15,31,470	51.20
	TOTAL (A)+(B)	29,91,382	100.00

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

Shareholding Pattern as on 31st March, 2012



Distribution of Shareholding as on 31st March, 2012

Category	Number of Shareholders	Percentage of Total Number of Shareholders	Total Number of Shares	Percentage of Total Number of Shares
1 to 500	5,895	96.25	4,20,497	14.05
501 to 1,000	129	2.11	92,685	3.10
1,001 to 5,000	81	1.32	1,68,697	5.64
5,001 to 10,000	10	0.16	66,078	2.21
10,001 & above	10	0.16	22,43,425	75.00
Total	6,125	100.00	29,91,382	100.00

xi) Dematerialization of Shares and Liquidity

About 91.69 percent shares have been dematerialized as on 31st March, 2012. The Equity shares of the Company are traded on BSE.

The Company has paid the Listing fees for the year 2012-2013 to the BSE on which its shares are listed.

xii) Outstanding ADRs, GDRs, Warrants or any convertible instruments, conversion date and impact on Equity

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

xiii) Registered Office

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

xiv) Address for Investor Correspondence

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, or any other query relating to shares, please write to:

Shri Shekhar R Singh
Company Secretary & Compliance Officer
Simplex Realty Limited
30, Keshavrao Khadye Marg,
Sant Gadge Maharaj Chowk,
Mumbai 400 011
Tel. : (022) 2308 2951
Fax : (022) 2307 2773
E-mail: investors@simplex-group.com
Website : www.simplex-group.com

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

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

xv) Compliance with Listing Agreement

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The certificate from Statutory Auditors of the Company on compliance of clause 49 of the Listing Agreement by the Company is annexed and form part of this report.

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

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed adherence to and compliance with the code of conduct of the Company for the year ended 31st March, 2012.

For **Simplex Realty Limited**

Mumbai, 7th May, 2012

Nandan Damani
Chairman & Managing Director

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 2012, as stipulated in clause 49 of the Listing Agreement of the said company with the BSE Limited.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to 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

Mumbai, 14th May, 2012

S.V. Thomas
Partner
Membership No: 125944

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 2012 and the Statement of Profit and Loss 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 Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Statement of Profit and Loss 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 2012, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012 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 the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012; and
 - ii. in the case of the Statement of Profit and Loss, of the profit 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)

S. V. Thomas
Partner
M.No. 125944

Mumbai, 14th May, 2012

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, 2012.)

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 which were not material, 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 not granted loans to parties listed u/s 301 of the Companies Act 1956 during the year and therefore the provisions of sub clause (b), (c), and (d) of clause 4 (iii) of the Order are not applicable to the Company.
 - b) 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 have 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 31st March, 2012 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, as at the Balance Sheet date, Income Tax demands amounting to ₹ 12,83,15,672/- remained to be deposited on account of pending disputes being filed before the Honorable Income Tax Appellate Tribunal.
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)

S. V. Thomas
Partner
M.No. 125944

Mumbai, 14th May, 2012

SIMPLEX REALTY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	As at 31.03.2012 ₹	As at 31.03.2011 ₹
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share capital	2	2,99,36,870	2,99,36,870
Reserves and surplus	3	1,09,79,44,201	1,08,67,77,285
		<u>1,12,78,81,071</u>	<u>1,11,67,14,155</u>
2. Non-Current Liabilities			
Deferred tax liability (net)	4	17,67,078	27,17,601
Long-term provisions	5	6,90,277	15,06,542
		<u>24,57,355</u>	<u>42,24,143</u>
3. Current Liabilities			
Other current liabilities	6	9,10,92,850	7,46,15,387
Short-term provisions	7	75,06,112	97,65,384
		<u>9,85,98,962</u>	<u>8,43,80,771</u>
TOTAL		<u>1,22,89,37,388</u>	<u>1,20,53,19,069</u>
II ASSETS			
1. Non-Current Assets			
Fixed assets			
Tangible assets	8	2,05,60,079	1,65,56,360
Non-current investments	9	2,93,36,231	2,41,53,100
Long-term loans and advances	11	10,15,53,640	10,09,36,212
		<u>15,14,49,950</u>	<u>14,16,45,672</u>
2. Current Assets			
Current investments	10	32,17,656	1,33,46,240
Inventories	12	33,43,00,356	21,92,28,332
Cash and cash equivalents	13	41,15,655	5,83,31,720
Short-term loans and advances	14	72,36,88,382	76,41,17,828
Other current assets	15	1,21,65,389	86,49,277
		<u>1,07,74,87,438</u>	<u>1,06,36,73,397</u>
TOTAL		<u>1,22,89,37,388</u>	<u>1,20,53,19,069</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS 1 to 30

As per our report of even date attached

For **Dayal and Lohia**

Chartered Accountants

Firm Reg. No. 102200W

Surendra Kabra

Chief Financial Officer

Shekhar R Singh

Company Secretary &
Compliance Officer

Nandan Damani

Chairman and Managing Director

S. K. Somany

Director

S.V. Thomas

Partner

M. No. -125944

Mumbai, 14th May, 2012

Mumbai, 14th May, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note	2011-12 ₹	2010-11 ₹
I Revenue from operations	16	21,33,542	-
II Other income	17	6,78,43,427	8,57,27,890
III Total Revenue (I+II)		6,99,76,969	8,57,27,890
IV Expenses			
Cost of development	18	1,01,40,901	-
Employee benefits expense	19	1,69,26,855	1,31,70,631
Finance costs	20	11,51,523	11,17,588
Depreciation	8	14,58,248	12,37,532
Other expenses	21	1,90,98,271	1,69,44,923
Total Expenses		4,87,75,798	3,24,70,674
V Profit before tax		2,12,01,171	5,32,57,216
Current tax		57,69,789	1,91,72,600
Deferred tax		(9,50,523)	(57,778)
VI Profit for the period		1,63,81,905	3,41,42,394
Earnings per equity share (Face value of share ₹ 10/- each)			
Basic		5.48	11.41
Diluted		5.48	11.41

NOTES FORMING PART OF FINANCIAL STATEMENTS 1 to 30

As per our report of even date attached

For **Dayal and Lohia**

Chartered Accountants

Firm Reg. No. 102200W

Surendra Kabra

Chief Financial Officer

Shekhar R Singh

Company Secretary &
Compliance Officer

S.V. Thomas

Partner

M. No. -125944

Mumbai, 14th May, 2012

For and on behalf of the Board

Nandan Damani

Chairman and Managing Director

S. K. Somany

Director

Mumbai, 14th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-12	2010-11
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT BEFORE TAX	2,12,01,171	5,32,57,216
Adjustments for :		
Depreciation	14,58,248	12,37,532
Finance costs	11,51,523	11,17,588
Profit on sale of current investments (net)	(8,98,737)	(9,77,733)
Dividend income	(1,43,787)	(3,39,230)
Interest income	(5,34,49,862)	(8,29,42,447)
Loss on sale of fixed assets	2,78,725	2,13,562
Portfolio management fees	59,420	2,29,372
Sundry balances written off	(298)	(200)
Adjustments to the carrying amount of investments	(54,28,068)	54,90,825
	(5,69,72,836)	(7,59,70,731)
OPERATING (LOSS) BEFORE WORKING CAPITAL CHANGES	(3,57,71,665)	(2,27,13,515)
(Increase)/Decrease in working capital :		
Inventories	(11,50,72,023)	(2,55,31,270)
Long-term loans and advances	(6,17,428)	(9,99,92,500)
Short-term loans, advances and other current assets	17,90,62,873	16,23,26,388
Long-term provisions	(8,16,265)	2,95,194
Other current liabilities	1,64,35,825	6,00,02,682
Short-term provisions	12,46,291	1,04,474
	8,02,39,273	9,72,04,968
CASH GENERATED FROM OPERATIONS	4,44,67,608	7,44,91,453
Direct taxes paid	(14,42,84,710)	(7,20,97,106)
NET CASH (USED IN) / GENERATED FROM OPERATING ACTIVITIES	(A) (9,98,17,102)	23,94,347
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(58,83,040)	(77,74,278)
Purchase of current investments	-	(3,44,504)
Sale of fixed assets	1,42,348	1,26,669
Sale of current investments	1,12,12,838	10,00,000
Dividend received	1,43,787	3,39,230
Interest received	4,98,57,179	7,44,75,631
NET CASH GENERATED FROM INVESTING ACTIVITIES	(B) 5,54,73,112	6,78,22,748

	2011-12 ₹	2010-11 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Interest paid	(11,51,523)	(11,17,588)
Dividend paid (including dividend distribution tax)	(87,20,552)	(2,61,61,599)
NET CASH (USED IN) FINANCING ACTIVITIES (C)	(98,72,075)	(2,72,79,187)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(5,42,16,065)	4,29,37,908
CASH AND CASH EQUIVALENTS - AT THE START OF THE YEAR	5,83,31,720	1,53,93,812
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR	41,15,655	5,83,31,720
Cash and cash equivalents comprise of :	As on 31.03.12	As on 31.03.11
Cash on hand	2,38,686	77,146
Balances with Scheduled Banks :		
- in Current accounts	16,24,164	20,96,007
- in Unpaid dividend accounts*	22,52,805	21,58,567
- in Term deposits	-	5,40,00,000
	41,15,655	5,83,31,720

* Unpaid dividend accounts which are not available for use by the Company

NOTES FORMING PART OF FINANCIAL STATEMENTS 1 to 30

As per our report of even date attached

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

Surendra Kabra
Chief Financial Officer

S.V. Thomas
Partner
M. No. -125944
Mumbai, 14th May, 2012

Shekhar R Singh
Company Secretary &
Compliance Officer

For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

S. K. Somany
Director

Mumbai, 14th May, 2012

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

CORPORATE INFORMATION

Simplex Realty Limited ("The Company") is in real estate development. The Company develops residential as well as commercial properties in and around Mumbai. The Company is a public limited Company and is listed on BSE Limited.

1. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation :

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

(ii) Revenue recognition :

The Company is following "Percentage of Completion Method". As per this method, revenue from sale of properties is recognized in the Statement of Profit and Loss in proportion to the actual cost incurred as against the total estimated cost of the projects under execution with the Company on transfer of significant risk and rewards to the buyers. If the actual project cost incurred is less than 25% of the total estimated project cost, no income is recognized in respect of that project in the relevant period. Determination of revenue under percentage of completion method necessarily involves making estimates, some of which are of technical nature, concerning, where relevant, the percentage of completion, cost to completion, the expected revenue from the activity and the foreseeable losses to completion. Estimates of project income, as well as project cost, are reviewed periodically. The effect of changes, if any, to estimates is recognized in the financial statements for the period in which such changes are determined. Losses, if any, are fully provided for immediately. The Company recognizes revenue (i.e. its share in revenue or profit) as per the agreements entered into with Developer or Land Owner following percentage of completion method.

Interest is recognized on accrual basis.

Dividend income is accounted when right to receive is established.

(iii) Tangible fixed assets :

All fixed assets are carried at cost less accumulated depreciation and impairment, if any. The cost of fixed assets includes expenses incidental to acquisition and installation. Interest on specific borrowings, obtained for the purposes of acquiring fixed assets is capitalized upto the date of commissioning of the assets.

(iv) Capital work-in-progress :

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

(v) Investments :

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(vi) Inventories :

Construction work-in-progress are valued at cost which includes cost of land, premium for development rights, construction cost, allocated interest and expenses incidental to the project undertaken by the Company. Realty stock which comprises land converted into stock in trade is valued at lower of conversion cost or fair market value and property development account at actual costs incurred.

(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. Interest and finance charges incurred in connection with borrowing of funds, which are incurred for the development of long term projects are transferred to Construction Work-In- Progress. All other borrowing costs are recognized as expense in the period in which these are incurred.

(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) Retirement benefits :

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

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

(x) Taxation :

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

(xi) 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**(xii) Provisions and contingent liabilities :**

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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.

(xiii) Cash and cash equivalents :

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

(xiv) Use of estimates :

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

2. SHARE CAPITAL	31.03.2012	31.03.2011
	₹	₹
AUTHORISED		
1,00,00,000 Equity Shares of ₹10/- each	10,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
29,91,382 Equity shares of ₹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 : Forfeited shares account	23,050	23,050
Total issued, subscribed and fully paid up share capital	2,99,36,870	2,99,36,870

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

Particulars	31.03.2012		31.03.2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

b. Terms/rights attached to the equity shares

The Company has one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Lucky Vyapaar and Holdings Pvt. Ltd.	7,43,040	24.84	7,21,789	24.13
Life Insurance Corporation of India	6,85,741	22.92	7,25,364	24.25
New Textiles Pvt. Ltd.	4,90,292	16.39	4,90,292	16.39

3. RESERVES AND SURPLUS

	31.03.2012	31.03.2011
	₹	₹
CAPITAL RESERVE	60,71,263	60,71,263
SECURITIES PREMIUM ACCOUNT	1,43,23,904	1,43,23,904
OTHER RESERVES		
GENERAL RESERVE		
Opening balance	69,00,00,000	68,00,00,000
Add: Amount transferred from surplus in Statement of Profit and Loss	10,00,000	1,00,00,000
Closing balance	69,10,00,000	69,00,00,000
Surplus in the Statement of Profit and Loss		
Opening balance	37,63,82,118	36,09,60,276
Profit for the year	1,63,81,905	3,41,42,394
Less: Appropriations		
Proposed dividend	44,87,073	74,78,455
Tax on proposed dividend	7,27,916	12,42,097
Transfer to General Reserve	10,00,000	1,00,00,000
Closing balance	38,65,49,034	37,63,82,118
Total Reserves and Surplus	1,09,79,44,201	1,08,67,77,285

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

4. DEFERRED TAX LIABILITY (NET)	31.03.2012	31.03.2011
	<u>₹</u>	<u>₹</u>
Deferred Tax Liability		
Long term capital gain on conversion of land into stock-in-trade	29,10,857	38,60,756
Gross deferred tax liability	29,10,857	38,60,756
Deferred Tax Assets		
1. Provision for gratuity	5,25,090	5,63,365
2. Provision for leave benefits	4,42,225	2,84,201
3. Difference between tax depreciation and depreciation charged for financial reporting	1,76,464	2,95,589
Gross deferred tax assets	11,43,779	11,43,155
Net deferred tax liability	17,67,078	27,17,601
5. LONG-TERM PROVISIONS	31.03.2012	31.03.2011
	<u>₹</u>	<u>₹</u>
For employee benefits		
Gratuity	6,90,277	15,06,542
	6,90,277	15,06,542
6. OTHER CURRENT LIABILITIES	31.03.2012	31.03.2011
	<u>₹</u>	<u>₹</u>
Advance received from customers	40,52,880	-
Lease rent payable	36,53,223	36,53,223
Unpaid dividend	22,52,805	21,58,568
Professional fees payable	31,60,282	2,19,395
Other payables		
Tax deducted at source payable	8,82,306	16,53,824
Wealth tax payable	68,924	26,988
Liabilities for expenses	6,70,309	5,89,057
Interest payable	10,36,371	-
Payable towards share in project 'Planet Godrej'	7,38,41,882	6,47,46,836
Others*	14,73,868	15,67,496
	9,10,92,850	7,46,15,387

*Includes ex-employees dues (pending claims) and other statutory dues, etc.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

7. SHORT-TERM PROVISIONS

	31.03.2012	31.03.2011
	₹	₹
For employee benefits		
Gratuity	9,28,124	1,89,319
Leave benefits	13,62,999	8,55,513
Others		
Proposed dividend	44,87,073	74,78,455
Tax on proposed dividend	7,27,916	12,42,097
	75,06,112	97,65,384

8. TANGIBLE ASSETS

(In ₹)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2011	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2012	Upto 31st March 2011	Provided during the year	On Deductions/ Adjustments	Upto 31st March 2012	As at 31st March 2012	As at 31st March 2011
Freehold Land (at cost)	50,00,318	-	-	50,00,318	-	-	-	-	50,00,318	50,00,318
Buildings	46,96,512	-	-	46,96,512	9,44,981	1,17,608	-	10,62,589	36,33,923	37,51,531
Plant and Machinery including Computers and Electrical Installations	11,10,143	88,759	25,200	11,73,702	5,69,362	1,48,398	23,629	6,94,131	4,79,571	5,40,781
Furniture and Office Equipments	35,98,485	3,13,636	7,34,406	31,77,715	20,74,752	2,37,298	6,19,734	16,92,316	14,85,399	15,23,733
Vehicles	82,88,265	54,80,645	7,88,730	1,29,80,180	25,48,268	9,54,944	4,83,900	30,19,312	99,60,868	57,39,997
Total	2,26,93,723	58,83,040	15,48,336	2,70,28,427	61,37,363	14,58,248	11,27,263	64,68,348	2,05,60,079	1,65,56,360
Previous Year	1,60,05,721	77,74,278	10,86,276	2,26,93,723	56,45,877	12,37,532	7,46,046	61,37,363		

NOTES:

- 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. This land has been developed and residential units thereon were sold to the buyers, pursuant to development permissions obtained from the concerned authorities.

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

9. NON-CURRENT INVESTMENTS

Details of other Investments - (valued at cost, unless stated otherwise)

Sr. No.	Particulars	Associate/ Others	Face Value	No. of Shares/ Units		Quoted/ Unquoted	Partly/ Fully paid	Extent of Holding (%)		Value (₹)	
				31.03.2012	31.03.2011			31.03.2012	31.03.2011	31.03.2012	31.03.2011
I	Investments in Equity Instruments										
(a)	Simplex Mills Company Ltd.	Associate	10	14,70,000	14,70,000	Quoted	Fully Paid	49.00	49.00	1,46,10,800	1,46,10,800
(b)	Simplex Papers Ltd. [At cost less provision for other than temporary diminution - Nil (31.03.2011- ₹ 54,58,131)]	Associate	10	14,71,000	14,71,000	Quoted	Fully Paid	48.99	48.99	1,47,25,431	92,67,300
(c)	Universal Conveyor Beltings Ltd. [at cost less provision for other than temporary diminution - ₹ 2,75,000 (31.03.2011- Nil)]	Others	10	27,500	27,500	Unquoted	Fully Paid	-	-	-	2,75,000
	Total Non-Current Investments									2,93,36,231	2,41,53,100

Particulars	31.03.2012 ₹	31.03.2011 ₹
Aggregate amount of quoted investments [Market value as on 31.03.2012 - ₹ 4,11,22,870 (31.03.2011- ₹ 3,94,02,300)]	2,93,36,231	2,38,78,100
Aggregate amount of unquoted investments	-	2,75,000
Aggregate provision for diminution in value of investments	2,75,000	54,58,131

10. CURRENT INVESTMENTS - (At the lower of cost or fair value)

Sr. No.	Particulars	Subsidiary/ Others	Face Value	No. of Shares/ Units		Quoted / Unquoted	Partly/ Fully paid	Extent of Holding (%)		Value (₹)	
				31.03.2012	31.03.2011			31.03.2012	31.03.2011	31.03.2012	31.03.2011
I	Investments in Equity Instruments										
(a)	Peninsula Land Ltd.	Others	2	10,750	10,750	Quoted	Fully Paid	-	-	3,49,912	5,61,097
(b)	Prime Urban Development (I) Ltd.*	Others	2	2,500	2,500	Quoted	Fully Paid	-	-	35,001	33,050
(c)	HDFC Ltd.	Others	2	1,400	1,400	Quoted	Fully Paid	-	-	4,483	4,483
(d)	Piramal Healthcare Ltd.**	Others	2	2,832	2,763	Quoted	Fully Paid	-	-	2,36,224	2,36,224
(e)	Piramal Glass Ltd.	Others	10	125	125	Quoted	Fully Paid	-	-	-	-
(f)	Piramal Life Science Ltd.	Others	10	276	276	Quoted	Fully Paid	-	-	2,368	29,532
(g)	Hindustan Unilever Ltd.	Others	1	360	360	Quoted	Fully Paid	-	-	1,47,564	1,02,456
(h)	Delta Magnets Ltd.	Others	10	750	750	Quoted	Fully Paid	-	-	21,900	27,225
(i)	Morarjee Textiles Ltd.	Others	10	2,109	2,109	Quoted	Fully Paid	-	-	21,554	36,064
(j)	Simplex Renewable Resources Pvt. Ltd.***	Subsidiary	10	-	10,000	Unquoted	Fully Paid	-	100	-	1,00,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

