



**100<sup>th</sup>**  
**ANNUAL REPORT**  
**2012-2013**



## Board of Directors

Shri Nandan Damani Chairman and Managing Director  
 Shri V.B.Haribhakti  
 Shri S.K.Somany  
 Smt. Anna Malhotra  
 Smt. Gopa Ray (resigned w.e.f. 30.11.2012)  
 Shri Sanjay N.Damani  
 Shri T.C.Suseel Kumar (appointed w.e.f.30.11.2012)

## Chief Financial Officer

Shri Surendra Kabra

## Company Secretary and Compliance Officer

Shri Shekher R Singh

## 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, 19<sup>th</sup> Street,  
 MIDC, Satpur,  
 Nashik - 422 007  
 Tel. : 0253-2354032  
 Fax : 0253-2351126  
 Email: support@freedomregistry.in

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Annual General Meeting of the Company will be held on Wednesday, 7<sup>th</sup> August, 2013 at 11.30 A.M. at M.C. Ghia Hall, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai 400 001.

## NOTICE

NOTICE is hereby given that the Hundredth **ANNUAL GENERAL MEETING** of the Members of **SIMPLEX REALTY LIMITED** will be held on Wednesday, the 7<sup>th</sup> August, 2013 at 11.30 A.M. at M.C.Ghia Hall, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai 400001 to transact the following businesses:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 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 31<sup>st</sup> March, 2013 on Equity Shares.
3. To appoint a Director in place of Shri V. B. Haribhakti, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Smt. Anna Malhotra, who retires by rotation and, being eligible, offers herself 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 31<sup>st</sup> March, 2014.”

### 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 T. C. Suseel Kumar, who was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> November, 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 (the 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

**Shekher R Singh**

Company Secretary and Compliance Officer

Mumbai, 8<sup>th</sup> May, 2013

### 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 8<sup>th</sup> May, 2013 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 Thursday, the 1<sup>st</sup> August, 2013, to Wednesday, the 7<sup>th</sup> August, 2013 (both days inclusive) for the purpose of payment of dividend for the year ended 31<sup>st</sup> March, 2013, if declared at the meeting and for the purpose of the Hundredth 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 Wednesday, the 7<sup>th</sup> August, 2013. 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 Wednesday, the 31<sup>st</sup> July, 2013.
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, 19<sup>th</sup> Street, MIDC, Satpur, Nashik-422 007. The Members who hold shares in dematerialized form are requested to notify any change in their address to their respective Depository Participants.
8. Corporate members intending to send their Authorized Representatives to attend and vote at the Meeting are requested to ensure that the Authorised Representative carries a duly certified true copy of their Board Resolution.

## 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 8<sup>th</sup> May, 2013.

### 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 the 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 recommends the Special Resolution at Item No. 5 of the Notice for the re-appointment of Statutory Auditors for your approval.

### Item No. 6

Shri T. C. Suseel Kumar was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> November, 2012 by the Board of Directors under Section 260 of the Act read with Article 131 of the Articles of Association of the Company.

In terms of Section 260 of the Act, Shri T. C. Suseel Kumar 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 appointment of Shri T. C. Suseel Kumar as a Director of the Company.

A brief profile of Shri T. C. Suseel Kumar is given in the Annexure to the Notice.

None of the Directors except Shri T. C. Suseel Kumar is concerned or interested in the said Resolution.

The Board of Directors recommends the Ordinary Resolution at Item No. 6 of the Notice for the appointment of Shri T. C. Suseel Kumar as a Director for your approval.

By Order of the Board of Directors

Mumbai, 8<sup>th</sup> May, 2013

**Shekher R Singh**  
Company Secretary and 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**

<b>Name of Director</b>	<b>Shri V.B.Haribhakti</b>	<b>Smt. Anna Malhotra</b>	<b>Shri T.C.Suseel Kumar</b>
<b>Date of Birth</b>	08.10.1929	17.07.1926	01.02.1961
<b>Date of Appointment</b>	19.05.1986	28.11.1992	30.11.2012
<b>Experience in specific Functional Areas</b>	He is renowned Tax Practitioner and expertise in Tax Law.	A retired I.A.S. officer who has held positions in the Government of India, including those of Secretary of the Ministry of Agriculture and Education and Chairperson of the Jawaharlal Nehru Port Trust, the high-tech port of India based in Mumbai.	He is an Executive Director (M-B & AC) of Life Insurance Corporation of India.
<b>Qualification</b>	F.C.A.	M.A.	M. A.
<b>Directorships held in other Companies</b>	<ol style="list-style-type: none"> <li>1. Bajaj Electricals Ltd.</li> <li>2. Citadel Realty and Developers Ltd.</li> <li>3. The Anglo-French Drug Co. (Eastern) Ltd.</li> <li>4. Ester Industries Ltd.</li> <li>5. Lakshmi Automatic Loom Works Ltd.</li> <li>6. Tilaknagar Industries Ltd.</li> <li>7. BDO Haribhakti Consulting Pvt. Ltd.</li> <li>8. Mirae Asset Trustee Co. Pvt. Ltd.</li> </ol>	Hotel Leelaventure Ltd.	Nil
<b>Committee positions held in other Companies</b>	<p><b>Chairman of Audit Committee:</b></p> <ol style="list-style-type: none"> <li>1. Bajaj Electricals Ltd.</li> <li>2. Ester Industries Ltd.</li> <li>3. Tilaknagar Industries Ltd.</li> </ol> <p><b>Member of Audit Committee:</b></p> <ol style="list-style-type: none"> <li>1. Citadel Realty And Developers Ltd.</li> <li>2. Lakshmi Automatic Loom Works Ltd.</li> </ol> <p><b>Chairman of Remuneration Committee:</b></p> <ol style="list-style-type: none"> <li>1. Bajaj Electricals Ltd.</li> <li>2. Ester Industries Ltd.</li> <li>3. Tilaknagar Industries Ltd.</li> </ol> <p><b>Member of Shareholders'/ Investors' Grievance Committee:</b></p> <ol style="list-style-type: none"> <li>1. Tilaknagar Industries Ltd.</li> <li>2. Bajaj Electricals Ltd.</li> </ol>	<p><b>Member of Audit Committee:</b></p> <p>Hotel Leelaventure Ltd.</p> <p><b>Member of Shareholders'/ Investors' Grievance Committee</b></p> <p>Hotel Leelaventure Ltd.</p>	Nil
<b>Equity Shares held in Simplex Realty Ltd.</b>	300	Nil	Nil

# SIMPLEX REALTY LIMITED

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## DIRECTORS' REPORT

To  
The Members,

Your Directors are pleased to present the 100<sup>th</sup> Annual Report, together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2013.

## FINANCIAL RESULTS

(In ₹)

	2012 -13	2011-12
<b>Total Income</b>	<b>5,68,01,541</b>	6,99,76,969
Profit before Depreciation, Finance Costs and Taxation	<b>2,25,18,576</b>	2,38,10,942
Less: Depreciation	<b>17,31,665</b>	14,58,248
Less: Finance Costs	<b>19,20,621</b>	11,51,523
<b>Profit before tax</b>	<b>1,88,66,290</b>	2,12,01,171
Less: Current tax	<b>55,40,036</b>	57,69,789
Deferred tax	<b>95,730</b>	(9,50,523)
<b>Profit for the year</b>	<b>1,32,30,524</b>	1,63,81,905
Add: Balance in the statement of Profit and Loss	<b>38,65,49,034</b>	37,63,82,118
<b>Less: Appropriation</b>		
Transfer to General Reserve	<b>7,00,000</b>	10,00,000
Proposed Dividend on Equity Shares	<b>44,87,073</b>	44,87,073
Tax on Dividend	<b>7,27,916</b>	7,27,916
<b>Closing Balance</b>	<b>39,38,64,569</b>	38,65,49,034

## DIVIDEND

The Directors are pleased to recommend Dividend on equity shares for the year ended 31<sup>st</sup> March, 2013 at ₹1.50 (i.e.15%) per equity share of face value of ₹10/-, subject to the approval of the members at the Hundredth Annual General Meeting. The total cash out flow on account of equity dividend payment, including dividend distribution tax would be ₹ 52,14,989/- for the financial year 2012-13.

## OPERATIONS

Your Company has reported total income of ₹ 5,68,01,541/- and the net profit of ₹ 1,32,30,524/- during the year ended 31<sup>st</sup> March, 2013.

## 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 Khush Aangan" having Ground + Two floors for Commercial and Seventeen floors of residential tower. The Company has received commencement certificate upto 13<sup>th</sup> floors of Residential area and upto the plinth level of Commercial area and construction work is in full swing.

## FIXED DEPOSITS

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



## **DIRECTORS**

Shri M. P. Jatia ceased to be a Director with effect from 25<sup>th</sup> May, 2012 due to sad demise. The Board places on record its appreciation for the valuable services and guidance given by Shri M. P. Jatia to the Company during his tenure as Director of the Company and conveyed the heartfelt condolence to the members of the bereaved family.

Smt. Gopa Ray resigned as Director of the Company with effect from 30<sup>th</sup> November, 2012. The Board places on record its appreciation for the valuable services and guidance given by Smt. Gopa Ray to the Company during her tenure as Director of the Company.

Shri T.C.Suseel Kumar, Executive Director (M- B & AC) of Life Insurance Corporation of India was appointed by the Board as an Additional Director of the Company with effect from 30<sup>th</sup> November, 2012 under Section 260 of the Companies Act, 1956 (the Act) read with Article 131 of the Articles of Association of the Company. Shri T. C. Suseel Kumar holds office up to the date of forthcoming Annual General Meeting and, being eligible, offers himself for appointment as a Director at the said meeting.

Shri V. B. Haribhakti and Smt. Anna Malhotra, Directors of the Company who retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

## **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 31<sup>st</sup> March, 2013 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 Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis.

# SIMPLEX REALTY LIMITED

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## STOCK EXCHANGE

The Company's equity shares are listed at BSE Limited and the Annual Listing Fees for the year 2013-14 has been paid.

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

Considering the Company's business activities, the Directors have nothing to report under Section 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:	<b><u>2012-13</u></b>	<b><u>2011-12</u></b>
Foreign Exchange Earnings (₹)	<b>Nil</b>	<b>Nil</b>
Foreign Exchange Outgo (₹)	<b>4,05,721/-</b>	<b>2,43,391/-</b>

## ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the assistance and support extended by all Government Authorities, Financial Institutions, Banks, Consultants, Solicitors and Shareholders of the Company. The Directors express their appreciation for the dedicated and sincere services rendered by the employees of the company.

For and on behalf of the Board of Directors

**Nandan Damani**  
Chairman and Managing Director

Mumbai, 8<sup>th</sup> May, 2013

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. OVERVIEW OF THE ECONOMY

Global economic growth slowed from 3.9 percent in 2011 to 3.2 percent in 2012. India is part of the global economy and our exports and imports amount to 43 percent of Gross Domestic Product (GDP). We are not unaffected by what happens in the rest of the world and our economy too has slowed after 2010-11. The fiscal deficit for the current year has been contained at 5.2 percent and the fiscal deficit for the year 2013-14 is estimated at 4.8 percent. The revenue deficit for the current year will be 3.9 percent and the revenue deficit for the year 2013-14 is estimated at 3.3 percent. Even now, of the large countries of the world, only China and Indonesia are growing faster than India in 2012-13.

Following the slowdown induced by the global financial crisis in 2008-09, the Indian economy responded strongly to fiscal and monetary stimulus and achieved a growth rate of 8.6 percent and 9.3 per cent respectively in 2009-10 and 2010-11, but due to a combination of both external and domestic factors, the economy decelerated growing at 6.2 percent and an estimated 5 percent in 2011-12 and 2012-13 respectively. The growth is estimated to be 3.6 percent in agriculture, 1.9 percent in industry and 5.2 percent in services.

Taking a bird's eye view of the entire economy and keeping in mind the difficult global environment, India's GDP growth in 2013-14 is expected to be in the range of 6.1 to 6.7 percent.

### 2. INDUSTRY STRUCTURE AND DEVELOPMENTS

The real estate sector in India is considered a growth engine of the country. It is one of the fastest growing sectors of the Indian economy and plays a vital role in overall growth and development. This sector has considerable linkages with various other sectors and more than two hundred fifty associated industries. A unit increase in expenditure in this sector has a multiplier effect and capacity to generate income as high as five times.

The real estate is not only the biggest contributor to GDP of the country but is also the fourth largest sector in terms of Foreign Direct Investment (FDI) inflows in the country. The FDI of more than US\$ 9 billion was infused in real estate in the last decade. During the year the FDI inflow was about ₹ 5,915 crores.

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. Demand for real estate is expected to grow at a Compound Annual Growth Rate (CAGR) of 19 percent between 2010 and 2014.

The country's urban population will soar to 590 million by 2030, from 340 million in 2008. Urbanisation and increasing household income are some of the major factors that influence demand for residential real estate and growth in the retail sector.

The largest occupier of office space in the country has been the Information Technology/ Information Technology enabled Services (IT/ ITeS) segment, which primarily serves the US and European markets. The economic slowdown in these markets have resulted in increasing pressures on the margins of companies operating out of India, which in turn has led to the companies looking to cut costs through reducing expenditure on the real estate segment.

The proposal to allow additional deduction of ₹ 1 lac to taxpayers taking first housing loan up to ₹ 25 lacs in the year 2013-14 will have a positive impact in the growth of real estate sector.

The year 2012 was not a thriving year for the real estate sector. The macro-economic environment of high interest rates and sluggish growth coupled with continued high prices across most of cities lead to slowing of demand for real estate sector.

#### **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. Demand for houses increased considerably whilst supply of houses could not keep pace with demand thereby leading to a steep rise in residential capital values especially in urban areas. Housing shortage in urban areas will continue to rise owing to migration towards urban areas and increasing trend of nuclear families. Housing shortage in urban areas is estimated at 19.3 million units at the end of 2008, up from 15.1 million units at the start of 2005. Housing shortage in urban areas is likely to touch a whopping 21.7 million units by the end of 2014.

At the macro-economic level, the demand for residential units in India is expected to remain strong driven by growth in disposable incomes and concomitant increase in affordability, favourable demographic and urbanisation trends, and positive socio-cultural changes such as preference for nuclear families. These will continue to fuel demand for housing in the residential segments that the Company currently operates in.

## **Commercial real estate segment**

The commercial real estate segment includes office spaces, IT parks, retail, healthcare, hospitality, industries and Special Economic Zones (SEZ). The demand for office space in India witnessed downward growth due to global market uncertainties. There will be moderate and steady demand for office spaces. According to CRISIL Research, 2013, of the total supply of 445 million sq. ft. office space planned in 10 major cities (Mumbai, Bengaluru, Chennai, Hyderabad, Kolkata, the NCR, Pune, Ahmedabad, Chandigarh and Kochi) around 167 million sq.ft. of office space to come up during 2013-2015 and in relation to supply, demand is expected to be at about 66 million sq.ft. during the 2013-15.

However, the demand for office space is directly linked to addition in number of employees, which in turn is dependent on economic growth, when economy slows down, companies hold their expansion plans leading to lower demand for office space.

## **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.

The Indian retail industry has experienced growth of 10.6 percent between 2010 and 2012 and is expected to increase to US \$ 750-850 billion by 2015.

According to CRISIL Research, 2013, of the total planned supply of retail space across the 10 major cities is estimated at about 67 million sq.ft. of which about 38 million sq. ft. office space to come up during 2013-2015.

According to the Global Retail Development Index 2012, India ranks fifth among the top 30 emerging markets for retail. FDI in multi brand has been permitted and is expected to catalyze a lot of demand from international retailers.

## **3. OPPORTUNITIES**

- ? The approval of FDI in multi-brand retail will attract foreign investment, which will not only benefit the retail industry but also boost the demand for commercial real estate.
- ? The setting up of the Urban Housing Fund by the National Housing Bank (NHB) with an allocation of ₹ 2,000 crore will infuse liquidity for urban housing, thereby boosting demand.
- ? 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.

- ? Growing requirements of space from sectors such as education, healthcare and tourism provide opportunities in the real estate sector with IT parks, retail, hospitality, special economic zones, financial services, telecom and other new age sectors taking centre stage will continue providing tremendous room for growth in commercial office space.
- ? Non-resident Indians and foreign citizens who are Persons of Indian Origin (PIO) are allowed to purchase immoveable property in India. Residential property prices have stabilized now and are deemed attractive for the NRI home buyer. With attractive pricing and innovation in construction technology and variety of designs, NRIs are taking a fresh look at India as a unique market in which they can invest.

#### **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.
- ? Availability of skilled resources and acquisition and retention of highly talented workforce which would ensure quality execution.
- ? Lack of supporting infrastructure such as roads, highways, electricity, etc. that can hamper the growth of real estate as it's thrives on availability of good infrastructure.

#### **5. ON GOING PROJECT**

The Company's project 'Simplex KhushAangan', achieved a major milestone in work. On the residential tower side, civil work has been completed upto podium level and stilt level is in progress. On the commercial side, civil work upto 50% of plinth level has been completed and for the balance area is in progress. There is no revenue recognition from the project as it is yet to achieve required criteria.