10. CURRENT INVESTMENTS - (At the lower of cost or fair value) (Contd..)

Sr. No.	Particulars	Subsidiary/ Others	Face Value	No. of Shares/ Units		Quoted / Unquoted	Partly/ Fully paid	Extent of Holding (%)		Value (₹)	
				31.03.2012	31.03.2011			31.03.2012	31.03.2011	31.03.2012	31.03.2011
II	Investments in Debentures										
(a)	Edelweiss Capital Ltd. (₹ 10 Lacs each)	Others	-	-	2	Unquoted	Fully Paid	-	-	-	20,00,000
III	Investments in Mutual Funds										
(a)	Reliance Growth Fund - Dividend [at cost less provision for other than temporary diminution - Nil (31.03.2011 ₹ 4,56,062)]	Others	-	-	56,019	Quoted	Fully Paid	-	-	-	29,23,217
(b)	Reliance Natural Resources Fund - Growth	Others	-	-	244,499	Quoted	Fully Paid	-	-	-	25,00,000
IV	Other Investments										
(a)	Motilal Oswal Trillion Dollar Scheme-PMS	Others	-	-	-	Quoted		-	-	-	22,67,565
(b)	Forefront Capital Management Pvt. Ltd.- PMS	Others	-	-	-	Quoted		-	-	23,98,650	25,25,327
	Total Current Investments									32,17,656	1,33,46,240

* Formerly known as Prime Textiles Ltd.

** 69 shares of Piramal Healthcare Ltd. received free of cost during the year pursuant to scheme of arrangement of Piramal Life Science Ltd.

*** Ceased to be subsidiary w.e.f. 29th February, 2012

Particulars	31.03.2012 ₹	31.03.2011 ₹
Aggregate amount of quoted investments [Market value of ₹ 53,01,682 (Previous Year ₹ 1,36,17,022)]	32,17,656	1,12,46,240
Aggregate amount of unquoted investments	-	21,00,000
Aggregate provision for diminution in value of investments	4,30,782	6,75,719

11. LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)

	31.03.2012 ₹	31.03.2011 ₹
Security deposits	5,03,640	9,36,212
Loans to employees*	10,50,000	-
Deposit towards property development	10,00,00,000	10,00,00,000
	10,15,53,640	10,09,36,212
* includes due by officers of the Company	10,50,000	-

SIMPLEX REALTY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

12. INVENTORIES	31.03.2012	31.03.2011
	<u>₹</u>	<u>₹</u>
Construction work-in-progress	<u>33,43,00,356</u>	<u>21,92,28,332</u>
	<u>33,43,00,356</u>	<u>21,92,28,332</u>
Increase in construction work-in-progress		
Opening balance		
Construction work-in-progress	21,92,28,332	19,36,97,062
Add: Expenses incurred during the year	12,52,12,925	2,55,31,270
Less: Cost charged to statement of Profit and Loss	1,01,40,901	-
Closing balance	<u>33,43,00,356</u>	<u>21,92,28,332</u>

Mode of valuation

Construction work-in-progress are valued at cost.

13. CASH AND CASH EQUIVALENTS	31.03.2012	31.03.2011
	<u>₹</u>	<u>₹</u>
Balances with banks:		
In current accounts	16,24,164	20,96,007
In deposit account with original maturity for more than three months but less than twelve months	-	5,40,00,000
Cash on hand	2,38,686	77,146
Earmarked balances with bank	<u>22,52,805</u>	<u>21,58,567</u>
	<u>41,15,655</u>	<u>5,83,31,720</u>

14. SHORT-TERM LOANS AND ADVANCES	31.03.2012	31.03.2011
	<u>₹</u>	<u>₹</u>
Loans and advances to related parties		
Unsecured - considered good	11,56,17,181	13,36,54,649
- considered doubtful	<u>2,94,63,607</u>	<u>2,94,63,607</u>
	14,50,80,788	16,31,18,256
Provision for doubtful advances	<u>(2,94,63,607)</u>	<u>(2,94,63,607)</u>
(a)	<u>11,56,17,181</u>	<u>13,36,54,649</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

14. SHORT-TERM LOANS AND ADVANCES (Contd...)	31.03.2012	31.03.2011
	₹	₹
Other Loans and Advances		
(Unsecured, considered good)		
Fringe benefit tax refundable	82,515	82,515
Advance Income tax (net of provisions for taxation)	2,09,48,547	23,91,691
Income tax paid against disputed demand	15,92,00,000	3,92,00,000
Advance towards property development/land acquisition	13,00,00,000	13,00,00,000
Loans to employees*	11,83,500	5,96,000
Inter corporate deposits	21,39,43,213	37,84,91,875
Service tax receivables	-	19,69,123
Advances paid towards project approvals	8,16,22,038	7,74,70,306
Other amounts recoverable in cash or in kind for value to be received	10,91,388	2,61,669
(b)	60,80,71,201	63,04,63,179
Total (a+b)	72,36,88,382	76,41,17,828
 * includes due by officers of the Company	 6,00,000	 -

15. OTHER CURRENT ASSETS	31.03.2012	31.03.2011
	₹	₹
Interest receivable	1,20,59,499	84,66,816
Others	1,05,890	1,82,461
	1,21,65,389	86,49,277

16. REVENUE FROM OPERATIONS	2011-12	2010-11
	₹	₹
Revenue from development of land	21,33,542	-
	21,33,542	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

17. OTHER INCOME	2011-12	2010-11
	<u>₹</u>	<u>₹</u>
Interest on		
Bank deposits	8,77,809	9,39,341
Inter corporate deposits	3,79,13,746	7,54,65,483
Other deposits	1,46,58,307	65,37,623
Dividend		
On current investments	1,43,787	3,39,230
Net gain on sale of current investments	8,98,737	9,77,733
Building rent	79,22,040	69,32,040
Other non-operating income	933	27,265
Adjustments to the carrying amount of investments	54,28,068	(54,90,825)
	<u>6,78,43,427</u>	<u>8,57,27,890</u>

18. COST OF DEVELOPMENT	2011-12	2010-11
	<u>₹</u>	<u>₹</u>
Cost of developable land	81,86,988	-
Development costs	19,53,913	-
	<u>1,01,40,901</u>	<u>-</u>

19. EMPLOYEE BENEFITS EXPENSE	2011-12	2010-11
	<u>₹</u>	<u>₹</u>
Salaries and wages	1,55,50,447	1,18,47,173
Contribution to provident and other funds	3,20,864	4,82,152
Welfare expenses	10,55,544	8,41,306
	<u>1,69,26,855</u>	<u>1,31,70,631</u>

Retirement benefit plans

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

I) Defined Contribution Plan

- Provident Fund
- Superannuation fund and Pension Scheme -1995

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

Particulars	2011-12	2010-11
	<u>₹</u>	<u>₹</u>
Provident fund	38,404	2,24,692
Superannuation fund	2,50,000	2,25,000
Pension fund	32,460	32,460

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

II) Defined Benefit Plans

- a) Contribution to Gratuity fund (Non-funded)
- b) Leave encashment (Non-funded)

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

Actuarial assumptions	2011-12	2010-11
Discount rate	8.65%	8.17%
Salary escalation rate	10.00%	10.00%
Attrition rate	0.50%	0.50%

GRATUITY	2011-12	2010-11
	₹	₹
A. Changes in value of obligations		
Liability at the beginning of the year	16,95,861	12,11,348
Interest cost	1,31,755	91,711
Current service cost	88,554	1,05,776
Past service cost – (vested benefits)	-	5,56,549
Benefit paid	(1,66,395)	(1,29,912)
Actuarial (gain)/loss on obligations	(1,31,374)	(1,39,611)
Liability at the end of the year	16,18,401	16,95,861
B. Amount recognized in the Balance Sheet		
Present value of defined benefit obligation as at the year end	16,18,401	16,95,861
Fair value of plan assets as at the year end	-	-
Liability/(Net asset) recognized in the Balance Sheet	16,18,401	16,95,861
- Current liability	9,28,124	1,89,319
- Non-current liability	6,90,277	15,06,542
C. Expenses recognized in the Statement of Profit and Loss		
Interest cost	1,31,755	91,711
Current service cost	88,554	1,05,776
Past service cost – (vested benefits)	-	5,56,549
Net Actuarial (gain)/loss recognized	(1,31,374)	(1,39,611)
Expenses recognized in the Statement of Profit and Loss	88,935	6,14,425

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

LEAVE ENCASHMENT	2011-12 ₹	2010-11 ₹
A. Changes in value of obligations		
Liability at the beginning of the year	8,55,513	9,94,746
Interest cost	67,750	78,272
Current service cost	3,64,521	2,38,796
Benefit paid	(52,523)	(32,687)
Actuarial (gain)/loss on obligations	1,27,738	(4,23,614)
Liability at the end of the year	13,62,999	8,55,513
B Amount recognized in the Balance Sheet		
Present value of defined benefit obligation as at the year end	13,62,999	8,55,513
Fair value of plan assets as at the year end	-	-
Liability/(Net asset) recognized in the Balance Sheet	13,62,999	8,55,513
C. Expenses recognized in the Statement of Profit and Loss		
Interest cost	67,750	78,272
Current service cost	3,64,521	2,38,796
Actuarial (gain)/loss recognized	1,27,738	(4,23,614)
Expenses recognized in the Statement of Profit and Loss	5,60,009	(1,06,546)

20. FINANCE COSTS	2011-12 ₹	2010-11 ₹
Interest	11,51,523	11,17,588
	<u>11,51,523</u>	<u>11,17,588</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