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

#### **6. OUTLOOK**

The real estate sector in India assumed greater prominence with the liberalisation of the economy, as the consequent increase in business opportunities and labour migration led to rising demand for commercial and housing space. At present, the real estate and construction sectors are playing a crucial role in the overall development of India's core infrastructure. The real estate industry's growth is linked to developments in the retail, hospitality and entertainment (hotels, resorts, cinema theatres) industries, economic services (hospitals, schools) and information technology (IT) enabled services (like call centres) etc. and vice versa.

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 announcement of NHB setting up an Urban Housing Fund, provision of an additional deduction of ₹ 1 lac for taking first housing loan upto ₹ 25 lacs in addition to the existing ₹ 1.5 lacs deduction will help to revive the

demand for housing. The proposed levy of 1 percent TDS on properties above ₹ 50 lacs would prove to be a major burden for both developers as well as customers especially in the metropolitan cities like Delhi and Mumbai and their outskirts as even small apartments in these areas cost more.

The total revenue of the real estate sector was US\$ 66.8 billion during 2010-11 and expected to earn a revenue of US\$ 180 billion by 2020.

## 7. RISKS AND CONCERNS

The Company's ability to foresee and manage business risks is crucial in achieving favorable results. While management is positive about 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 effect on our business and financial condition. The recent change in service tax 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.

### Health and Safety Risks

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

## 8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

## 9. FINANCIAL AND OPERATING PERFORMANCE

The total income of the Company for the current year is ₹568.02 lacs as against ₹699.77 lacs during the previous year. The Company has earned a net profit of ₹132.31 lacs during the current year as against ₹163.82 lacs in the

previous year. The EPS for the current year is ₹4.42 as against ₹ 5.48 in the previous year.

#### **10. 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.

#### **11. 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 31<sup>st</sup> March, 2013, the Board comprises of One Executive Director, and Five Non-Executive Directors. The composition of the Board is in compliance with the requirements of Clause 49(I)(A) of the Listing Agreement as on 31<sup>st</sup> March, 2013 and during the year, the following changes took place in the composition of the Board:

- i. Shri M. P. Jatia ceased to be a Director with effect from 25<sup>th</sup> May, 2012 due to sad demise.
- ii. Smt. Gopa Ray has resigned as a Director and ceased to be the Director with effect from 30<sup>th</sup> November, 2012.
- iii. Shri T. C. Suseel Kumar has been appointed as an Additional Director with effect from 30<sup>th</sup> November, 2012.

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 31<sup>st</sup> March, 2013, 4 (four) Board Meetings were held. The dates on which the said meetings were held are as follows:

14<sup>th</sup> May, 2012, 13<sup>th</sup> August, 2012, 29<sup>th</sup> October, 2012, and 31<sup>st</sup> January, 2013.

#### Attendance of Directors at Board Meetings during 2012-13 and Directorships and Committee Chairmanship/Membership of other companies as on 31<sup>st</sup> March, 2013

Name of the Director	Category	No. of Board Meetings held - 4	No. of Directorships and Committee Chairmanship/Membership			Attended Last AGM @
		Attended	Other Directorship*	Committee Chairmanship**	Committee Membership**	
Shri Nandan Damani	Executive	4	3	-	2	Yes
<sup>1</sup> Shri M.P.Jatia	Independent Non-Executive	1	5	-	2	No
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
<sup>2</sup> Smt. Gopa Ray	Independent Non-Executive	3	-	-	-	Yes
Shri Sanjay N.Damani	Non-Executive	3	2	-	-	Yes
<sup>3</sup> Shri T.C.Suseel Kumar	Independent Non-Executive	1	-	-	-	No



@ Last AGM was held on 13<sup>th</sup> August, 2012.

\* 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.

<sup>1</sup> Ceased to be a Director w.e.f. 25<sup>th</sup> May, 2012.

<sup>2</sup> Ceased to be a Director w.e.f. 30<sup>th</sup> November, 2012.

<sup>3</sup> Appointed as an Additional Director w.e.f. 30<sup>th</sup> November, 2012.

### 3. AUDIT COMMITTEE

During the year ended 31<sup>st</sup> March, 2013, 4 (four) Audit Committee Meetings were held. The dates on which the said meetings were held are as follows:

14<sup>th</sup> May, 2012, 13<sup>th</sup> August, 2012, 29<sup>th</sup> October, 2012 and 31<sup>st</sup> January, 2013.

The composition of the Audit Committee and the number of meetings attended by each member during the year ended 31<sup>st</sup> March, 2013 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
<sup>1</sup> Shri M.P.Jatia	Member	1
Smt. Anna Malhotra	Member	4

<sup>1</sup> Ceased to be a member w.e.f. 25<sup>th</sup> May, 2012.

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 Act). The brief descriptions of terms of reference are as follows:

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

- Reviewing with management, quarterly financial statements before submission to the Board for approval.
- Reviewing performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Discussion with Internal Auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- 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 31<sup>st</sup> March, 2013, no meeting of the Remuneration Committee was held. The composition of the Remuneration Committee is as follows:

Name of the Member	Designation
Shri V.B.Haribhakti	Chairman
Shri S.K.Somany	Member
<sup>1</sup> Shri M.P.Jatia	Member
Smt. Anna Malhotra	Member

<sup>1</sup> Ceased to be a member w.e.f. 25<sup>th</sup> May, 2012.

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

Non- Executive Directors are paid remuneration by way of 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 31<sup>st</sup> March, 2013 are as under:**

Name of the Non- Executive Directors	Sitting fees (₹)
Shri M.P.Jatia	10,000/-
Shri V.B.Haribhakti	55,000/-
Shri S.K.Somany	55,000/-
Smt. Anna Malhotra	55,000/-
Smt. Gopa Ray	20,000/-
Shri Sanjay N.Damani	20,000/-
Shri T.C.Suseel Kumar	7,500/-

Remuneration paid to Shri Nandan Damani, Chairman and Managing Director, during the financial year 2012-13 is ₹ 42,00,000/-.

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

Name of the Member	No. of Equity Shares held
Shri V.B.Haribhakti	300
Shri S.K.Somany	1,411
Shri Sanjay N.Damani	61,553

## 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

During the year ended 31<sup>st</sup> March, 2013, 4 (four) Shareholders'/Investors' Grievance Committee Meetings were held. The dates on which the said meetings were held are as follows:

14<sup>th</sup> May, 2012, 13<sup>th</sup> August, 2012, 29<sup>th</sup> October, 2012 and 31<sup>st</sup> January, 2013.

The composition of the Shareholders'/Investors' Grievance Committee and the number of meetings attended by each member during the year ended 31<sup>st</sup> March, 2013 is as follows:

Name of the Member	Designation	Number 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 31<sup>st</sup> March, 2013, all of which have been resolved during the year.

Nature of Complaints	No. of Complaints
Non-receipt of Dividends - (received directly)	1
Others	2

There are no Shareholders complaints pending as at 31<sup>st</sup> March, 2013.

## 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
2009 – 2010	11.08.2010	11.00 A. M.	M. C. Ghia Hall, 4 <sup>th</sup> 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 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. D. Marg, Kala Ghoda, Mumbai – 400 001
2011 – 2012	13.08.2012	11.30 A. M.	M. C. Ghia Hall, 4 <sup>th</sup> 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
97 <sup>th</sup>	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 <sup>th</sup>	12.08.2011	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.
99 <sup>th</sup>	13.08.2012	a. Re-appointment of M/s. Dayal and Lohia, Chartered Accountants, Mumbai as Statutory Auditors of the Company.

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

During the year, an Extraordinary General Meeting was held on 30<sup>th</sup> April, 2012 for approval of the:

- Waiver of the recovery of excess remuneration amounting to ₹ 18,17,436/- paid to Shri Nandan Damani, Chairman and Managing Director of the Company; and
- Waiver of the recovery of excess commission amounting to ₹ 3,53,487/- paid to the Non-Executive Directors of the Company.