21. OTHER EXPENSES	2011-12 ₹	2010-11 ₹
Electricity	2,25,686	3,69,874
Repairs to		
Buildings	53,080	88,930
Machinery	1,78,011	1,34,033
Others	15,36,201	2,45,440
Insurance	78,231	1,01,903
Rent	45,898	44,580
Rates and taxes	5,20,591	4,57,183
Advertisements	2,40,822	2,68,642
Business promotion expenses	3,30,827	3,33,124
Travelling and conveyance expenses	25,20,909	15,47,200
[inclusive of ₹ 19,85,075 for Directors (Previous Year ₹ 10,08,027)]		
Legal and professional fees	11,93,774	17,41,838
Retainership fees	10,72,300	27,48,704
Commission to directors (other than executive directors)	-	10,00,000
Printing, stationery and communication expenses	11,50,532	11,53,750
Bank charges	11,379	6,385
Loss on sale of fixed assets	2,78,725	2,13,562
Vehicles expenses	13,98,702	12,41,135
Flat maintenance expenses	27,28,774	11,25,962
Membership and subscription charges	7,11,044	1,20,698
Security charges	13,42,342	7,07,052
Sundry expenses	5,79,191	8,06,347
Donations	-	10,00,000
Directors' sitting fees	2,00,000	1,85,000
Auditors' remuneration		
As Auditor		
Audit fee	2,43,540	2,25,000
Tax audit fee	28,090	25,000
For taxation matters	24,28,100	10,52,500
For reimbursement of expenses	1,522	1,081
	1,90,98,271	1,69,44,923

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

22. Contingent liabilities not provided for

(In ₹)

	<u>2011-12</u>	<u>2010-11</u>
Appeals filed in respect of disputed demands:		
Income Tax	12,83,15,672	62,41,97,421
Labour Matters	1,25,327	1,35,327
Legal Cases	34,05,600	34,05,600

23. The company has no dues to micro and small enterprises during the year ended 31st March, 2012 and 31st March, 2011 and as at 31st March, 2012 and 31st March, 2011.

24. 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 Bombay, and the Court has directed the Collector to re-assess the lease rent. As of the Balance Sheet date, no revised demand is received.

25. The Net share of revenue from project 'Planet Godrej' (i.e. net share in profit) has been recognized as income from operation upon finalization of cost of the project. The increase in earlier estimates of cost has been recognised during the year.

26. 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.

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

	<u>2011-12</u>	<u>2010-11</u>
1 Profit after tax - ₹	1,63,81,905	3,41,42,394
2 Weighted average number of shares outstanding during the year	29,91,382	29,91,382
3 Face value of shares - ₹	10/-	10/-
4 Basic / Diluted EPS - ₹	5.48	11.41

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

28. Related party disclosure

(i) Related party relationship during the year

(a) Associates	Simplex Papers Ltd. Simplex Mills Company Ltd.
(b) Subsidiary company*	Simplex Renewable Resources Pvt. Ltd.
(c) Key management personnel	Mr. Nandan Damani
(d) Relative of key management personnel	Mr. S. K. Somany
(e) Where persons mentioned in (c) or (d) exercise significant influence	Lucky Vyapaar and Holdings Pvt. Ltd. Ratanbai Surajratan Damani Educational Trust The Nav Bharat Refrigeration and Industries Ltd.

* ceased to be subsidiary of the Company w.e.f. 29th February, 2012.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(ii) Transactions with related parties

(In ₹)

Type of Related Party	Description of the nature of the transactions	Volume of Transactions during 2011-12	Volume of Transactions during 2010-11	As on 31.03.12 Receivable/ (Payable)	As on 31.03.11 Receivable/ (Payable)
(a) Associates Simplex Papers Ltd. Simplex Mills Co. Ltd.	Net Loan (repaid)/given Net Loan (repaid)/given	(19,173) (71,21,673)	(39,26,196) 86,25,829	14,33,72,666 17,04,394	14,33,91,839 88,26,067
(b) Subsidiary Company Simplex Renewable Resources Pvt. Ltd.	Loan (repaid)/given	(1,09,00,000)	1,09,00,000	-	1,09,00,000
(c) Key Management Personnel	Managerial Remuneration	40,46,667	54,55,000	-	-
(d) Relative of Key Management Personnel	Director's Sitting Fees Commission to Director	45,000 -	40,000 2,00,000	- -	- -
(e) Where persons mentioned in (c) or (d) exercise significant influence	a) Reimbursement of expenses Lucky Vyapaar and Holdings Pvt. Ltd. b) Donation Ratanbai Surajratan Damani Educational Trust c) Advance received against sale of flats The Nav Bharat Refrigeration and Industries Ltd.	14,667 - 10,00,000 10,00,000	- - 10,00,000 -	- - - -	- - - -

29. Expenditure in foreign currency

2011-12
₹

2010-11
₹

On travelling

2,43,391

1,78,901

30. Previous year figures

The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date attached

For and on behalf of the Board

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

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

S.V. Thomas
Partner
M. No. -125944
Mumbai, 14th May, 2012

Shekhar R Singh
Company Secretary &
Compliance Officer

S. K. Somany
Director

Mumbai, 14th May, 2012

STATEMENT PURSUANT TO SECTION 212(1) (e) OF THE COMPANIES ACT, 1956

	Name of the Subsidiary Company	Simplex Renewable Resources Pvt. Ltd.
1	Financial year of the Subsidiary Company	31.03.2012
2	Date from which it became a Subsidiary	01.09.2010
3	Date from which it ceased to be Subsidiary	29.02.2012
4	Extent of the Holding Company's interest in the Subsidiary Company at the end of the Financial Year of the Subsidiary Company	NIL
5	Net aggregate amount of the Profit/(Loss) of the Subsidiary Company not dealt with in the Holding Company's accounts (concerning the Members of the holding Company)	
a)	For the Current Year	₹ (33,16,224)
b)	For the previous years since it became a Subsidiary	₹ (23,87,834)
6	Net aggregate amount of the Profit of the Subsidiary Company dealt with in the Holding Company's accounts	
a)	For the Current Year	NIL
b)	For the previous years since it became a Subsidiary	N.A.

SUBSIDIARY COMPANY PARTICULARS

Particulars regarding subsidiary Company, in accordance with General Circular No:02/2011 dated 8th February, 2011 from the Ministry of Corporate Affairs.

1 Subsidiary Company

Simplex Renewable Resources Pvt. Ltd.

Ceased to be subsidiary w.e.f. 29th February, 2012

(In ₹)

	Particulars	01.04.2011 to 29.02.2012	01.09.2010 to 31.03.2011
2	Issued and subscribed share capital	1,00,000	1,00,000
3	Reserves	(57,04,057)	(23,87,834)
4	Total Assets	1,19,15,034	1,67,66,753
5	Total Liabilities (excluding (2) & (3))	1,75,19,091	1,90,54,587
6	Investment included in Total Assets	NIL	NIL
7	Turnover	2,94,143	1,45,09,888
8	Loss before taxation	(33,16,224)	(34,32,278)
9	Provision for taxation - Deferred Tax Asset	-	(10,44,444)
10	Loss after taxation	(33,16,224)	(23,87,834)
11	Proposed dividend	NIL	NIL

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF
SIMPLEX REALTY LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying Consolidated Balance Sheet of **Simplex Realty Limited** ("the Company") and its Associates (refer Note 1 - (ii) to the attached consolidated financial statements) as at 31st March, 2012, the consolidated statement of Profit and Loss of the Company and its Associates for the year ended on that date and its subsidiary for the period from 1st April, 2011 to 29th February, 2012 and the consolidated Cash Flow Statement for the year ended 31st March, 2012 annexed thereto, which we have signed under reference to this report. These consolidated financial statements of Simplex Realty Ltd, its Associates and subsidiary hereinafter referred to as the "Group" 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 Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our audit opinion.
3. We did not carry out the audit in respect of the financial results of the subsidiary for the period ended 29th February, 2012 when it ceased to be a subsidiary. We also did not audit the financial statements of Associate Companies in whose financial statements the Group's share of current year's loss is ₹ 88,55,894/- and the resultant cumulative carrying cost of investments is ₹ 5,48,07,129/- as on 31st March, 2012 based on these statements. The financial statements and other information of Associates have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors. The results of the subsidiary have been certified by their statutory auditors and adopted by us for the purpose of consolidation of statement of Profit and Loss.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 Consolidated Financial Statements and (AS) 23 Accounting for Investments in Associates in consolidated financial statements notified under sub-section (3C) of section 211 of the Companies Act, 1956.
5. We report that on the basis of information and according to explanations given to us and on consideration of reports of other auditors on separate financial statements and other financial information of the components of the Group and subsidiary as referred to above, we are of the opinion that the attached consolidated financial statements read with the significant accounting policies and notes thereon in Note 1 give true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012; and
 - ii. in the case of consolidated Statement of Profit and Loss, of the consolidated profits of the Group for the year ended on that date.
 - iii. in the case of consolidated Cash Flow Statement, of the cash flows of the Group (in case of subsidiary for the period 1st April, 2011 to 29th February, 2012) for the year ended on that date.