## 7. DIRECTORS

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

## 8. DISCLOSURES

### a) Related party transactions

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

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

### b) Compliance by the Company

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

### c) Whistle-blower policy

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

### d) Code of Conduct

The Company has laid down a code of conduct for the Directors and Senior Management Personnel of the Company. The code has been posted on the website of the Company. A declaration to the effect that the

Directors and Senior Managerial Personnel have adhered to the same, signed by the 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 31<sup>st</sup> March, 2013 in terms of Clause 49 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 31<sup>st</sup> March, 2013 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**9. MEANS OF COMMUNICATION**

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

**10. CODE FOR PREVENTION OF INSIDER TRADING**

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

**11. GENERAL INFORMATION FOR SHAREHOLDERS**

i)	<b>Date, Time and Venue of forthcoming AGM</b>	Date : 7 <sup>th</sup> August, 2013 Time : 11.30 A.M. Venue : M. C. Ghia Hall, 4 <sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, K. D. Marg, Kala Ghoda, Mumbai – 400 001
ii)	<b>Financial Calendar (2013 – 2014)</b>	i) First Quarterly Results - Upto 15 <sup>th</sup> August, 2013 ii) Second Quarterly Results - Upto 15 <sup>th</sup> November, 2013 iii) Third Quarterly Results - Upto 15 <sup>th</sup> February, 2014 iv) Annual Results - Upto 30 <sup>th</sup> May, 2014
iii)	<b>Date of Book Closure</b>	From Thursday, 1 <sup>st</sup> August, 2013 to Wednesday, 7 <sup>th</sup> August, 2013 (both days inclusive)

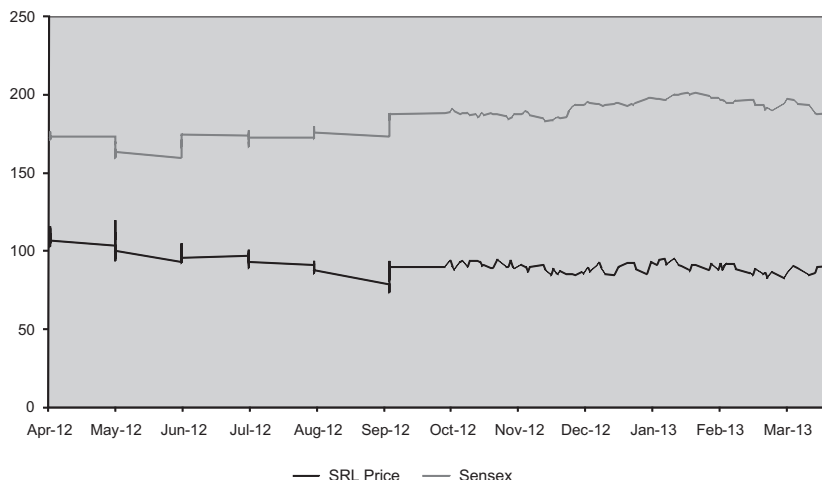
# SIMPLEX REALTY LIMITED

iv)	<b>Dividend payment date</b>	On or after 7 <sup>th</sup> August, 2013
v)	<b>Listing on Stock Exchanges</b>	BSE Limited (BSE) P. J. Towers, Dalal Street, Fort, Mumbai – 400 001
vi)	<b>Stock Code ISIN</b>	503229 INE167H01014

**vii) Market Price Data** The monthly high and low quotations of shares traded on the BSE from April, 2012 to March, 2013 are as follows:

Month	Volume	Price (₹)		BSE Sensex	
	(No. of shares)	High	Low	High	Low
April, 2012	8,303	118.50	102.00	17,664.10	17,010.16
May, 2012	28,266	122.00	93.20	17,432.33	15,809.71
June, 2012	5,202	113.00	88.60	17,448.48	15,748.98
July, 2012	11,779	115.00	81.10	17,631.19	16,598.48
August, 2012	5,043	107.00	76.35	17,972.54	17,026.97
September, 2012	10,057	95.00	72.35	18,869.94	17,250.80
October, 2012	9,678	104.80	88.40	19,137.29	18,393.42
November, 2012	5,061	92.95	84.00	19,372.70	18,255.69
December, 2012	7,729	94.00	84.05	19,612.18	19,149.03
January, 2013	7,689	95.00	85.15	20,203.66	19,508.93
February, 2013	7,663	92.40	82.60	19,966.69	18,793.97
March, 2013	3,391	92.95	80.60	19,754.66	18,568.43

**SRL Share Price and Sensex Movement**



### viii) Share Transfer Agent

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

### ix) Share Transfer System

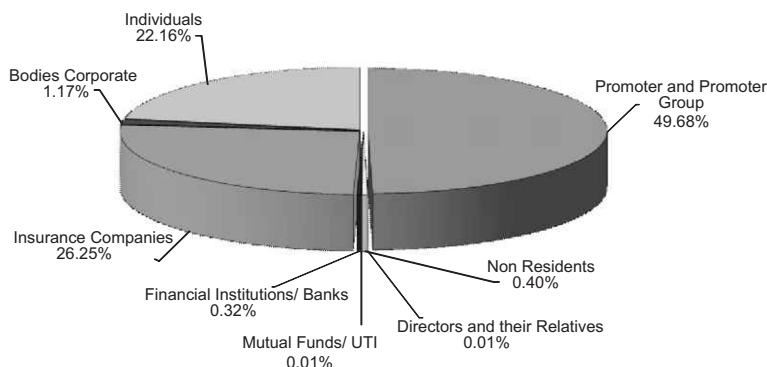
All shares sent or transferred in physical form are registered by the Share Transfer Agent within 30 days of the lodgment, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed and confirmations are given to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

### x) Shareholding Pattern as at 31<sup>st</sup> March, 2013.

	Category	Number of shares held	Percentage of Shareholding
(A)	Shareholding of Promoter and Promoter Group	14,86,079*	49.68 *
(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	34,906	1.17
(b)	Individuals -		
i.	holding nominal share capital up to ₹ 1 lac.	6,62,877	22.16
ii.	holding nominal share capital in excess of ₹ 1 lac.	-	-
(c)	Non Residents	12,044	0.40
(d)	Directors and their Relatives	300	0.01
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>15,05,303</b>	<b>50.32</b>
	<b>TOTAL (A)+(B)</b>	<b>29,91,382</b>	<b>100.00</b>

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

### Shareholding Pattern as on 31<sup>st</sup> March, 2013



## Distribution of Shareholding as on 31<sup>st</sup> March, 2013

Category	Number of Shareholders	Percentage of total number of Shareholders	Total Number of Shares	Percentage of Total Number of Shares
1 to 500	5,694	96.22	4,04,406	13.51
501 to 1,000	127	2.15	91,212	3.05
1,001 to 5,000	74	1.25	1,56,022	5.22
5,001 to 10,000	11	0.19	70,150	2.35
10,001 & above	11	0.19	22,69,592	75.87
<b>Total</b>	<b>5,917</b>	<b>100.00</b>	<b>29,91,382</b>	<b>100.00</b>

### xi) Dematerialization of Shares and Liquidity

About 91.91 percent shares have been dematerialized as on 31<sup>st</sup> March, 2013. The Equity shares of the Company are traded on BSE Limited.

The Company has paid the Listing fees for the year 2013 – 2014 to the BSE Limited on which its shares are listed.

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

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

### xiii) 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 Shekher R Singh  
Company Secretary and 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](mailto:investors@simplex-group.com)  
Website : [www.simplex-group.com](http://www.simplex-group.com)

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



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

It is hereby declared that all the Board Members and Senior Management Personnel of the Company have affirmed adherence to and compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2013.

For **Simplex Realty Limited**

Mumbai, 8<sup>th</sup> May, 2013

**Nandan Damani**  
Chairman and Managing Director

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## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**SIMPLEX REALTY LIMITED**

We have examined the records concerning Compliance of the conditions of Corporate Governance by **Simplex Realty Limited** for the year ended 31<sup>st</sup> March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the BSE Limited.

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

In our opinion and based on the information and explanations given to us and the representations made by the management and to the best of our knowledge and belief, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the 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's Registration No.102200W

Mumbai, 8<sup>th</sup> May, 2013

**Anil Lohia**  
Partner  
Membership No.31626

## AUDITORS' REPORT

### TO THE MEMBERS OF SIMPLEX REALTY LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of Simplex Realty Limited (the Company), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

#### Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Dayal and Lohia**  
Chartered Accountants  
Firm's Registration No.102200W

**Anil Lohia**  
Partner  
Membership No. 31626

Mumbai, 8<sup>th</sup> May, 2013

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## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our Report of even date to the members of **Simplex Realty Limited** on the financial statements for the year ended 31<sup>st</sup> March, 2013.)

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, if any, noticed during such verification have been suitably adjusted in the books of account.
  - 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 explanation 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 / taken by the Company to / from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956 :
  - a) The Company has granted loan of ₹ 2,43,00,000/- to a party listed u/s 301 of the Companies Act 1956 during the year.

- b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company.
  - c) Out of the above, the Company has received back ₹ 78,00,000/- during the year. The repayment terms are on demand and hence there is no overdue amount of principal and interest.
  - d) The Company has taken loans of ₹ 6,20,31,869/- from two parties listed in the register maintained u/s 301 of the Companies Act, 1956.
  - e) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions are prima facie not prejudicial to the interest of 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 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. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Sales Tax, Income 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 aforesaid dues were outstanding as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date it became payable.
- b) According to the information and explanations given to us, as at the Balance Sheet date, Income Tax demands amounting to ₹ 6,29,61,680/- remained to be deposited on account of pending disputes being filed before the Commissioner of Income Tax (Appeals).
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 any 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's Registration No.102200W

**Anil Lohia**  
Partner  
Membership No. 31626

Mumbai, 8<sup>th</sup> May, 2013

# SIMPLEX REALTY LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As at 31.03.2013 ₹	As at 31.03.2012 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
Share capital	2	2,99,36,870	2,99,36,870
Reserves and surplus	3	1,10,59,59,736	1,09,79,44,201
		<u>1,13,58,96,606</u>	<u>1,12,78,81,071</u>
<b>2. Non-Current Liabilities</b>			
Deferred tax liability (net)	4	18,62,809	17,67,078
Long - term provisions	5	4,89,165	6,90,277
		<u>23,51,974</u>	<u>24,57,355</u>
<b>3. Current Liabilities</b>			
Trade payables		20,74,773	-
Other current liabilities	6	13,33,49,282	9,10,92,850
Short - term provisions	7	79,04,402	75,06,112
		<u>14,33,28,457</u>	<u>9,85,98,962</u>
<b>TOTAL</b>		<u>1,28,15,77,037</u>	<u>1,22,89,37,388</u>
<b>II ASSETS</b>			
<b>1. Non-Current Assets</b>			
Fixed assets			
Tangible assets	8	1,93,14,154	2,05,60,079
Non - current investments	9	2,93,36,231	2,93,36,231
Long - term loans and advances	11	10,15,55,961	10,15,53,640
		<u>15,02,06,346</u>	<u>15,14,49,950</u>
<b>2. Current Assets</b>			
Current investments	10	33,10,041	32,17,656
Inventories	12	44,80,32,634	33,43,00,356
Cash and cash equivalents	13	30,80,169	41,19,382
Short - term loans and advances	14	66,74,46,469	72,36,84,655
Other current assets	15	95,01,378	1,21,65,389
		<u>1,13,13,70,691</u>	<u>1,07,74,87,438</u>
<b>TOTAL</b>		<u>1,28,15,77,037</u>	<u>1,22,89,37,388</u>
<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	1		
<b>NOTES FORMING PART OF FINANCIAL STATEMENTS</b>	1 to 30		

As per our report of even date attached

For and on behalf of the Board

For **Dayal and Lohia**  
Chartered Accountants  
Firm's Registration No.102200W

**Surendra Kabra**  
Chief Financial Officer

**Nandan Damani**  
Chairman and Managing Director

**Anil Lohia**  
Partner  
Membership No. 31626  
Mumbai, 8<sup>th</sup> May, 2013

**Shekher R Singh**  
Company Secretary and  
Compliance Officer

**S.K.Somany**  
Director

Mumbai, 8<sup>th</sup> May, 2013

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	2012-13 ₹	2011-12 ₹
<b>I Revenue from operations</b>	<b>16</b>	-	21,33,542
<b>II Other income</b>	<b>17</b>	<b>5,68,01,541</b>	<b>6,78,43,427</b>
<b>III Total Revenue (I+II)</b>		<b>5,68,01,541</b>	<b>6,99,76,969</b>
<b>IV Expenses</b>			
Cost of development	18	-	1,01,40,901
Employee benefits expense	19	1,66,13,591	1,69,26,855
Finance costs	20	19,20,621	11,51,523
Depreciation	8	17,31,665	14,58,248
Other expenses	21	1,76,69,374	1,90,98,271
Total expenses		<b>3,79,35,251</b>	<b>4,87,75,798</b>
<b>V Profit before tax</b>		<b>1,88,66,290</b>	<b>2,12,01,171</b>
Current Tax		55,40,036	57,69,789
Deferred Tax		95,730	(9,50,523)
<b>VI Profit for the period</b>		<b>1,32,30,524</b>	<b>1,63,81,905</b>

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

Basic	4.42	5.48
Diluted	4.42	5.48

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** 1

**NOTES FORMING PART OF FINANCIAL STATEMENTS** 1 to 30

As per our report of even date attached

For and on behalf of the Board

For **Dayal and Lohia**  
Chartered Accountants  
Firm's Registration No.102200W

**Surendra Kabra**  
Chief Financial Officer

**Nandan Damani**  
Chairman and Managing Director

**Anil Lohia**  
Partner  
Membership No. 31626  
Mumbai, 8<sup>th</sup> May, 2013

**Shekher R Singh**  
Company Secretary and  
Compliance Officer

**S.K.Somany**  
Director

Mumbai, 8<sup>th</sup> May, 2013

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

		2012-13	2011-12
	₹	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>			
<b>PROFIT BEFORE TAX</b>		<b>1,88,66,290</b>	<b>2,12,01,171</b>
<b>Adjustments for :</b>			
Depreciation	17,31,665		14,58,248
Finance costs	19,20,621		11,51,523
Profit on sale of investments (net)	(1,05,251)		(8,98,737)
Dividend income	(1,24,103)		(1,43,787)
Interest income	(4,15,04,874)		(5,34,49,862)
Loss on sale of fixed assets	1,18,026		2,78,725
Portfolio management fees	63,330		59,420
Sundry balances written off	(5,997)		(298)
Adjustments to the carrying amount of investments	(50,463)	(3,79,57,046)	(54,28,068)
<b>OPERATING LOSS BEFORE WORKING CAPITAL CHANGES</b>		<b>(1,90,90,756)</b>	<b>(3,57,71,665)</b>
<b>(Increase)/Decrease in:</b>			
Inventories	(11,37,32,278)		(11,50,72,023)
Long-term loans and advances	(2,321)		(6,17,428)
Short-term loans and advances and other current assets	5,56,01,971		17,90,66,600
Long-term provisions	(2,01,112)		(8,16,265)
Trade payables	20,74,773		-
Other current liabilities	4,22,76,746		1,64,35,825
Short-term provisions	3,98,290	(1,35,83,931)	12,46,291
<b>CASH GENERATED FROM OPERATIONS</b>		<b>(3,26,74,687)</b>	<b>4,44,71,335</b>
Direct taxes paid		(50,56,381)	(14,42,84,710)
<b>NET CASH (USED IN) OPERATING ACTIVITIES (A)</b>		<b>(3,77,31,068)</b>	<b>(9,98,13,375)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>			
Purchase of fixed assets		(8,12,210)	(58,83,040)
Sale of fixed assets		2,08,444	1,42,348
Sale of investments		-	1,12,12,838
Dividend received		1,24,103	1,43,787
Interest received		4,43,07,128	4,98,57,179
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES (B)</b>		<b>4,38,27,465</b>	<b>5,54,73,112</b>



	2012-13 ₹	2011-12 ₹
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Finance costs	(19,20,621)	(11,51,523)
Dividend paid (including dividend distribution tax)	(52,14,989)	(87,20,552)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(71,35,610)</b>	<b>(98,72,075)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(10,39,213)</b>	<b>(5,42,12,338)</b>
<b>CASH AND CASH EQUIVALENTS - AT THE START OF THE YEAR</b>	<b>41,19,382</b>	<b>5,83,31,720</b>
<b>CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR</b>	<b>30,80,169</b>	<b>41,19,382</b>
<b>Cash and cash equivalents comprise of :</b>	<b>As on</b>	<b>As on</b>
	<b>31.03.13</b>	<b>31.03.12</b>
Cash on hand	51,095	2,42,413
Balances with Scheduled Banks :		
- in Current accounts	6,51,802	16,24,164
- in Unpaid dividend accounts*	23,77,272	22,52,805
	<b>30,80,169</b>	<b>41,19,382</b>

\* 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's Registration No.102200W

**Anil Lohia**  
Partner  
Membership No. 31626  
Mumbai, 8<sup>th</sup> May, 2013

**Surendra Kabra**  
Chief Financial Officer

**Shekher R Singh**  
Company Secretary and  
Compliance Officer

For and on behalf of the Board

**Nandan Damani**  
Chairman and Managing Director

**S.K.Somany**  
Director

Mumbai, 8<sup>th</sup> May, 2013

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### CORPORATE INFORMATION

Simplex Realty Limited (the Company) is into 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### (i) Basis of preparation:

These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) on the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standard) Rules, 2006, provisions of the Companies act, 1956 and guidelines issued by Securities and Exchange of 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 purchase.

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

##### (vi) Inventories:

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 12 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.