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

S. V. Thomas
Partner
M.No. 125944

Mumbai, 14th May, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	As at 31.03.2012 ₹	As at 31.03.2011 ₹
I EQUITY AND LIABILITIES			
1. Shareholders' Funds			
Share capital	2	2,99,36,870	2,99,36,870
Reserves and surplus	3	1,12,34,15,099	1,11,87,16,241
		<u>1,15,33,51,969</u>	<u>1,14,86,53,111</u>
2. Non-Current Liabilities			
Deferred tax liability (net)	4	17,67,078	16,73,157
Long-term provisions	5	6,90,277	15,06,542
		<u>24,57,355</u>	<u>31,79,699</u>
3. Current Liabilities			
Trade payables		-	72,47,840
Other current liabilities	6	9,10,92,850	7,55,22,134
Short-term provisions	7	75,06,112	97,65,384
		<u>9,85,98,962</u>	<u>9,25,35,358</u>
TOTAL		<u>1,25,44,08,286</u>	<u>1,24,43,68,168</u>
II ASSETS			
1. Non-Current Assets			
Fixed assets			
Tangible assets	8	2,05,60,079	1,77,29,463
Non-current investments	9	5,48,07,129	5,84,79,891
Long-term loans and advances	11	10,15,53,640	10,14,01,212
		<u>17,69,20,848</u>	<u>17,76,10,566</u>
2. Current Assets			
Current investments	10	32,17,655	1,32,46,240
Inventories	12	33,43,00,356	22,12,20,152
Trade receivables	13	-	74,00,000
Cash and cash equivalents	14	41,15,655	6,27,69,108
Short-term loans and advances	15	72,36,88,383	75,34,72,825
Other current assets	16	1,21,65,389	86,49,277
		<u>1,07,74,87,438</u>	<u>1,06,67,57,602</u>
TOTAL		<u>1,25,44,08,286</u>	<u>1,24,43,68,168</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1 to 32

As per our report of even date attached

For and on behalf of the Board

For **Dayal and Lohia**

Chartered Accountants

Firm Reg. No. 102200W

Surendra Kabra

Chief Financial Officer

Nandan Damani

Chairman and Managing Director

S.V. Thomas

Partner

M. No. -125944

Mumbai, 14th May, 2012**Shekhar R Singh**Company Secretary &
Compliance Officer**S. K. Somany**

Director

Mumbai, 14th May, 2012

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH 2012**

	Note	2011-12 ₹	2010-11 ₹
I Revenue from operations	17	24,27,685	1,45,09,888
II Other income	18	6,78,43,427	8,60,14,975
III Total Revenue (I+II)		7,02,71,112	10,05,24,863
IV Expenses			
Cost of development	19	1,01,40,901	-
Purchase of stock-in-trade	20	3,60,480	1,67,92,635
Changes in inventories of work-in-progress and stock-in-trade	20	(1,02,000)	(19,91,820)
Employee benefits expense	21	1,90,33,386	1,46,46,948
Finance costs	22	11,51,523	11,32,383
Depreciation	8	16,66,551	14,25,260
Other expenses	23	2,01,35,323	1,79,40,399
Total Expenses		5,23,86,164	4,99,45,805
V Profit before tax		1,78,84,948	5,05,79,058
Current tax		57,69,789	1,91,72,600
Deferred tax		(9,50,523)	(11,02,222)
VI Profit for the period		1,30,65,682	3,25,08,680
Share in losses of associates		(88,55,894)	(13,39,978)
Profit on disposal of investment in the subsidiary		49,49,938	-
VII Net profit after tax		91,59,726	3,11,68,702

Earnings per equity share (Face value of share ₹ 10 each)

Basic	3.06	10.42
Diluted	3.06	10.42

**NOTES FORMING PART OF
CONSOLIDATED FINANCIAL STATEMENTS**
1 to 32

As per our report of even date attached

For and on behalf of the Board

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

Surendra Kabra
Chief Financial Officer

Nandan Damani
Chairman and Managing Director

S.V. Thomas
Partner
M. No. -125944
Mumbai, 14th May, 2012

Shekhar R Singh
Company Secretary &
Compliance Officer

S. K. Somany
Director

Mumbai, 14th May, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	2011-12	2010-11
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT BEFORE TAX	1,78,84,948	5,05,79,058
Adjustments for :		
Depreciation	16,66,551	14,25,260
Finance costs	11,51,523	11,32,383
Profit on sale of current investments (net)	(8,98,737)	(9,77,733)
Dividend income	(1,43,787)	(3,39,230)
Interest income	(5,34,49,862)	(8,32,29,532)
Loss on sale of fixed assets	2,78,725	2,13,562
Portfolio management fees	59,420	2,29,372
Sundry balances written off	(298)	(200)
Adjustments to the carrying amount of investments	(54,28,068)	54,90,825
	(5,67,64,533)	(7,60,55,293)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(3,88,79,585)	(2,54,76,235)
(Increase)/ Decrease in working capital :		
Inventories	(11,50,72,024)	(2,75,23,090)
Trade receivables	-	(74,00,000)
Long-term loans and advances	(6,17,428)	(10,04,57,500)
Short-term loans, advances and other current assets	17,90,62,873	17,37,42,177
Trade payables	-	72,40,190
Long-term provisions	(8,16,265)	2,95,194
Other current liabilities	1,64,35,825	5,87,45,341
Short term provisions	12,46,291	1,04,474
	8,02,39,272	10,47,46,786
CASH GENERATED FROM OPERATIONS	4,13,59,687	7,92,70,551
Direct taxes paid	(14,42,84,710)	(7,21,79,458)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(A) (10,29,25,023)	70,91,093
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(58,83,040)	(83,05,926)
Purchase of current investments	-	(3,44,504)
Sale of fixed assets	1,42,348	1,26,669
Sale of current investments	1,12,12,838	10,00,000
Dividend received	1,43,787	3,39,230
Interest received	4,98,57,179	7,47,62,716
NET CASH GENERATED FROM INVESTING ACTIVITIES	(B) 5,54,73,112	6,75,78,185

	2011-12 ₹	2010-11 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Interest paid	(11,51,523)	(11,32,383)
Dividend paid (including dividend distribution tax)	(87,20,552)	(2,61,61,599)
NET CASH (USED IN) FINANCING ACTIVITIES (C)	(98,72,075)	(2,72,93,982)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(5,73,23,986)	4,73,75,296
CASH AND CASH EQUIVALENTS - AT THE START OF THE YEAR	6,27,69,108	1,53,93,812
Less: Change in cash and bank balance of subsidiary Company during the year upto 29 th February, 2012, as it ceased to be subsidiary of the Company w.e.f. 29 th February, 2012	13,29,467	-
NET CASH BALANCE	6,14,39,641	1,53,93,812
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR	41,15,655	6,27,69,108
Cash and cash equivalents comprise of :	As on 31.03.12	As on 31.03.11
Cash on hand	2,38,686	79,689
Balances with Scheduled Banks :		
- in Current accounts	16,24,164	65,30,852
- in Unpaid dividend accounts*	22,52,805	21,58,567
- in Term deposits	-	5,40,00,000
	41,15,655	6,27,69,108

* Unpaid Dividend accounts which are not available for use by the Company

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS - 1 to 32

As per our report of even date attached

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

S.V. Thomas
Partner
M. No. -125944
Mumbai, 14th May, 2012

Surendra Kabra
Chief Financial Officer

Shekhar R Singh
Company Secretary &
Compliance Officer

For and on behalf of the Board

Nandan Damani
Chairman and Managing Director

S. K. Somany
Director

Mumbai, 14th May, 2012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**CORPORATE INFORMATION**

Simplex Realty Limited ("The Company") is in real estate development. The Company develops residential as well as commercial properties in and around Mumbai. The Company is a public limited Company and is listed on BSE Limited. Simplex Renewable Resources Pvt. Ltd. (SRRPL) was subsidiary of Simplex Realty Limited upto 29th February, 2012. SRRPL's main activities includes undertaking Engineering, Procurement and Construction contract (EPC) for Solar Photovoltaic power project and trading in solar products i.e. inverters, lamps etc.

1. SIGNIFICANT ACCOUNTING POLICIES**(i) Basis of preparation :**

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

(ii) Principles of consolidation :

- a. The consolidated financial statements have been prepared on the following basis:
 - The financial statement of the Company and its Subsidiary Company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.
 - Intra-group balances and intra-group transactions and resulting profits are eliminated in full.
 - The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.
- b. The current year's consolidated financial statements includes results upto 29th February, 2012 of subsidiary company i.e. Simplex Renewable Resources Pvt. Ltd. (SRRPL). SRRPL ceased to be subsidiary of the company w.e.f. 29th February, 2012.
- c. The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company, at the date on which the investment in subsidiary company is made/acquired, is recognised as 'Goodwill' being an assets in the Consolidated Financial Statements. Alternatively, where the share of the equity in the subsidiary company as on the date of investment/acquisition is in excess of cost of the investment of the Company, it is recognised as 'Capital Reserves' and shown under the head 'Reserves and Surplus' in the Consolidated Financial Statements.
- d. In the case of Associate Company, the Audited Financial Statements as on 31st March, 2012 have been consolidated as per the Accounting Standard AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

(iii) Revenue recognition :

The Company is following "Percentage of Completion Method". As per this method, revenue from sale of properties is recognized in the Statement of Profit and Loss in proportion to the actual cost incurred as against the total estimated cost of the projects under execution with the Company on transfer of significant risk and rewards to the buyers. If the actual project cost incurred is less than 25% of the total estimated project cost, no income is recognized in respect of that project in the relevant period. Determination of revenue under

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

percentage of completion method necessarily involves making estimates, some of which are of technical nature, concerning, where relevant, the percentage of completion, cost to completion, the expected revenue from the activity and the foreseeable losses to completion. Estimates of project income, as well as project cost, are reviewed periodically. The effect of changes, if any, to estimates is recognized in the financial statements for the period in which such changes are determined. Losses, if any, are fully provided for immediately. The Company recognizes revenue (i.e. its share in revenue or profit) as per the agreements entered into with Developer or Land Owner following percentage of completion method.

Sale of goods is recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods.

Interest income is recognized on accrual basis.

Dividend income is accounted when right to receive is established.

(iv) **Tangible fixed assets :**

All fixed assets are carried at cost less accumulated depreciation and impairment, if any. The cost of fixed assets includes expenses incidental to acquisition and installation. Interest on specific borrowings, obtained for the purposes of acquiring fixed assets is capitalized upto the date of commissioning of the assets.

(v) **Capital work-in-progress :**

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

(vi) **Investments :**

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

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

(vii) **Inventories :**

Construction work-in-progress are valued at cost which includes cost of land, premium for development rights, construction cost, allocated interest and expenses incidental to the project undertaken by the Company. Realty stock which comprises land converted into stock in trade is valued at lower of conversion cost or fair market value and property development account at actual costs incurred. Stock-in-trade is valued at lower of cost or fair market value.

(viii) **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. Interest and finance charges incurred in connection with borrowing of funds, which are incurred for the development of long term projects are transferred to Construction Work-in-progress. All other borrowing costs are recognized as expense in the period in which these are incurred.

(ix) **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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

prescribed in Schedule XIV to the Companies Act, 1956. Cost of Improvements and Fixtures etc. on Leasehold premises are written off over the lease period of the premises.

(x) Retirement benefits :

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

The Company's contributions to provident fund, family pension fund and superannuation fund are recognised as expenses in the Statement of Profit and Loss in the period in which they are 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 is recognized on timing difference, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax effect is calculated using the tax rates and the tax laws enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty of realization, except in case of unabsorbed depreciation and business losses in respect of which, deferred tax asset is recognized only if the Company is virtually certain of having sufficient future taxable income against which the losses/depreciation can be set off. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realization.