### **(xii) Provisions & 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

2. SHARE CAPITAL	31.03.2013 ₹	31.03.2012 ₹
<b>AUTHORISED</b>		
1,00,00,000 Equity Shares of ₹10/- each	<b>10,00,00,000</b>	10,00,00,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
29,91,382 (Previous year 29,91,382) Equity shares of ₹10/- each fully paid up (of which 360 (Previous year 360) shares remain to be exchanged for fractional certificates)	<b>2,99,13,820</b>	2,99,13,820
Add : Forfeited shares account	<b>23,050</b>	23,050
<b>Total issued, subscribed and fully paid up share capital</b>	<b>2,99,36,870</b>	2,99,36,870

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

Particulars	31.03.2013		31.03.2012	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	29,91,382	2,99,13,820	29,91,382	2,99,13,820
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>29,91,382</b>	<b>2,99,13,820</b>	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, 2013		As at 31 March, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Lucky Vyapaar and Holdings Pvt. Ltd.	7,43,040	24.84	7,43,040	24.84
Life Insurance Corporation of India	6,85,741	22.92	6,85,741	22.92
New Textiles Pvt. Ltd.	5,04,233	16.86	4,90,292	16.39

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

<b>3. RESERVES AND SURPLUS</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<u>₹</u>	<u>₹</u>
<b>CAPITAL RESERVE</b>	<b>60,71,263</b>	60,71,263
<b>SECURITIES PREMIUM ACCOUNT</b>	<b>1,43,23,904</b>	1,43,23,904
<b>GENERAL RESERVE</b>		
Opening balance	<b>69,10,00,000</b>	69,00,00,000
Add: Amount transferred from surplus balance in Statement of Profit and Loss	<b>7,00,000</b>	10,00,000
<b>Closing Balance</b>	<b>69,17,00,000</b>	69,10,00,000

### **SURPLUS IN THE STATEMENT OF PROFIT AND LOSS**

Opening balance	<b>38,65,49,034</b>	37,63,82,118
Profit for the year	<b>1,32,30,524</b>	1,63,81,905
Less: Appropriations:		
Proposed dividend	<b>44,87,073</b>	44,87,073
Tax on proposed dividend	<b>7,27,916</b>	7,27,916
Transfer to General Reserve	<b>7,00,000</b>	10,00,000
<b>Closing Balance</b>	<b>39,38,64,569</b>	38,65,49,034
<b>Total Reserves and Surplus</b>	<b>1,10,59,59,736</b>	1,09,79,44,201

<b>4. DEFERRED TAX LIABILITY (NET)</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<u>₹</u>	<u>₹</u>
<b>Deferred Tax Liability</b>		
Long term capital gain on conversion of land into stock in trade	<b>29,10,857</b>	29,10,857
<b>Gross deferred tax liability</b>	<b>29,10,857</b>	29,10,857
<b>Deferred Tax Assets</b>		
1. Provision for gratuity	<b>5,68,082</b>	5,25,090
2. Provision for leave benefits	<b>4,63,207</b>	4,42,225
3. Difference between tax depreciation and depreciation charged for financial reporting	<b>16,759</b>	1,76,464
<b>Gross deferred tax assets</b>	<b>10,48,048</b>	11,43,779
<b>Net deferred tax liability</b>	<b>18,62,809</b>	17,67,078

<b>5. LONG-TERM PROVISIONS</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<u>₹</u>	<u>₹</u>
<b>For employee benefits</b>		
Gratuity (refer note 19)	<b>4,89,165</b>	6,90,277
	<b>4,89,165</b>	6,90,277

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

<b>6. OTHER CURRENT LIABILITIES</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>₹</b>	<b>₹</b>
Advance received from customers*	<b>2,97,19,174</b>	40,52,880
Lease rent payable	<b>36,53,223</b>	36,53,223
Unpaid dividend	<b>23,77,273</b>	22,52,805
Inter corporate deposit received from related parties	<b>99,69,677</b>	-
Professional fees payable	<b>11,84,294</b>	31,60,282
Advance rent received	<b>4,40,000</b>	-
Deposit received from tenant	<b>25,00,000</b>	-
Other Liabilities - Project "Simplex KhushAangan"	<b>42,56,845</b>	-
<b>Other payables</b>		
Tax deducted at source payable	<b>8,22,983</b>	8,82,306
Wealth tax payable	<b>54,607</b>	68,924
Liabilities for expenses	<b>28,24,636</b>	6,70,309
Interest payable	<b>-</b>	10,36,371
Payable towards share in Project "Planet Godrej"	<b>7,37,80,148</b>	7,38,41,882
Others**	<b>17,66,422</b>	14,73,868
	<b>13,33,49,282</b>	<b>9,10,92,850</b>
 * Includes amount received from an officer of the company	<b>11,25,300</b>	1,94,850
* Includes amount received from related parties	<b>22,02,900</b>	3,89,700
**Includes ex-employees dues (pending claims) and other statutory dues etc.		

<b>7. SHORT-TERM PROVISIONS</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>₹</b>	<b>₹</b>
<b>For employee benefits - (refer note 19)</b>		
Gratuity	<b>12,61,743</b>	9,28,124
Leave benefits	<b>14,27,670</b>	13,62,999
<b>Others</b>		
Proposed dividend	<b>44,87,073</b>	44,87,073
Tax on proposed dividend	<b>7,27,916</b>	7,27,916
	<b>79,04,402</b>	<b>75,06,112</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 8. TANGIBLE ASSETS

(In ₹)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2012	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2013	Upto 31st March, 2012	Provided during the year	On Deductions/ Adjustments	Upto 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Freehold Land (at cost)	50,00,318	-	-	50,00,318	-	-	-	-	50,00,318	50,00,318
Buildings	46,96,512	-	-	46,96,512	10,62,589	1,17,607	-	11,80,196	35,16,316	36,33,923
Plant and Machinery including Computers and Electrical Installations	11,73,702	4,70,483	-	16,44,185	6,94,131	1,69,387	-	8,63,518	7,80,667	4,79,571
Furniture and Office Equipments	31,77,715	3,41,727	2,41,000	32,78,442	16,92,316	2,30,912	2,00,954	17,22,274	15,56,168	14,85,399
Vehicles	1,29,80,180	-	8,26,363	1,21,53,817	30,19,312	12,13,759	5,39,939	36,93,132	84,60,685	99,60,868
<b>Total</b>	<b>2,70,28,427</b>	<b>8,12,210</b>	<b>10,67,363</b>	<b>2,67,73,274</b>	<b>64,68,348</b>	<b>17,31,665</b>	<b>7,40,893</b>	<b>74,59,120</b>	<b>1,93,14,154</b>	<b>2,05,60,079</b>
Previous Year	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		

### 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 (₹)
				31.03.2013	31.03.2012			31.03.2013	31.03.2012	31.03.2013
I	Investments in Equity Instruments									
(a)	Simplex Mills Company Ltd.	Associates	10	14,70,000	14,70,000	Quoted	Fully Paid	49.00	49.00	1,46,10,800
(b)	Simplex Papers Ltd.	Associates	10	14,71,000	14,71,000	Quoted	Fully Paid	48.99	48.99	1,47,25,431
(c)	Universal Conveyor Beltings Ltd.	Others	10	27,500	27,500	Unquoted	Fully Paid	-	-	-
(d)	Integra Garments and Textiles Ltd.*	Others	3	2,109	-	Unquoted	Fully Paid	-	-	-
	<b>Total Non-Current Investments</b>									<b>2,93,36,231</b>

\* Received pursuant to scheme of arrangement and amalgamation of Morarjee Textiles Ltd.

Particulars	31.03.2013 ₹	31.03.2012 ₹
Aggregate amount of quoted investments (Market value ₹ 2,80,83,590 (Previous year ₹ 4,11,22,870))	2,93,36,231	2,93,36,231
Aggregate amount of unquoted investments	-	-
Aggregate provision for diminution in value of investments	2,75,000	2,75,000

# SIMPLEX REALTY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

Sr. No.	Particulars	Associate/ Others	Face value	No. of Shares/Units		Quoted/ Unquoted	Partly/ Fully paid	Extent of Holding (%)		Value (₹)	
				31.03.2013	31.03.2012			31.03.2013	31.03.2012	31.03.2013	31.03.2012
<b>I</b>	<b>Investments in Equity Instruments</b>										
(a)	Peninsula Land Ltd.	Others	2	10,750	10,750	Quoted	Fully Paid	-	-	3,92,375	3,49,912
(b)	Prime Urban Development (I) Ltd.	Others	2	2,500	2,500	Quoted	Fully Paid	-	-	14,475	35,001
(c)	HDFC Ltd.	Others	2	1,400	1,400	Quoted	Fully Paid	-	-	4,483	4,483
(d)	Piramal Enterprises 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	-	-	7,107	2,368
(g)	Hindustan Unilever Ltd.	Others	1	360	360	Quoted	Fully Paid	-	-	1,67,796	1,47,564
(h)	Delta Magnets Ltd.	Others	10	750	750	Quoted	Fully Paid	-	-	20,626	21,900
(i)	Morarjee Textiles Ltd.	Others	7	2,109	2,109	Quoted	Fully Paid	-	-	26,384	21,554
<b>II</b>	<b>Other Investments</b>										
	Forefront Capital Management Pvt. Ltd.- PMS	Others	-	-	-	Quoted		-	-	24,40,571	23,98,650
	<b>Total Current Investments</b>									<b>33,10,041</b>	<b>32,17,656</b>