(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.

(xiii) Provisions and contingent liabilities :

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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.

(xiv) Cash and cash equivalents :

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

(xv) Use of estimates :

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

2. SHARE CAPITAL	31.03.2012	31.03.2011
	₹	₹
AUTHORISED		
1,00,00,000 Equity Shares of ₹ 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 ₹ 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 : Forfeited shares account	23,050	23,050
Total Issued, subscribed and fully paid up share capital	<u>2,99,36,870</u>	<u>2,99,36,870</u>

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

Particulars	31.03.2012		31.03.2011	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820

b. Terms/rights attached to the equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Lucky Vyapaar and Holdings Pvt. Ltd.	7,43,040	24.84	7,21,789	24.13
Life Insurance Corporation of India	6,85,741	22.92	7,25,364	24.25
New Textiles Pvt. Ltd.	4,90,292	16.39	4,90,292	16.39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

3. RESERVES AND SURPLUS	31.03.2012	31.03.2011
	₹	₹
CAPITAL RESERVE	60,71,263	60,71,263
Add: Capital Reserve on investments in Associates	13,00,34,532	13,00,34,532
Less: Goodwill on consolidation of subsidiary*	-	7,54,121
	13,61,05,795	13,53,51,674
SECURITIES PREMIUM ACCOUNT	1,43,23,904	1,43,23,904
OTHER RESERVES		
GENERAL RESERVE		
Opening balance	69,00,00,000	68,00,00,000
Add: Amount transferred from surplus in Statement of Profit and Loss	10,00,000	1,00,00,000
Less: Share of loss in associates	9,43,67,763	9,43,67,763
Closing balance	59,66,32,237	59,56,32,237
Surplus in the Statement of Profit and Loss		
Opening balance	37,34,08,426	36,09,60,276
Profit for the year	91,59,726	3,11,68,702
Less: Appropriations		
Proposed dividend	44,87,073	74,78,455
Tax on proposed dividend	7,27,916	12,42,097
Transfer to General Reserve	10,00,000	1,00,00,000
Closing balance	37,63,53,163	37,34,08,426
Total Reserves and Surplus	1,12,34,15,099	1,11,87,16,241

*W.e.f. From 29th February, 2012 Simplex Renewable Resources Pvt. Ltd. ceased to be subsidiary of the company hence goodwill created on consolidation has been adjusted in profit on disposal of the investment in the subsidiary.

4. DEFERRED TAX LIABILITY (NET)	31.03.2012	31.03.2011
	₹	₹
Deferred Tax Liability		
Long term capital gain on conversion of land into stock-in-trade	29,10,857	38,60,756
Gross deferred tax liability	29,10,857	38,60,756
Deferred Tax Assets		
1. Provision for gratuity	5,25,090	5,63,365
2. Provision for leave benefits	4,42,225	2,84,201
3. Difference between tax depreciation and depreciation charged for financial reporting	1,76,464	2,64,298
4. Unabsorbed depreciation	-	89,298
5. Carried forward business losses	-	9,84,649
6. Disallowance u/s 43B of Income Tax Act, 1961	-	1,788
Gross deferred tax assets	11,43,779	21,87,599
Net deferred tax liability	17,67,078	16,73,157

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

5. LONG-TERM PROVISIONS	31.03.2012	31.03.2011
	₹	₹
For employee benefits		
Gratuity	6,90,277	15,06,542
	<u>6,90,277</u>	<u>15,06,542</u>

6. OTHER CURRENT LIABILITIES	31.03.2012	31.03.2011
	₹	₹
Advance received from customers	40,52,880	-
Lease rent payable	36,53,223	36,53,223
Unpaid dividend	22,52,805	21,58,568
Professional fees payable	31,60,282	2,19,395
Other payables		
Tax deducted at source payable	8,82,306	17,24,897
VAT/Sales tax payable	-	4,94,304
Wealth tax payable	68,924	26,988
Liabilities for expenses	6,70,309	9,09,902
Interest payable	10,36,371	-
Payable towards share in Project 'Planet Godrej'	7,38,41,882	6,47,46,836
Others*	14,73,868	15,88,021
	<u>9,10,92,850</u>	<u>7,55,22,134</u>

*includes ex-employees dues (pending claims) and other statutory dues, etc.

7. SHORT-TERM PROVISIONS	31.03.2012	31.03.2011
	₹	₹
For employee benefits		
Gratuity	9,28,124	1,89,319
Leave benefits	13,62,999	8,55,513
Others		
Proposed dividend	44,87,073	74,78,455
Tax on proposed dividend	7,27,916	12,42,097
	<u>75,06,112</u>	<u>97,65,384</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

8. TANGIBLE ASSETS

(In ₹)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2011	Additions during the year	Deductions/ Adjustments during the year*	As at 31st March 2012	Upto 31st March 2011	Provided during the year	On Deductions/ Adjustments*	Upto 31st March 2012	As at 31st March 2012	As at 31st March 2011
Freehold Land (at cost)	50,00,318	-	-	50,00,318	-	-	-	-	50,00,318	50,00,318
Buildings	46,96,512	-	-	46,96,512	9,44,981	1,17,608	-	10,62,589	36,33,923	37,51,531
Plant and Machinery including Computers and Electrical Installations	14,61,668	88,759	3,76,725	11,73,702	6,04,463	2,00,632	1,10,964	6,94,131	4,79,571	8,57,205
Furniture and Office Equipments	46,07,791	3,13,636	17,43,712	31,77,715	22,27,379	3,93,367	9,28,430	16,92,316	14,85,399	23,80,412
Vehicles	82,88,265	54,80,645	7,88,730	1,29,80,180	25,48,268	9,54,944	4,83,900	30,19,312	99,60,868	57,39,997
Total	2,40,54,554	58,83,040	29,09,167	2,70,28,427	63,25,091	16,66,551	15,23,294	64,68,348	2,05,60,079	1,77,29,463
Previous Year	1,60,05,721	91,35,109	10,86,276	2,40,54,554	56,45,877	14,25,260	7,46,046	63,25,091		

NOTES:

- 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. This land has been developed and residential units thereon, sold to the buyers, pursuant to development permissions obtained from the concerned authorities.
- * W.e.f. 29th February, 2012, Simplex Renewable Resources Pvt Ltd. ceased to be subsidiary of the Company, hence assets and depreciation thereon recognised in the financial statements is adjusted during the year.

9. NON-CURRENT INVESTMENTS

Details of other Investments - (valued at cost, unless stated otherwise)

Sr. No.	Particulars	Associate/ Others	Face Value	No. of Shares/ Units		Quoted/ Unquoted	Partly/ Fully paid	Extent of Holding (%)		Value (₹)	
				31.03.2012	31.03.2011			31.03.2012	31.03.2011	31.03.2012	31.03.2011
I	Investments in Equity Instruments										
(a)	Simplex Mills Company Ltd.	Associate	10	14,70,000	14,70,000	Quoted	Fully Paid	49.00	49.00	5,48,07,129	6,36,63,022
(b)	Simplex Papers Ltd.	Associate	10	14,71,000	14,71,000	Quoted	Fully Paid	48.99	48.99	-	-
(c)	Universal Conveyor Beltings Ltd. [at cost less provision for other than temporary diminution - ₹ 2,75,000 (31.03.2011-Nil)]	Others	10	27,500	27,500	Unquoted	Fully Paid	-	-	-	275,000
	Less: Diminution in value of investments									-	(54,58,131)
	Total Non-Current Investments									5,48,07,129	5,84,79,891

Particulars	31.03.2012 ₹	31.03.2011 ₹
Aggregate amount of quoted investments [Market value as on 31.03.2012 - ₹ 4,11,22,870 (31.03.2011- ₹ 3,94,02,300)]	5,48,07,129	6,36,63,022
Aggregate amount of unquoted investments	-	2,75,000
Aggregate provision for diminution in value of investments	2,75,000	54,58,131

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

10. CURRENT INVESTMENTS - (At the lower of cost or fair value)

Sr. No.	Particulars	Subsidiary/ Others	Face Value	No. of Shares/ Units		Quoted / Unquoted	Partly/ Fully paid	Extent of Holding (%)		Value (₹)	
				31.03.2012	31.03.2011			31.03.2012	31.03.2011	31.03.2012	31.03.2011
I	Investments in Equity Instruments										
(a)	Peninsula Land Ltd.	Others	2	10,750	10,750	Quoted	Fully Paid	-	-	3,49,912	5,61,097
(b)	Prime Urban Development (I) Ltd.*	Others	2	2,500	2,500	Quoted	Fully Paid	-	-	35,000	33,050
(c)	HDFC Ltd.	Others	2	1,400	1,400	Quoted	Fully Paid	-	-	4,483	4,483
(d)	Piramal Healthcare Ltd.**	Others	2	2,832	2,832	Quoted	Fully Paid	-	-	2,36,224	2,36,224
(e)	Piramal Glass Ltd.	Others	10	125	125	Quoted	Fully Paid	-	-	-	-
(f)	Piramal Life Science Ltd.	Others	10	276	276	Quoted	Fully Paid	-	-	2,368	29,532
(g)	Hindustan Unilever Ltd.	Others	1	360	360	Quoted	Fully Paid	-	-	1,47,564	1,02,456
(h)	Delta Magnets Ltd.	Others	10	750	750	Quoted	Fully Paid	-	-	21,900	27,225
(i)	Morarjee Textiles Ltd.	Others	10	2,109	2,109	Quoted	Fully Paid	-	-	21,554	36,064
II	Investments in Debentures										
(a)	Edelweiss Capital Ltd. (₹ 10 Lacs each)	Others	-	-	2	Unquoted	Fully Paid	-	-	-	20,00,000
III	Investments in Mutual Funds										
(a)	Reliance Growth Fund - Dividend [at cost less provision for other than temporary diminution - Nil (31.03.2011 ₹ 4,56,062)]	Others	-	-	56,019	Quoted	Fully Paid	-	-	-	29,23,217
(b)	Reliance Natural Resources Fund - Growth	Others	-	-	244,499	Quoted	Fully Paid	-	-	-	25,00,000
IV	Other Investments										
(a)	Motilal Oswal Trillion Dollar Scheme-PMS	Others	-	-	-	Quoted		-	-	-	22,67,565
(b)	Forefront Capital Management Pvt. Ltd.- PMS	Others	-	-	-	Quoted		-	-	23,98,650	25,25,327
	Total Current Investments									32,17,655	1,32,46,240

* Formerly known as Prime Textiles Ltd.