Particulars	31.03.2013 ₹	31.03.2012 ₹
Aggregate amount of quoted investments (Market value ₹ 59,67,170 (Previous Year ₹ 53,01,682))	33,10,041	32,17,656
Aggregate amount of unquoted investments	-	-
Aggregate provision for diminution in value of investments	3,80,319	4,30,782

### 11. LONG-TERM LOANS AND ADVANCES

(Unsecured, considered good)

	31.03.2013 ₹	31.03.2012 ₹
Security deposits	8,05,961	5,03,640
Deposit towards property development	10,00,00,000	10,00,00,000
Loans to employees*	7,50,000	10,50,000
	<b>10,15,55,961</b>	<b>10,15,53,640</b>

\* includes due by officers of the Company

7,50,000

10,50,000



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

<b>12. INVENTORIES</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	₹	₹
Construction work-in-progress	<u>44,80,32,634</u>	<u>33,43,00,356</u>
	<u>44,80,32,634</u>	<u>33,43,00,356</u>
<b>Increase in construction work-in-progress</b>		
<b>Opening balance</b>		
Construction work-in-progress	33,43,00,356	21,92,28,332
Add: Expenses incurred during the year	11,37,32,278	12,52,12,925
Less: Cost charged to statement of Profit & Loss	-	1,01,40,901
<b>Closing Balance</b>	<u>44,80,32,634</u>	<u>33,43,00,356</u>
<b>Mode of valuation</b>		
Construction work-in-progress are valued at cost.		
<b>13. CASH AND BANK EQUIVALENTS</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	₹	₹
Balances with banks:		
In current accounts	6,51,802	16,24,164
Cash on hand	51,095	2,42,413
Earmarked balances with bank	<u>23,77,272</u>	<u>22,52,805</u>
	<u>30,80,169</u>	<u>41,19,382</u>
<b>14. SHORT-TERM LOANS AND ADVANCES</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	₹	₹
<b>Loans and advances to related parties</b>		
Unsecured - considered good	11,59,14,647	11,56,13,454
- considered doubtful	<u>2,94,63,607</u>	<u>2,94,63,607</u>
	<u>14,53,78,254</u>	<u>14,50,77,061</u>
Provision for doubtful advances	<u>(2,94,63,607)</u>	<u>(2,94,63,607)</u>
(a)	<u>11,59,14,647</u>	<u>11,56,13,454</u>
<b>Other Loans and Advances</b>		
(Unsecured, considered good)		
Advance fringe benefit tax (net of provisions for taxation)	82,515	82,515
Advance income tax (net of provisions for taxation)	2,04,50,575	2,09,48,547
Income tax paid against disputed demand	11,99,64,470	15,92,00,000
Advance towards property development/land acquisition	13,00,00,000	13,00,00,000
Loans to employees*	11,51,000	11,83,500
Inter corporate deposits	18,66,16,262	21,39,43,213
Service tax receivables	23,25,902	-
Prepaid expenses	3,66,823	1,97,291
Advances paid towards project approvals	8,25,18,017	8,16,22,038
Other advances	<u>80,56,258</u>	<u>8,94,097</u>
(b)	<u>55,15,31,822</u>	<u>60,80,71,201</u>
<b>Total (a+b)</b>	<u>66,74,46,469</u>	<u>72,36,84,655</u>
* includes due by officers of the Company	7,50,000	6,00,000

# SIMPLEX REALTY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

<b>15. OTHER CURRENT ASSETS</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
	₹	₹
Interest receivable	92,57,245	1,20,59,499
Others	2,44,133	1,05,890
	<u>95,01,378</u>	<u>1,21,65,389</u>

<b>16. REVENUE FROM OPERATIONS</b>	<b>2012-13</b>	<b>2011-12</b>
	₹	₹
Revenue from development of land	-	21,33,542
	<u>-</u>	<u>21,33,542</u>

<b>17. OTHER INCOME</b>	<b>2012-13</b>	<b>2011-12</b>
	₹	₹
<b>Interest on</b>		
Bank deposits	1,68,371	8,77,809
Inter corporate deposits	2,66,42,230	3,79,13,746
Other deposits	1,46,94,273	1,46,58,307
Income tax refund	34,12,500	-
Dividend on current investments	1,24,103	1,43,787
Net gain on sale of current investments	1,05,251	8,98,737
Building rent	1,15,92,040	79,22,040
Other Non-operating income	12,310	933
Adjustments to the carrying amount of investments	50,463	54,28,068
	<u>5,68,01,541</u>	<u>6,78,43,427</u>

<b>18. COST OF DEVELOPMENT</b>	<b>2012-13</b>	<b>2011-12</b>
	₹	₹
Cost of developable land	-	81,86,988
Development costs	-	19,53,913
	<u>-</u>	<u>1,01,40,901</u>

<b>19. EMPLOYEE BENEFITS EXPENSE</b>	<b>2012-13</b>	<b>2011-12</b>
	₹	₹
Salaries and wages	1,46,56,028	1,55,50,447
Contribution to provident and other funds	3,60,835	3,20,864
Welfare expenses	15,96,728	10,55,544
	<u>1,66,13,591</u>	<u>1,69,26,855</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 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

- a) Provident Fund
- b) Superannuation fund and Pension Scheme, 1995

The Company has recognized the following amounts in the Statement of Profit and Loss which are included under

	2012-13 ₹	2011-12 ₹
<b>Contribution to:</b>		
Provident fund	46,446	38,404
Superannuation fund	2,91,667	2,50,000
Pension fund	22,722	32,460

#### 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:

<b>Actuarial assumptions</b>	2012-13	2011-12
Discount rate	8.00%	8.65%
Salary escalation rate	10.00%	10.00%
Attrition rate	0.50%	0.50%

<b>GRATUITY</b>	2012-13 ₹	2011-12 ₹
<b>A. Changes in value of obligations</b>		
Liability at the beginning of the year	16,18,401	16,95,861
Interest cost	1,39,992	1,31,755
Current service cost	94,487	88,554
Benefit paid	-	(1,66,395)
Actuarial (gain)/loss on obligations	(1,01,972)	(1,31,374)
Liability at the end of the year	17,50,908	16,18,401
<b>B. Amount recognized in the Balance Sheet</b>		
Present value of defined benefit obligation as at the year end	17,50,908	16,18,401
Fair value of plan assets as at the year end	-	-
Liability/(Net asset) recognized in the Balance Sheet	17,50,908	16,18,401
- Current liability	12,61,743	9,28,124
- Non-current liability	4,89,165	6,90,277

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13 ₹	2011-12 ₹
<b>C. Expenses recognized in the Statement of Profit and Loss</b>		
Interest cost	1,39,992	1,31,755
Current service cost	94,487	88,554
Net Actuarial (gain)/loss recognized	(1,01,972)	(1,31,374)
Expenses recognized in the Statement of Profit and Loss	1,32,507	88,935

### LEAVE ENCASHMENT

	2012-13 ₹	2011-12 ₹
<b>A. Changes in value of obligations</b>		
Liability at the beginning of the year	13,62,999	8,55,513
Interest cost	1,17,899	67,750
Current service cost	3,68,535	3,64,521
Benefit paid	-	(52,523)
Actuarial (gain)/loss on obligations	(4,21,763)	1,27,738
Liability at the end of the year	14,27,670	13,62,999
<b>B. Amount recognized in the Balance Sheet</b>		
Present value of defined benefit obligation as at the year end	14,27,670	13,62,999
Fair value of plan assets as at the year end	-	-
Liability/(Net asset) recognized in the Balance Sheet	14,27,670	13,62,999
- Current liability	14,27,670	13,62,999
<b>C. Expenses recognized in the Statement of Profit and Loss</b>		
Interest cost	1,17,899	67,750
Current service cost	3,68,535	3,64,521
Actuarial (gain)/loss recognized	(4,21,763)	1,27,738
Expenses recognized in the Statement of Profit and	64,671	5,60,009

### 20. FINANCE COSTS

	2012-13 ₹	2011-12 ₹
Interest on inter corporate deposit	18,80,120	11,51,523
Interest on others (delayed payment of taxes)	40,501	-
	19,20,621	11,51,523

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

21. OTHER EXPENSES	2012-13 ₹	2011-12 ₹
Electricity	2,10,465	2,25,686
Repairs to		
Buildings	-	53,080
Machinery	1,24,544	1,78,011
Others	2,30,885	15,36,201
Insurance	1,08,327	78,231
Rent	47,714	45,898
Rates and taxes	22,31,343	5,20,591
Advertisements	78,573	2,40,822
Business promotion expenses	2,34,120	3,30,827
Travelling and conveyance expenses	20,42,998	25,20,909
Legal and professional fees	20,43,215	11,93,774
Retainership fees	10,60,300	10,72,300
Printing, stationery and communication expenses	11,39,904	11,50,532
Bank charges	5,877	11,379
Loss on sale of fixed assets	1,18,026	2,78,725
Vehicles expenses	14,30,231	13,98,702
Flat maintenance expenses	24,79,697	27,28,774
Brokerage on rented premises	5,56,182	-
Membership and subscription charges	1,56,664	7,11,044
Security charges	18,76,124	13,42,342
Sundry expenses	9,00,226	5,79,191
Directors' sitting fees	2,22,500	2,00,000
Auditors' remuneration		
As Auditor		
Audit fee	2,25,000	2,43,540
Tax audit fee	25,000	28,090
For taxation matters	98,110	24,28,100
For reimbursement of expenses	23,349	1,522
	<u>3,71,459</u>	<u>27,01,252</u>
	<u>1,76,69,374</u>	<u>1,90,98,271</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 22. Contingent liabilities not provided for

(In ₹)

	2012-13	2011-12
Appeals filed in respect of disputed demands:		
Income Tax	19,12,77,352	12,83,15,672
Labour Matters	1,35,327	1,35,327
Legal Cases	34,05,600	34,05,600

23. The Company has no dues to micro, small and medium enterprises as defined under Micro, Small and Medium Enterprise Act, 2006 during the year ended 31<sup>st</sup> March, 2013 and 31<sup>st</sup> March, 2012 and as at 31<sup>st</sup> March, 2013 and 31<sup>st</sup> March, 2012.

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 the Project "Planet Godrej" (i.e. net share in profit) if any, will be recognized as income from operation on the basis of estimated project cost. The increase in earlier estimates of cost, if any, will be recognised in the year of revision in such estimates.

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 for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except when the results would be anti-dilutive.

	Particulars	2012-13	2011-12
1	Profit after tax – ₹	1,32,30,524	1,63,81,905
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 - ₹	4.42	5.48

27. The Company's main business activity constitutes developing real estate, which is the only reporting segment. The company does not have any reportable geographical segment.

### 28. 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 - Managing Director
(c) Relative of key management personnel	Mr. S.K.Somany Mr. Sanjay N.Damani Mrs. Shashi Amit Patodia Mrs. Shivani Vishal Jatia

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(d) Where persons mentioned in (b) or (c) exercise significant influence

The Nav Bharat Refrigeration and Industries Ltd.  
Lucky Vyapaar and Holdings Pvt. Ltd.  
Shrinathji Flour Mills Pvt. Ltd.

### (ii) Transactions with related parties

(In ₹)

Type of related party	Description of the nature of transaction	Volume of transactions during 2012-13	Volume of transactions during 2011-12	As on 31.03.13 Receivable/ (Payable)	As on 31.03.12 Receivable/ (Payable)
(a) Associates					
Simplex Papers Ltd.	Loan given / (repaid)	(19,912)	(19,173)	14,33,52,754	14,33,72,666
Simplex Mills Co. Ltd.	Loan given / (repaid)	3,21,105	(71,21,673)	20,25,499	17,04,394
(b) Key Management Personnel	Managerial Remuneration	42,00,000	40,46,667	-	-
(c) Relative of Key Management Personnel	Directors sitting fees	75,000	45,000	-	-
	Advance received against sale of Flats	56,77,424	-	-	-
(d) Where persons mentioned in (b) or (c) exercise significant influence					
a) Reimbursement of expenses received					
The Nav Bharat Refrigeration and Industries Ltd.		23,943	-	-	-
b) Inter Corporate Deposits					
The Nav Bharat Refrigeration and Industries Ltd.	Loan taken Loan (repaid)	82,50,000 (63,50,000)	-	(20,75,270)	-
Lucky Vyapaar and Holdings Pvt. Ltd.	Loan taken Loan (repaid)	5,28,81,869 (5,20,81,869)	-	(8,81,296)	-
Shrinathji Flour Mills Pvt. Ltd.	Loan taken Loan (repaid)	91,50,000 (23,75,000)	-	(70,13,111)	-
c) Interest paid/accrued					
The Nav Bharat Refrigeration and Industries Ltd.		1,94,745	-	-	-
Lucky Vyapaar and Holdings Pvt. Ltd.		14,02,643	-	-	-
Shrinathji Flour Mills Pvt. Ltd.		2,82,732	-	-	-
d) Advance received against sale of flats					
The Nav Bharat Refrigeration and Industries Ltd.		46,77,424	10,00,000	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

### 29. Expenditure in foreign currency

	2012-13 ₹	2011-12 ₹
Travelling and conveyance	4,05,721	2,43,391

### 30. Previous year figures

The financial statements for the year ended 31<sup>st</sup> March, 2013 are prepared as per Revised Schedule VI. The previous year figures have been reclassified to conform to this year's classification, wherever necessary to conform current year's presentation.

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As per our report of even date attached

For and on behalf of the Board

**For Dayal and Lohia**  
Chartered Accountants  
Firm's Registration No.102200W

**Surendra Kabra**  
Chief Financial Officer

**Nandan Damani**  
Chairman and Managing Director

**Anil Lohia**  
Partner  
Membership No. 31626  
Mumbai, 8<sup>th</sup> May, 2013

**Shekher R Singh**  
Company Secretary and  
Compliance Officer

**S.K.Somany**  
Director  
Mumbai, 8<sup>th</sup> May, 2013



## FINANCIAL REVIEW

(₹ in lacs)

	2012-13	2011-12	2010-11	2009-10	2008-09
<b>FINANCIAL POSITION</b>					
Share Capital	299	299	299	299	299
Reserves and Surplus	11,059	10,979	10,868	10,614	9,421
Loan Funds	-	-	-	-	-
Deferred Tax Liability (Net)	19	18	27	28	56
<b>Funds Employed</b>	<b>11,377</b>	<b>11,296</b>	<b>11,194</b>	<b>10,941</b>	<b>9,776</b>
Gross Block	268	270	227	160	153
Depreciation	75	65	61	56	43
Net Block	193	205	166	104	110
Net Current and Other Assets	11,184	11,091	11,028	10,837	9,666
<b>Total Assets</b>	<b>11,377</b>	<b>11,296</b>	<b>11,194</b>	<b>10,941</b>	<b>9,776</b>

## OPERATING RESULTS

Revenue and Other income	568	700	857	2,992	17,531
Operating and other expenses	344	462	301	749	6,661
Depreciation	17	15	12	11	11
Finance costs	19	11	11	-	1
Prior period items	-	-	-	(193)	(1)
Extraordinary items	-	-	-	75	-
Profit before tax	188	212	533	2,350	10,859
Current tax (Incl. MAT credit)	55	58	192	892	2,264
Deferred tax	1	(10)	-	(28)	314
Profit after tax for the year	132	164	341	1,486	8,281
Tax expenses of earlier years	-	-	-	32	13
Profit after tax	132	164	341	1,454	8,268
Dividend for the Year	45	45	75	224	299
Dividend %	15	15	25	75	100

**NOTES**



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

## ATTENDANCE SLIP

I hereby record my presence at the 100<sup>th</sup> ANNUAL GENERAL MEETING held at M.C. Ghia Hall, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai 400 001 at 11.30. A.M. on Wednesday, the 7<sup>th</sup> day of August, 2013.

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 and to vote for me / us on my / our behalf at the 100<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 7<sup>th</sup> day of August, 2013 at 11.30 A.M. at M.C. Ghia Hall, 4<sup>th</sup> Floor, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai 400 001.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

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:

- 1) The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.
- 2) The Proxy need not be a Member.



Dear Shareholder(s)

8<sup>th</sup> May, 2013

**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). This facility is currently available to shareholders located at Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Guwahati, Jaipur, Hyderabad, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Pune and Thiruvananthapuram, Shareholders in these locations 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 10th August, 2013. 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 dematerialized 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 Company.

Thank you,

Yours sincerely,

For **Simplex Realty Limited**

**Shekher R Singh**

Company Secretary and 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 and branch as appearing on the MICR Cheque (for NECS Mandate only) <b>Please attach photo copy of the cheque</b>	
G.	Telephone Number (with STD code) of shareholder (optional)	
H.	Email address 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.