** 69 shares of Piramal Healthcare Ltd. received free of cost during the year pursuant to scheme of arrangement of Piramal Life Science Ltd.

Particulars	31.03.2012 ₹	31.03.2011 ₹
Aggregate amount of quoted investments [Market value of ₹ 53,01,682 (Previous Year ₹ 1,36,17,022)]	32,17,655	1,12,46,240
Aggregate amount of unquoted investments	-	21,00,000
Aggregate provision for diminution in value of investments	4,30,782	6,75,719

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

11. LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)

	31.03.2012	31.03.2011
	₹	₹
Security deposits	5,03,640	14,01,212
Loans to employees*	10,50,000	-
Deposit towards property development	10,00,00,000	10,00,00,000
	10,15,53,640	10,14,01,212
* includes due by officers of the Company	10,50,000	-

12. INVENTORIES

	31.03.2012	31.03.2011
	₹	₹
Construction Work-in-progress	33,43,00,356	21,92,28,332
Stock-in-trade	-	19,91,820
	33,43,00,356	22,12,20,152

Increase in construction work-in-progress**Opening balance**

Construction work-in-progress	21,92,28,332	19,36,97,062
Add: Expenses incurred during the year	12,52,12,925	2,55,31,270
Less: Cost charged to statement of Profit and Loss	1,01,40,901	-
Closing balance	33,43,00,356	21,92,28,332

Mode of valuation

Construction work-in-progress are valued at cost and stock-in-trade are valued at lower of cost or fair market value.

Stock-in-trade

Solar photovoltaic power products (inverters, lamps, etc)	-	19,91,820
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13. TRADE RECEIVABLES

	31.03.2012	31.03.2011
	₹	₹
Debts outstanding for a period exceeding six months	-	-
Other debts	-	74,00,000
	-	74,00,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

14. CASH AND CASH EQUIVALENTS	31.03.2012	31.03.2011
	₹	₹
Balances with banks:		
In current accounts	16,24,164	65,30,852
In deposit account with original maturity for more than three months but less than twelve months	-	5,40,00,000
Cash on hand	2,38,686	79,689
Earmarked balances with bank	22,52,805	21,58,567
	41,15,655	6,27,69,108

15. SHORT-TERM LOANS AND ADVANCES	31.03.2012	31.03.2011
	₹	₹
Loans and advances to related parties		
Unsecured - considered good	11,56,17,181	12,27,54,649
- considered doubtful	2,94,63,607	2,94,63,607
	14,50,80,788	15,22,18,256
Provision for doubtful advances	(2,94,63,607)	(2,94,63,607)
	(a) 11,56,17,181	12,27,54,649

Other Loans and Advances

(Unsecured, considered good)

Fringe benefit tax refundable	82,515	82,515
Advance Income tax (net of provisions for taxation)	2,09,48,548	25,01,443
Income tax paid against disputed demand	15,92,00,000	3,92,00,000
Advance towards property development/land acquisition	13,00,00,000	13,00,00,000
Loans to employees*	11,83,500	5,96,000
Inter corporate deposits	21,39,43,213	37,84,91,875
Service tax receivables	-	19,69,123
Advances paid towards project approvals	8,16,22,038	7,74,70,306
Other amounts recoverable in cash or in kind for value to be received	10,91,388	4,06,914
	(b) 60,80,71,202	63,07,18,176
Total (a+b)	72,36,88,383	75,34,72,825

* includes due by officers of the Company

16. OTHER CURRENT ASSETS	31.03.2012	31.03.2011
	₹	₹
Interest receivable	1,20,59,499	84,66,816
Others	1,05,890	1,82,461
	1,21,65,389	86,49,277

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

17. REVENUE FROM OPERATIONS	2011-12	2010-11
	<u>₹</u>	<u>₹</u>
Revenue from development of land	21,33,542	-
Sale of products		
Traded goods	2,94,143	1,45,09,888
Revenue from operations (gross)	24,27,685	1,45,09,888
Less: Excise duty	-	-
Revenue from operations (net)	24,27,685	1,45,09,888

Details of products sold

Traded goods		
Solar photovoltaic power products	2,94,143	1,45,09,888

18. OTHER INCOME	2011-12	2010-11
	<u>₹</u>	<u>₹</u>
Interest on		
Bank deposits	8,77,809	12,26,426
Inter corporate deposits	3,79,13,746	7,54,65,483
Other deposits	1,46,58,307	65,37,623
Dividend		
On current investments	1,43,787	3,39,230
Net gain on sale of current investments	8,98,737	9,77,733
Building rent	79,22,040	69,32,040
Other non-operating income	933	27,265
Adjustments to the carrying amount of investments	54,28,068	(54,90,825)
	6,78,43,427	8,60,14,975

19. COST OF DEVELOPMENT	2011-12	2010-11
	<u>₹</u>	<u>₹</u>
Cost of developable land	81,86,988	-
Development costs	19,53,913	-
	1,01,40,901	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

20. CHANGE IN INVENTORIES	2011-12 ₹	2010-11 ₹
Closing stock		
Traded goods	20,93,820	19,91,820
Less: Opening stock		
Traded goods	19,91,820	-
(Increase) in stock	(1,02,000)	(19,91,820)
Purchase of traded goods		
Solar photovoltaic power products (inverters, lamps etc)	3,60,480	1,67,92,635

21. EMPLOYEE BENEFITS EXPENSE	2011-12 ₹	2010-11 ₹
Salaries and wages	1,76,39,539	1,33,08,511
Contribution to provident and other funds	3,20,864	4,82,152
Welfare expenses	10,72,983	8,56,285
	1,90,33,386	1,46,46,948

Retirement benefit plans

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

I) Defined Contribution Plan

- Provident Fund
- Superannuation Fund and Pension Scheme -1995

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

Particulars	2011-12 ₹	2010-11 ₹
Provident fund	38,404	2,24,692
Superannuation fund	2,50,000	2,25,000
Pension fund	32,460	32,460

II) Defined Benefit Plans

- Contribution to Gratuity fund (Non-funded)
- Leave encashment (Non-funded)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

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

Actuarial assumptions	2011-12	2010-11
Discount rate	8.65%	8.17%
Salary escalation rate	10.00%	10.00%
Attrition rate	0.50%	0.50%

GRATUITY	2011-12	2010-11
	₹	₹
A. Changes in value of obligations		
Liability at the beginning of the year	16,95,861	12,11,348
Interest cost	1,31,755	91,711
Current service cost	88,554	1,05,776
Past service cost – (vested benefits)	-	5,56,549
Benefit paid	(1,66,395)	(1,29,912)
Actuarial (gain)/loss on obligations	(1,31,374)	(1,39,611)
Liability at the end of the year	16,18,401	16,95,861
B. Amount recognized in the Balance Sheet		
Present value of defined benefit obligation as at the year end	16,18,401	16,95,861
Fair value of plan assets as at the year end	-	-
Liability/(Net asset) recognized in the Balance Sheet	16,18,401	16,95,861
- Current liability	9,28,124	1,89,319
- Non-current liability	6,90,277	15,06,542
C. Expenses recognized in the Statement of Profit and Loss		
Interest cost	1,31,755	91,711
Current service cost	88,554	1,05,776
Past service cost – (vested benefits)	-	5,56,549
Net Actuarial (gain)/loss recognized	(1,31,374)	(1,39,611)
Expenses recognized in the Statement of Profit and Loss	88,935	6,14,425

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

LEAVE ENCASHMENT

	2011-12 ₹	2010-11 ₹
A. Changes in value of obligations		
Liability at the beginning of the year	8,55,513	9,94,746
Interest cost	67,750	78,272
Current service cost	3,64,521	2,38,796
Benefit paid	(52,523)	(32,687)
Actuarial (gain)/loss on obligations	1,27,738	(423,614)
Liability at the end of the year	13,62,999	8,55,513
B. Amount recognized in the Balance Sheet		
Present value of defined benefit obligation as at the year end	13,62,999	8,55,513
Fair value of plan assets as at the year end	-	-
Liability/(Net asset) recognized in the Balance Sheet	13,62,999	8,55,513
C. Expenses recognized in the Statement of Profit and Loss		
Interest cost	67,750	78,272
Current service cost	3,64,521	2,38,796
Actuarial (gain)/loss recognized	1,27,738	(4,23,614)
Expenses recognized in the Statement of Profit and Loss	5,60,009	(1,06,546)

	2011-12 ₹	2010-11 ₹
22. FINANCE COSTS		
Interest	11,51,523	11,32,383
	11,51,523	11,32,383

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

23. OTHER EXPENSES	2011-12		2010-11
	₹		₹
Electricity	2,55,269		3,89,378
Repairs to			
Buildings	69,584		88,930
Machinery	1,78,011		1,34,033
Others	15,36,201		2,71,379
Insurance	78,231		1,01,903
Rent	4,03,598		2,87,890
Rates and taxes	5,41,296		4,57,183
Advertisements	2,40,822		2,68,643
Business promotion expenses	3,30,827		3,33,124
Travelling and conveyance expenses	26,37,210		16,77,540
[inclusive of ₹ 19,85,075 for Directors (Previous Year ₹ 10,08,027)]			
Legal and professional fees	14,93,641		17,63,822
Retainership fees	10,72,300		27,48,704
Commission to directors (other than executive directors)	-		10,00,000
Printing, stationery and communication expenses	12,45,984		12,16,391
Bank charges	5,342		1,03,501
Loss on sale of fixed assets	2,78,725		2,13,562
Vehicles expenses	13,98,702		12,41,135
Flat maintenance expenses	27,28,774		11,25,962
Security charges	13,42,342		7,07,052
Membership and subscription charges	7,11,044		1,20,698
Sundry expenses	6,60,668		10,80,803
Donations	-		10,00,000
Directors' sitting fees	2,25,500		1,85,000
Testing charges	-		1,03,640
Auditors' remuneration			
As Auditor			
Audit fee	2,43,540	2,41,545	
Tax audit fee	28,090	25,000	
For taxation matters	24,28,100	10,52,500	
For reimbursement of expenses	1,522	1,081	13,20,126
	<u>2,01,35,323</u>		<u>1,79,40,399</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

24. Contingent liabilities not provided for

(In ₹)

	2011-12	2010-11
Appeals filed in respect of disputed demands:		
Income Tax	12,83,15,672	62,41,97,421
Labour Matters	1,25,327	1,35,327
Legal Cases	34,05,600	34,05,600

25. The Company's significant leasing arrangement is mainly in respect of subsidiary's office premise. The aggregate lease rentals payable on this leasing arrangement is charged as rent in the Statement of Profit and Loss.

This leasing arrangement is for a period not exceeding five years and is renewable by mutual consent, on mutually agreeable terms. Future lease rental payable in respect of office premise on lease:

(In ₹)

Payable	As at 31.03.2012	As at 31.03.2011
Not later than one year	-	3,79,575
Later than one year but not later than five years	-	11,13,883
Later than five year	-	-

26. 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.

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

	2011-12	2010-11
1 Profit after tax - ₹	91,59,726	3,11,68,702
2 Weighted average number of shares outstanding during the year	29,91,382	29,91,382
3 Face value of shares - ₹	10/-	10/-
4 Basic / Diluted EPS - ₹	3.06	10.42

27. Details of Subsidiary, Associates

Name of the Company	Country of Incorporation	% of voting power as at 31.03.2012	% of voting power as at 31.03.2011
a. Subsidiary Simplex Renewable Resources Pvt. Ltd.*	India	Nil	100.00%
b. Associates Simplex Mills Co. Ltd.	India	49.00%	49.00%
Simplex Papers Ltd.	India	48.99%	48.99%

* Ceased to be subsidiary of the company w.e.f. 29th February, 2012.

Disposal of investment in the subsidiary

The difference between the proceeds from the disposal of investments in the subsidiary and the carrying amount of its assets less liabilities as of the date of disposal has been recognised in the consolidated statement of profit and loss as profit on the disposal of the investment in the subsidiary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

28. Investments in associates

- (i) During the year in Consolidated financial statements investments in associates have been recorded as per the equity method of accounting as provided in Accounting Standard AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements", and accordingly Capital Reserve arising at the time when these Companies became associates has been shown under Reserve and Surplus in the Consolidated Financial Statements. Share of loss in Associates for the current year has been shown in Consolidated Statement of Profit and Loss and carrying value of investment has been reduced by this amount.
- (ii) Investment in associates includes capital reserve of ₹ 13,00,34,532/- in respect of associate companies.

29. Related party disclosure

- (i) Related party relationship during the year
- | | |
|--|--|
| (a) Associates | Simplex Papers Ltd.
Simplex Mills Company Ltd. |
| (b) Key management personnel | Mr. Nandan Damani |
| (c) Relative of key management personnel | Mr. S. K. Somany |
| (d) Where persons mentioned in (b) or (c) exercise significant influence | Lucky Vyapaar and Holdings Pvt. Ltd.
Ratanbai Surajratan Damani Educational Trust
The Nav Bharat Refrigeration and Industries Ltd. |
- (ii) Transactions with related parties

Type of Related Party	Description of the nature of the transactions	Volume of Transactions during 2011-12	Volume of Transactions during 2010-11	As on 31.03.12 Receivable/ (Payable)	As on 31.03.11 Receivable/ (Payable)
(a) Associates Simplex Papers Ltd. Simplex Mills Co. Ltd.	Net Loan (repaid)/given Net Loan (repaid)/given	(19,173) (71,21,673)	(39,26,196) 86,25,829	14,33,72,666 17,04,394	14,33,91,839 88,26,067
(b) Key Management Personnel	Managerial Remuneration	40,46,667	54,55,000	-	-
(c) Relative of Key Management Personnel	Directors Sitting Fees Commission to Director	45,000 -	40,000 2,00,000	- -	- -
(d) Where persons mentioned in (b) or (c) exercise significant Influence	a) Reimbursement of expenses received Lucky Vyapaar and Holdings Pvt. Ltd. b) Donation Ratanbai Surajratan Damani Educational Trust c) Advance received against sale of flats The Nav Bharat Refrigeration and Industries Ltd.	14,667 - 10,00,000	- 10,00,000 -	- - -	- - -

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

30. Segment information for the year ended 31st March, 2012
Primary reporting segment - Business segment

Sr. No.	Particulars	Property Development		Renewable Energy		Unallocable		Total	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
1	Segment result External sales	21,33,542	-	2,94,143	1,45,09,888	-	-	24,27,685	1,45,09,888
2	RESULT								
	Segment result	(3,76,03,422)	(2,36,39,662)	(32,80,561)	(37,04,567)	63,26,805	(45,13,092)	(3,45,57,178)	(3,18,57,321)
	Less: Interest expense	-	-	-	-	11,51,523	11,32,383	11,51,523	11,32,383
	Add: Interest income	-	-	-	-	5,34,49,862	8,32,29,532	5,34,49,862	8,32,29,532
	Add: Dividend received	-	-	-	-	1,43,787	3,39,230	1,43,787	3,39,230
	Segment result before tax	(3,76,03,422)	(2,36,39,662)	(32,80,561)	(37,04,567)	5,87,68,931	7,79,23,287	1,78,84,948	5,05,79,058
	Less: Provision for tax	-	-	-	-	57,69,789	1,91,72,600	57,69,789	1,91,72,600
	Add: Deferred tax (Net)	-	-	-	-	(9,50,523)	(11,02,222)	(9,50,523)	(11,02,222)
	Less: Share of loss in associate	-	-	-	-	(88,55,894)	(13,39,978)	(88,55,894)	(13,39,978)
	Add: Profit on disposal of investment in the subsidiary	-	-	-	-	49,49,938	-	49,49,938	-
	Net (Loss)/Profit for the year	(3,76,03,422)	(2,36,39,662)	(32,80,561)	(37,04,567)	5,00,43,709	5,85,12,931	91,59,726	3,11,68,702
	OTHER INFORMATION								
3	Segment assets	1,01,61,52,439	1,11,51,35,771	-	1,57,22,309	23,82,55,847	11,35,10,089	1,25,44,08,286	1,24,43,68,169
4	Segment liabilities	9,92,89,239	8,58,87,313	-	81,54,587	17,67,078	16,73,157	10,10,56,317	9,57,15,057
5	Depreciation	14,58,248	12,37,532	2,08,303	1,87,728	-	-	16,66,551	14,25,260
6	Non cash expense other than depreciation	-	-	-	-	(54,28,068)	54,90,825	(54,28,068)	54,90,825

Notes:

- The Company has identified business segments as primary segments. The reportable business segments are "Property Development" and "Renewable Energy". There is no reportable Geographical Segment.
- The above consolidated segment reporting includes effects of financial statements of the subsidiary "Simplex Renewable Resources Pvt Ltd (SRRPL) upto 29th February, 2012. SRRPL ceased to be subsidiary of the Company w.e.f. 29th February, 2012.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

31. Expenditure in foreign currency	2011-12 ₹	2010-11 ₹
On travelling	2,43,391	1,78,901

32. Previous year figures

The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date attached

For and on behalf of the Board

For **Dayal and Lohia**

Chartered Accountants

Firm Reg. No. 102200W

Surendra Kabra

Chief Financial Officer

Nandan Damani

Chairman and Managing Director

S.V. Thomas

Partner

M. No. -125944

Mumbai, 14th May, 2012**Shekhar R Singh**

Company Secretary &

Compliance Officer

S. K. Somany

Director

Mumbai, 14th May, 2012

FINANCIAL REVIEW - STANDALONE

(₹ in lacs)

	2011-12	2010-11	2009-10	2008-09	2007-08
FINANCIAL POSITION					
Share Capital	299	299	299	299	299
Application Money for Warrants	-	-	-	-	61
Reserves and Surplus	10,979	10,868	10,614	9,421	1,442
Loan Funds	-	-	-	-	1
Deferred Tax Liability (Net)	18	27	28	56	-
Funds Employed	11,296	11,194	10,941	9,776	1,803
Gross Block	270	227	160	153	136
Depreciation	65	61	56	43	88
Net Block	205	166	104	110	48
Net Current and Other Assets	11,091	11,028	10,837	9,666	1,496
Deferred Tax Assets (Net)	-	-	-	-	259
Total Assets	11,296	11,194	10,941	9,776	1,803

OPERATING RESULTS

Revenue and other income	700	857	2,992	17,531	7,677
Operating and other expenses	462	301	749	6,661	4,841
Depreciation	15	12	11	11	7
Finance costs	11	11	-	1	59
Prior period items	-	-	(193)	(1)	(272)
Extraordinary items	-	-	75	-	-
Profit before tax	212	533	2,350	10,859	3,042
Current tax (Incl. MAT credit)	58	192	892	2,264	18
Deferred tax	(10)	-	(28)	314	652
Profit after tax for the year	164	341	1,486	8,281	2,372
Tax expenses of earlier years	-	-	32	13	-
Profit after tax	164	341	1,454	8,268	2,372
Dividend for the year	45	75	224	299	374
Dividend %	15	25	75	100	125

NOTES



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

ATTENDANCE SLIP

I hereby record my presence at the 99TH ANNUAL GENERAL MEETING held on Monday, the 13th August, 2012 at 11.30 A.M. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, 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 99TH ANNUAL GENERAL MEETING of the Company to be held on Monday, the 13th August, 2012 at 11.30 A.M. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai 400 001.

Signed this _____ day of _____ 2012.

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)

14th May, 2012

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 7th August, 2012. 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**

Shekhar R Singh

Company Secretary & Compliance Officer

To,
Freedom Registry Limited
Plot No. 101/102, 19th Street,
MIDC, Satpur, Nashik - 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)

Notes:

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 : support@freedomregistry.in

Book - Post

If undelivered, please return to:

Simplex Realty Limited

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